

# CSR for ITOCHU Corporation

ITOCHU Corporation is pursuing multi-faceted corporate activities in various regions of the world and a wide range of fields, and as such, ITOCHU is well aware of how significant its impact on society is.

We believe that corporate social responsibility (CSR) lies in corporate thought and action on the question of how to play a role in building sustainable societies through business activities. We also believe that our mission is to fulfill our Corporate Social Responsibility as a global enterprise, always working from the viewpoint of whether we are contributing to the countries of the world and to society.

## ITOCHU Group Corporate Message

ITOCHU founder Chubei Itoh first launched a wholesale linen business in 1858. For more than 150 years since, ITOCHU has passed down the spirit of sampo yoshi (good for the buyer, seller and society), a management philosophy embraced by Ohmi merchants that is the source of its CSR thinking today.

After considering ways to demonstrate its commitment to society as an international corporation and to put this commitment into practice, in 1992 ITOCHU formulated "Committed to the Global Good" as a corporate philosophy. The conceptual framework for this philosophy was reorganized in 2009. In order for all employees to properly understand the responsibility that the ITOCHU Group is charged with fulfilling for society and to make this philosophy an integral part of actions everyday, its core element, "Committed to the Global Good," was set as the ITOCHU Mission for the entire ITOCHU Group. Accompanying this is a new set of five values, called the ITOCHU Values, considered vital for enabling each employee to fulfill their role in realizing the ITOCHU Mission. To embed the ITOCHU Values, ITOCHU has formulated "5 self-tests" that employees can refer to in order to determine that the five values are present in their actions.

In June 2014, we formulated our corporate message, "I am One with Infinite Missions," which clarifies our corporate philosophy of "Committed to the Global Good" and is a promise to society that we will fulfill our responsibilities.

The Corporate Message incorporates our promise to society, that we will continue to provide the abundance that results from business activities, and it also incorporates diverse aspects "typical to ITOCHU," such as the rich personalities of our employees, our free spirited corporate culture, and "individual capabilities." In this way, the Corporate Message expresses the values that must be shared by all employees as we take on further challenges.






### ITOCHU Mission

## Committed to the Global Good



The ITOCHU group respects the individual, society, and the future in its Commitment to the Global Good.

### ITOCHU Values & 5 self-tests

	<b>Visionary</b>	Am I communicating vision and moving forward with others?
	<b>Integrity</b>	Am I proud to say I am involved in the work?
	<b>Diversity</b>	Am I including the ideas and skills of a variety of people to create the best result?
	<b>Passion</b>	Am I taking responsibility for and caring intensely about what I am doing?
	<b>Challenge</b>	Am I actively trying new things and pursuing innovative solutions?

# Sampo Yoshi and ITOCHU CSR

## Basic Perspective on CSR at ITOCHU

ITOCHU Corporation is strongly aware that companies are also members of society, and that a company cannot remain sustainable unless it coexists with society as a good corporate citizen, and meets the expectations of society through its business activities. We at ITOCHU Corporation believe that corporate social responsibility (CSR) lies in corporate thought and action on the question of how to play a role in building sustainable societies through business activities. This approach ties into a management philosophy of *sampo yoshi* held by the Ohmi merchants, which forms the cornerstone upon which our founder Chubei Itoh built his business. We believe that it is our mission to understand diverse values as a truly global enterprise, meet the expectations of society, and continue to be a company that is needed by society.



"Itoh Itomise"  
thread and yarn  
store at the time  
of its opening in  
1893

## Our Founder Chubei Itoh and *Sampo Yoshi*

ITOCHU traces its origins back to 1858, the year in which Chubei Itoh set out from Toyosato Village in Shiga Prefecture on a journey to Nagasaki as a traveling linen merchant.

Chubei Itoh grounded his business in the spirit of *sampo yoshi*, a management philosophy embraced by merchants in the feudal province of Ohmi, where he was born. In adherence with their *sampo yoshi* philosophy, as well as being good for the seller and the buyer, Ohmi merchants contributed to the economies of the regions they visited. In the shogunate era, Ohmi merchants came into existence and their economic activities were permitted because they were regarded as being good for society. This can be said to be the roots of today's idea of CSR, which calls on companies to balance their business activities with the interests of a variety of stakeholders. That spirit is evident in Chubei Itoh's personal motto, "Trade is a compassionate business. It is noble when it accords with the spirit of Buddha by profiting those who sell and those who buy and supplying the needs of society."



Our founder  
Chubei Itoh  
(1842-1903)



Ohmi merchants  
(courtesy of  
Museum of Ohmi  
Merchant)

## The Roots of a Management Philosophy Passed Down for 150 Years

Our founder Chubei Itoh established a "store law" in 1872. Also, he adopted a meeting system. The store law was a set of house rules covering what in modern parlance we would call management philosophy, a human resources system, and employment regulations, which subsequently became the foundation of ITOCHU Corporation's management philosophy. Emphasizing communication with employees, Chubei Itoh chaired meetings himself. Moreover, he incorporated a series of what were at the time groundbreaking management systems, including the codification of "sharing of profit by three parties" (\*) and Western bookkeeping methods. Those initiatives built the foundations of mutual trust between the store owner and employees. Since that era, we have based our corporate management on CSR.



A daifukucho  
ledger from the  
time of ITOCHU's  
founding

\* Sharing of profit by three parties: In a predominately feudal era, this was an extremely progressive philosophy of sharing profits with employees. The store's net profit was divided among three parties: the store owner, the store's reserve fund, and store employees.

## 150 Years of History and CSR

In 2008, ITOCHU Corporation marked its 150th anniversary. Why has ITOCHU continued to develop? Because ITOCHU has over 150 years put into practice the spirit of *sampo yoshi*, a management philosophy trumpeted by Ohmi merchants that is the source of its CSR thinking today. At the same time, as the business environment has changed with the times, ITOCHU has built a corporate culture that anticipates change and turns it into opportunities.

Since its foundation, ITOCHU Corporation has consistently thrived despite the turmoil it has faced in different eras, including two world wars and periods of economic volatility. Launched as a trading company mainly handling textiles, ITOCHU Corporation has fulfilled the role of a trading company that has responsively changed according to the demands of each generation while significantly changing its product and business portfolios-expanding its sphere of influence to include areas from upstream raw materials through to downstream consumer sales. As it has grown, ITOCHU Corporation has evolved into a general trading company and from there into a globally integrated corporation.

We are convinced that our history has continued for 150 years because we have surely upheld and passed on the spirit of *sampo yoshi* while remaining an essential component of society by responding to changes in its expectations in different eras.



The headquarters with modern amenities built in 1915

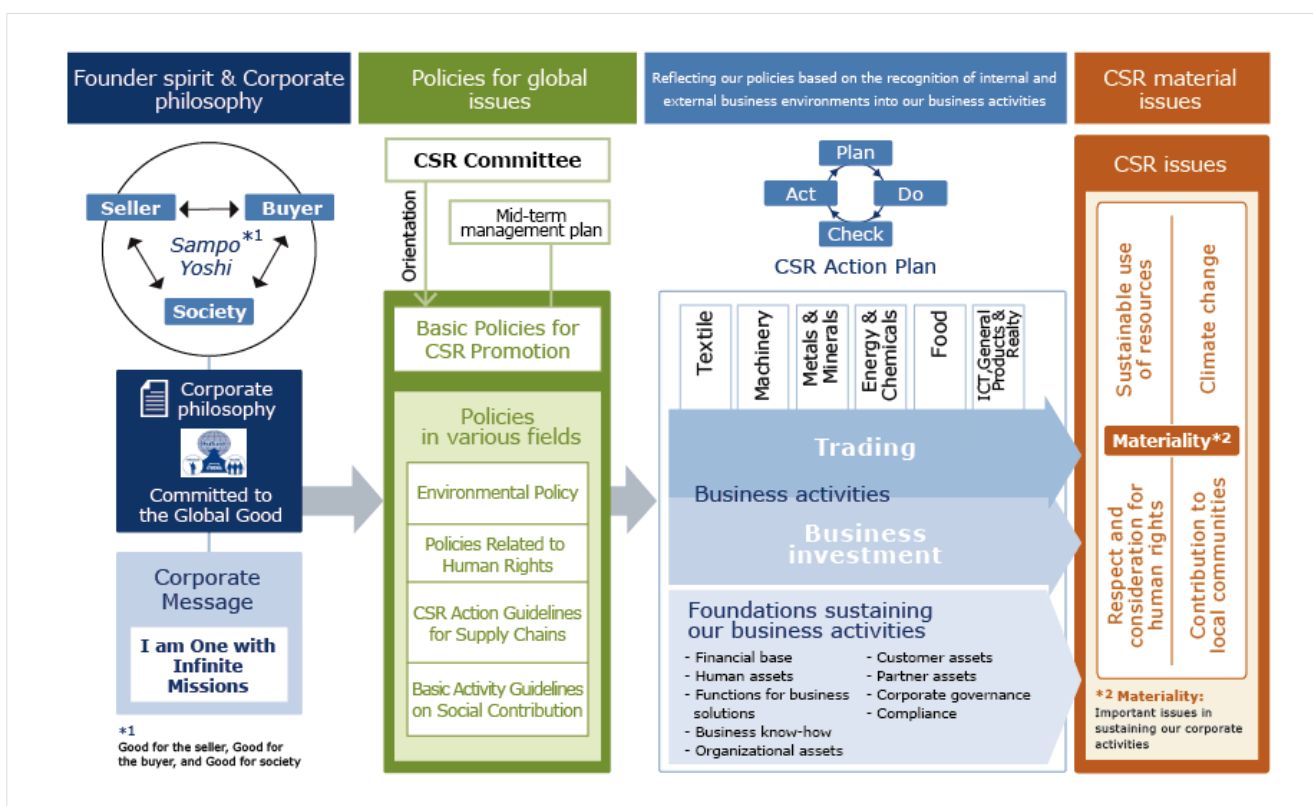
# Basic Policy on CSR and Promotion System

## CSR Promotion at ITOCHU Corporation

For more than 150 years since its founding in 1858, ITOCHU Corporation has carried on the spirit of sampo Yoshi (Good for the seller, Good for the buyer, Good for society), which was termed the management philosophy of merchants in the province of Ohmi. We at ITOCHU Corporation, in accordance with the ITOCHU Mission “Committed to the Global Good,” believe that fulfilling our social responsibility through our business activities is important.

The Corporate Message is an expression that comes to mind when pondering the corporate philosophy of “Committed to the Global Good.”

We have defined the orientation for our promotion of CSR based on changes in the internal and external environments according to our Basic Policies for CSR Promotion. Under these policies, we promote CSR in an organized, systematic manner. Each organizational unit also prepares CSR action plans grounded in the basic policies. These action plans are linked to the resolution of major CSR issues through the business activities of trading and business investment.



CSR promotion flow

## CSR Promotion System

At ITOCHU Corporation, the CSR Promotion & Global Environment Department within our Corporate Communications Division plans and drafts policies and initiatives for companywide CSR promotion. Individual organizational units in Japan and other countries promote CSR in accordance with decisions made by the CAO, the Chief Officer for CSR. The formulation of policies and important matters are discussed and determined by the CSR Committee, which is one of our key internal committees. In addition, our main CSR promotion activities are reported to the Board of Directors on a regular basis. We also hold regular dialogues with internal and external stakeholders to understand what is expected and requested of ITOCHU by society, and reflect these aspects in our CSR promotion.

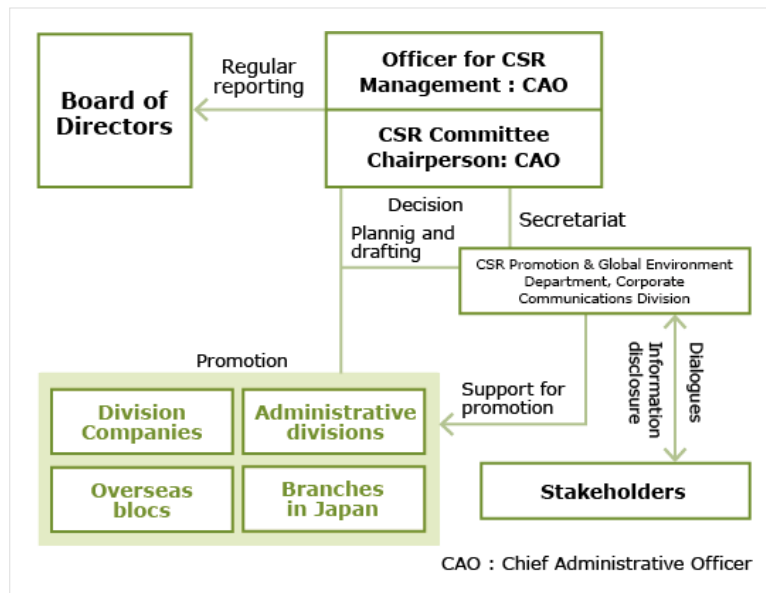


Diagram of CSR promotion system

### CSR Committee meetings held in FY2015

<b>Members</b>	Chairperson: CAO, Members: General Manager of Human Resources & General Affairs Division, General Manager of Corporate Communications Division, Corporate Auditors, General Manager of Planning & Coordinating Department of each Division Company
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### Main Resolutions

<b>1st meeting</b>	Policies on the procurement of wood, wood products, papermaking materials, paper products and notification of CSR Action Guidelines for Supply Chains to new suppliers
<b>2nd meeting</b>	Environment management review and revision of the Basic Policies for CSR Promotion

## Basic Policies for CSR Promotion

### Basic policies for CSR promotion "Brand-new Deal 2017"

1. Strengthening communications with stakeholders and the disclosure of CSR information
2. Promoting businesses that help solve material issues
3. Strengthening supply chain and business investment management to lead to sustainable use of natural resources with respect for human rights and consideration for the environment
4. Promoting education and edification on CSR and environmental conservation
5. Involving in and contributing to development of local and global communities

Alongside the drafting of its management plan, ITOCHU formulates basic policies for CSR promotion, with the aim of globally promoting CSR with direct linkages to the management plan.

"Basic policies for CSR promotion" during the period of "Brand-new Deal 2017", which covers fiscal 2016 to fiscal 2018, are as follows.

**1. Strengthening communications with stakeholders and the disclosure of CSR information**

ITOCHU will work to understand the needs of stakeholders through more intensive communications with them, and will take advantage of and reflect those needs in its businesses and operations. We will also aim to deepen our understanding of stakeholders by disclosing more information.

**2. Promoting businesses that help solve material issues**

A sustainable society is essential for ensuring the continuity of businesses. In order to ensure the continuation of one's businesses, a company must do what it can for society through its businesses to help solve social issues such as climate change and human rights abuses. ITOCHU selects material issues that are linked to the sustainable growth of both the company and society, and aims to help resolve those issues through its businesses.

**3. Strengthening supply chain and business investment management to lead to sustainable use of natural resources with respect for human rights and consideration for the environment**

ITOCHU's business is closely related to the consumption of all of natural resources (water, air, forest, food, minerals, fossil fuels, and so on). On each front-line, it is essential to grasp the utilization status of natural resources in supply chains of the products we handle, and to reflect them into the long-term business strategy. Simultaneously, it is also important to prevent problems from arising in areas such as human rights, labor and the environment in individual supply chain. Both actions are directly linked to sustainability of our business. We conduct sustainable value chain by asking suppliers and companies which we invest to understand and practice ITOCHU's thought.

**4. Promoting education and edification on CSR and environmental conservation**

The expression of CSR rests in the hands of each individual employee. This is why it is critical that all employees correctly understand the kind of CSR that the ITOCHU Group should engage in. In a bid to have a CSR mindset take root among all employees, ITOCHU conducts education on CSR and environmental conservation through a wide range of training and other programs, and all organizations set meetings to conduct lively discussions about CSR action plans.

**5. Involving in and contributing to development of local and global communities**

ITOCHU is a member of the local communities where it has a business base. At the same time, it is a member of the global community. Accordingly, ITOCHU aims to actively participate in society as a member of the local community and the global community and contribute to development at both levels. ITOCHU aims to grasp the social issues local to the areas where we operate, and contribute to the medium- to long-term development of the region through its business as well as social contribution activities.

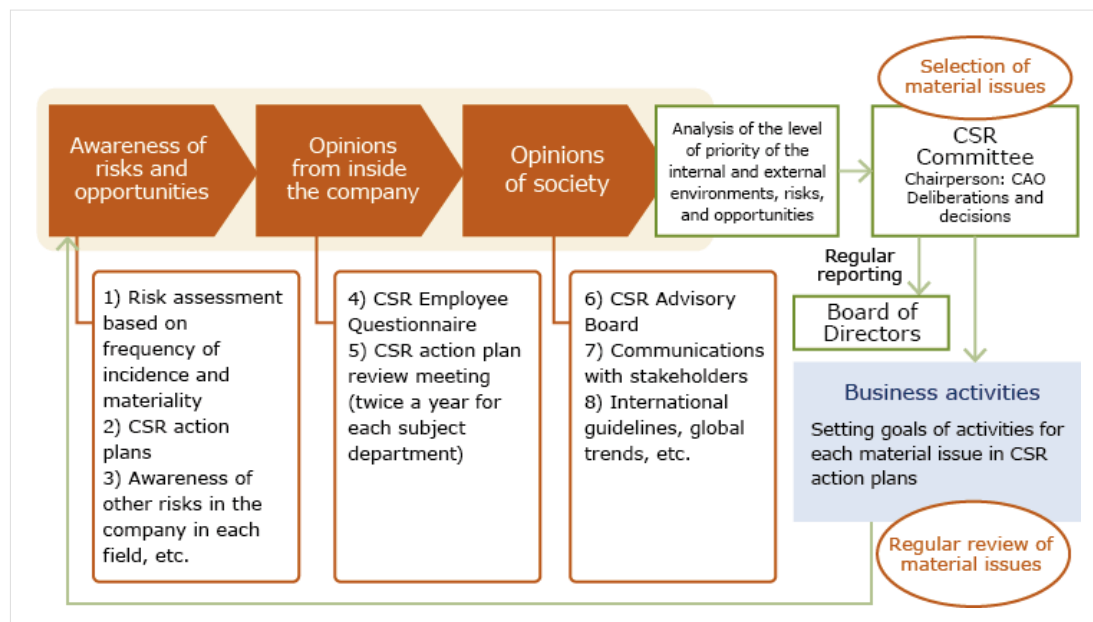
## | CSR Promotion through the CSR Action Plans

ITOCHU Corporation develops business in a wide range of fields through its six Division Companies. In order to steadily promote CSR through its business activities in trading and business investment, each Division Company formulates CSR action plans setting forth key CSR tasks in its fields, and then promotes CSR in accordance with the PDCA cycle system. For example, review meetings are held twice a year for each subject department.

In order to make the foundation supporting our business activities even more solid, our headquarters administrative divisions, domestic branches and offices, overseas sites, and other organizational units also formulate CSR action plans in line with the respective businesses and functions.

## | CSR Material Issues and the Process of Selecting Them

In 2013, ITOCHU Corporation had the CSR Committee determine the CSR material issues (materiality) by identifying risks and opportunities in each of its business fields, taking account of its business strategy, international developments, and opinions from inside and outside the company, and analyzing the level of priority of each one. Specific measures for resolving those material issues are translated into the CSR action plans of each organizational unit, examined and supplemented continuously, and reviewed by the CSR Committee on a regular basis. In addition, the contents of CSR Committee meetings are reported to the Board of Directors by the CAO. In these ways, we align the material issues with management policies with long term perspective, and work to resolve them through out business activities.



Process of selecting material issues (materiality)

### 1. Climate change

Climate change is an issue capable of affecting all sorts of business activities. We are going to assist the resolution of this issue through measures in each of two aspects: adaptation to risks such as natural disasters induced by climate change, and mitigation of impact by solutions-oriented business in areas such as reduction of greenhouse gas emissions from, and use of renewable energy in, our business activities.

### 2. Sustainable use of resources

The wide-ranging business activities of ITOCHU Corporation depend on diverse resources from the natural world and their circulation. Amid increasing apprehensions about resource depletion, we have positioned resource conservation as a major task to be approached from both the risk and opportunity aspects in all phases, from development to utilization, with consideration for sustainability.

### 3. Respect and consideration for human rights

As our business physically broadens and becomes more complex, the influence of our business activities is widening in scope. With an awareness of this situation, we consider it vital to view our business activities as a value chain, ascertain who can possibly be impacted, and thereby make full provisions for respect and consideration for the human rights of the people involved.

### 4. Contribution to local communities

While developing business in various regions around the world, we take actions on issues and needs faced by host societies in both our business activities and social contribution initiatives. By so doing, we hope to assist the advancement of those societies and cultivate the development of new markets that will lead to growth for us.

In accordance with our operating strategy and with international guidelines, such as the Global Reporting Initiative 4.0 and the IIRC Framework, we will continue working to verify and enhance our initiatives to resolve these important issues, and, from a long-term perspective, we will strive to advance CSR through our business activities.

\* For further information about specific initiatives, please see the Highlight (P26~34)

## Awareness of Risks and Opportunities

ITOCHU Corporation operates businesses in a wide range of fields. Accordingly, we regularly review the industry-specific risks faced in each business field from the viewpoints of both internal factors and the external environment. Specifically, we identify the CSR risks in each business field and assess them by analyzing the frequency of incidence and materiality. By taking these assessments into account, we formulate countermeasures that lead to the prevention of the incidence of the risks and the reduction of their impact. We translate them into CSR action plans and review them continuously.

## Opinions from Inside and Outside the Company

ITOCHU Corporation places emphasis on communications with various stakeholders as it selects the material issues. Opinions and suggestions from outside the company that are received via our website are referred to by the relevant departments. In addition, we also hold dialogs with our stakeholders. For major initiatives, please see Stakeholder Relations (P13), Penetration of CSR at ITOCHU (P19~21), and CSR Advisory Board 2014 (P14).

In promoting CSR, we also refer to the following international guidelines, principles, etc.

United Nations Global Compact (ITOCHU participates in this)

United Nations Universal Declaration of Human Rights

United Nations Guiding Principles on Business and Human Rights

United Nations Declaration on the Rights of Indigenous Peoples

United Nations Basic Principles on the Use of Force and Firearms by Law Enforcement Officials

United Nations Millennium Development Goals

ISO26000

GRI Guidelines

IIRC (International Integrated Reporting Framework)

Charter of Corporate Behavior by KEIDANREN

Shosha's Corporate Code of Conduct and Supply Chain

CSR Action Guidelines by the Japan Foreign Trade Council, Inc.

Carbon Disclosure Project (CDP)

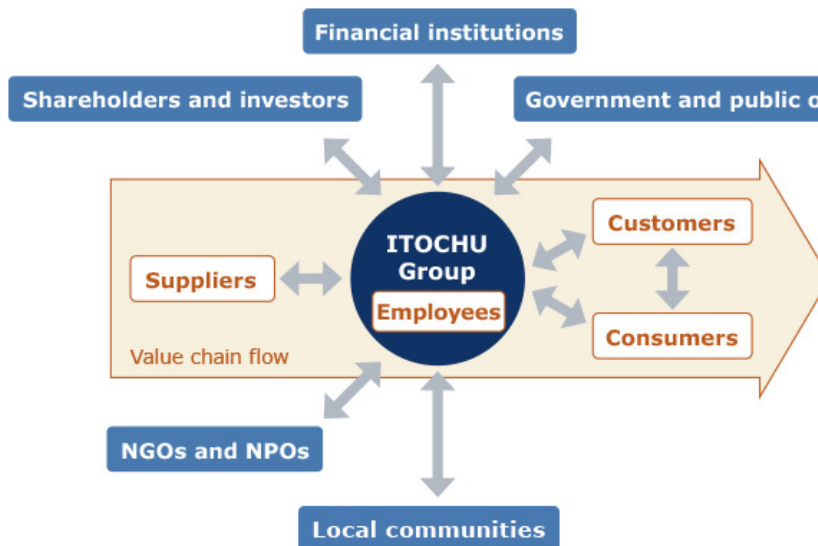
OECD Guidelines for Multinational Enterprises



# Stakeholder Relations

## Stakeholders of the ITOCHU Group

In our diverse range of corporate activities conducted worldwide, we place strong emphasis on dialogue with the many stakeholders that surround ITOCHU. By engaging in dialogue with our stakeholders in the manner described below, we provide them with information about the activities of the ITOCHU Group, and identify their expectations and concerns regarding ITOCHU. We will continue to promote our CSR activities by reflecting measures for addressing issues within our business activities, with the aim being to improve our corporate activities.



Stakeholders	Main methods of dialogue
Clients and business partners	Provision of information through the Annual Report and official website Notification of CSR action guidelines Quality control and fact-finding investigations about the status of CSR at suppliers Contact for inquiries
Shareholders, investors, and financial institutions	General meeting of shareholders Investors meeting on business results Provision of information through the Annual Report and official website Response to investigations and ratings performed by socially responsible investors Debt IR
Local communities	Social contribution activities and volunteer activities Stakeholder dialogue Dialogue with residents of areas around project sites Regular communication with NGOs and NPOs
Employees	Provision of information via the intranet and in-house magazines Communication via training sessions and seminars Provision of career counseling Establishment of a 24-hour employee consultation desk system Implementation of employee awareness surveys Labor-management meetings (including management meetings and settlement of accountings meetings) General employee meetings at each company

# CSR Advisory Board 2014

ITOCHU Corporation management and outside stakeholders held a CSR Advisory Board meeting at the Tokyo Head Office on February 27 to discuss CSR issues.

The meeting was held under the theme of "Business and Human Rights: Engaging with Local Communities" amid a backdrop of business diversification and enlargement having a greater impact on local communities and the overall value chain.

Active discussion occurred, with shareholders and leading specialists from various NGOs and academic fields giving frank opinions of their concerns and expectations, such as, "We would like ITOCHU to develop a greater self-awareness as a global corporate leader. It should be more actively rather than passively involved in local community issues and strive for a corporate image of growing together with communities."

The opinions and input that the advisors provided will be reflected in future CSR promotion efforts and, through dissemination of information, lead to enhancing understanding among stakeholders about ITOCHU's business activities.

<b>Date</b>	February 27, 2015
<b>Topic</b>	Business and Human Rights: Engaging with Local Communities Panelists
<b>CSR Advisory Board members</b>	<ul style="list-style-type: none"> <li>▪ <b>Ms. Mariko Kawaguchi</b> Senior Researcher, Daiwa Institute of Research Holdings Ltd.</li> <li>▪ <b>Mr. Hideki Wakabayashi</b> Executive Director, AMNESTY INTERNATIONAL JAPAN</li> <li>▪ <b>Dr. Katsuhiko Harada</b> Professor, Meiji Gakuin University</li> </ul>
<b>ITOCHU members</b>	<ul style="list-style-type: none"> <li>▪ <b>Tadayuki Seki</b> Executive Advisory Officer, Executive Vice President, CFO &amp; CAO</li> <li>▪ <b>Ichiro Tsuge</b> Executive Officer, Chief Operating Officer, Forest Products &amp; General Merchandise Division</li> <li>▪ <b>Hisao Yakushiji</b> General Manager, Planning &amp; Administration Department, Machinery Company</li> <li>▪ <b>Masazumi Nishikage</b> General Manager, Planning &amp; Administration Department, Food Company</li> <li>▪ <b>Hiroya Ono</b> Manager, CSR Promotion &amp; Global Environment Department (moderator)</li> </ul>



# Respect for Human Rights

## Policy on Respect for Human Rights

The ITOCHU Mission "Committed to the Global Good" stands at the heart of the ITOCHU Group's corporate philosophy. The "Global good" refers not only to improved living standards, but also a general sense of well-being. ITOCHU, as a company with diverse operations worldwide, respect human rights and individuality, and is committed to the global good of society and individuals alike.

Accompanying this corporate philosophy, the ITOCHU Values consist of five values important for fulfilling the ITOCHU Mission "Committed to the Global Good." One of those values is "Diversity," under which the Group holds the human rights and individuality of every person as important.

Based on this policy, ITOCHU supports the Universal Declaration of Human Rights adopted by the United Nations in 1948 as a common standard of achievement for all people and all nations. Furthermore, ITOCHU participated in the United Nations Global Compact in 2009 which is derived from this Declaration and other international standards.

We apply the concepts of the United Nations Guiding Principles on Business and Human Rights, which were adopted in June 2011, to our risk management and other activities. We also take steps to raise awareness of these principles among our employees.

Guided by this approach, we clearly prohibit the violation of human rights and sexual harassment in our employment regulations, and have outlined punitive measures to be taken against those who engage in such conduct.

### Excerpt from the ITOCHU Group Philosophy and Code of Conduct Booklet

#### Respecting human rights and individuality

We value the rights and individuality of each person. We show respect and are attentive to others regardless of gender, race, religion, or position. We don't discuss matters that cause discomfort; we don't discriminate or harass; we respect basic labor rights and eliminate forced labor and child labor.

### Excerpt from the United Nations Global Compact

#### Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Business should make sure that they are not complicit in human rights abuses.

- Related Page: [The United Nations Global Compact \(P18\)](#)

## Respect for Human Rights in Business Activities

ITOCHU Corporation engages in business activities all over the world and conducts its business while respecting people's human rights in each of the regions in which it operates.

### ■ Respecting the Rights of Indigenous People

As part of its commitment to respecting human rights, when conducting business activities in regions that are home to indigenous populations, ITOCHU will recognize the unique cultures and histories of such peoples and endeavor to respect and consider their human rights in accordance with the laws of the country or region concerned as well as international agreements such as the United Nations Declaration on the Rights of Indigenous Peoples and Convention No. 169 of the International Labour Organization (ILO). Further, when considering investing in new business projects, ITOCHU will enforce prior checks on how such projects might impact the rights of indigenous people.

## ■ Approach to Engaging the Services of Security Firms

In December 1979, the United Nations adopted the Code of Conduct for Law Enforcement Officials to compel member states to thoroughly enforce and promote appropriate roles for law enforcement officials such as police officers and the military, and to facilitate the respect and safeguarding of people's dignity in the execution of said officials' duties. For its part, ITOCHU Corporation supports the Basic Principles on the Use of Force and Firearms by Law Enforcement Officials in which the United Nations established basic principles governing the use of firearms by law enforcement officials based on the above Code of Conduct, and will engage in the selection of security firms in accordance with such principles.

## | Human Rights in Our Supply Chain and Business Investment

Consideration for human rights and labor practice in our supply chain and business investment is an important CSR issue for ITOCHU Corporation with business activities in various regions around the world. We regularly make checks to see that our suppliers and investment subjects are properly managing things in this respect.

- Related Page: CSR in Our Supply Chain and Business Investment (P58~64)

## ■ Approach to Conflict Minerals Issues

Some of the minerals produced in the Democratic Republic of the Congo and neighboring countries where conflicts are taking place can potentially provide sources of funding to armed groups which engage in inhumane acts, foment conflict or bring about human rights violations. The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in the United States in July 2010, required that U.S. listed companies disclose information such as their use of "conflict minerals\*" produced in the Democratic Republic of the Congo and neighboring countries in their products.

While ITOCHU Corporation is not bound by the reporting requirements of the United States' Securities Exchange Act, to fulfill its social responsibility in procurement activities, ITOCHU Corporation will coordinate with its business partners in keeping with the spirit of this legislation and promote initiatives to ensure that it does not help armed grounds that engage in human rights violations.

\* "Conflict Minerals" as defined by the law refer to tantalum, tin, gold, tungsten and other minerals specified by the U.S. Secretary of State.

## ■ Dialogue on business and human rights

The CSR Advisory Board for FY2015 was held under the theme of "Business and human rights : Relationships with local communities."

- Related Page: CSR Advisory Board 2014 (P14)

## | Raising Awareness Internally of Respect for Human Rights

### ■ Raising awareness through internal training programs

We work to extensively embed understanding of the relationship between business activities and human rights through in-house training programs. In the training program for new recruits, they are instructed to acquire the proper mindset for respecting human rights that they should have as members of the ITOCHU family. In in-house training for organization heads, sexual harassment and power harassment issues are discussed, and a thorough understanding of human rights is fostered. Also, training conducted prior to overseas assignments includes the topic of consideration for human rights in the supply chain. In this way, we are working to raise awareness in each region. In FY2015, 439 people participated in human rights training.

### Number of employees who participated in human rights training programs

	Number of employees who participated
<b>Training for New Recruits</b>	134 people
<b>Training for newly-appointed managers</b>	63 people
<b>Training prior to overseas assignments</b>	242 people

## ■ Employee Enlightenment about “Business and Human Rights”

As a general trading company that operates around the world and plays an important role in supply chains, we are implementing educational activities about “business and human rights” in each region. The objective of these activities is to keep up with the latest developments relating to business and human rights, and to incorporate this knowledge into our business.

In FY2015, we implemented a program of e-learning on the subject of “business and human rights” for all ITOCHU employees worldwide in order to provide them with CSR-related knowledge they should have at least. The program took up the United Nations Guiding Principles on Business and Human Rights as well as cases involving the corporate responsibility to respect human rights. The program was directed to a total of 6,738 non-consolidated and overseas bloc employees, and was completed by 6,505, or 96.5 percent, of them.

## ■ Establishment of a 24-Hour Employee Consultation Desk System

### ■ Employee Consultation Desk and Hotline

ITOCHU has set up an employee consultation desk to allow employees to discuss problems they may be individually confronting. A “HR Help Guide Book” has also been posted to the ITOCHU intranet, and efforts to broadly raise employee awareness of the consultation desk are made as part of a structure that allows employees to consult on issues of concern. An external Hotline System staffed by independent counselors has also been established.

### ■ Career Counseling Center

ITOCHU was one of the first Japanese companies to establish its own Career Counseling Center, where employees can consult regarding not only their individual careers, but on workplace culture, interaction with colleagues, remuneration, harassment, and other issues. Consultations can take place via phone, fax, email, post, or other means, and are dealt with by expert office staff.



The “HR Help Guide Book” posted on the intranet

## ■ Raising Awareness Through Various Publications

In an effort to avoid violations of human rights in the workplace, ITOCHU strives to raise awareness of human rights through a variety of publications distributed to all employees.

- ITOCHU's basic stance regarding respect for human rights is conveyed in a booklet explaining the ITOCHU Group's corporate philosophy and code of conduct to all employees.
- The Compliance Handbook has pages on respect for human rights, as well as power and sexual harassment, giving concrete examples of such conduct in an effort to avoid any violations of human rights in the workplace.
- A pocket-sized card on proper workplace etiquette details rules on the strict prohibition of any forms of harassment.

## ■ Fair and Honest Recruitment

At ITOCHU, recruitment decisions are based solely on an individual's abilities and merits, for fair and honest recruitment practices without regard for age, sex, or nationality. In FY2015, we provided human rights education through a guest lecturer from the Tokyo Metropolitan Human Rights Promotion Center. We reflect the contents of this lecture in our training of interviewers. A watchdog system for ensuring fair and honest recruitment is also in place, and employees are selected and notified to serve as watchdogs and to promote awareness of human rights.

# The United Nations Global Compact

## ITOCHU's Participation in the United Nations Global Compact

In April 2009, ITOCHU Corporation joined the United Nations Global Compact, a global initiative to achieve sustainable growth of the international Community. In the compliance of the Global Compact's ten principles in the areas of human rights, labour, environment and anti-corruption, ITOCHU is striving to fulfill its corporate mission of "Committed to the Global Good."



## The Ten Principles of the United Nations Global Compact

<b>Human rights</b>	▪ <b>Principle 1</b>	Businesses should support and respect the protection of internationally proclaimed human rights; and
	▪ <b>Principle 2</b>	make sure that they are not complicit in human rights abuses.
<b>Labour</b>	▪ <b>Principle 3</b>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	▪ <b>Principle 4</b>	the elimination of all forms of forced and compulsory labour;
	▪ <b>Principle 5</b>	the effective abolition of child labour; and
	▪ <b>Principle 6</b>	the elimination of discrimination in respect of employment and occupation.
<b>Environment</b>	▪ <b>Principle 7</b>	Businesses are asked to support a precautionary approach to environmental challenges;
	▪ <b>Principle 8</b>	undertake initiatives to promote greater environmental responsibility; and
	▪ <b>Principle 9</b>	encourage the development and diffusion of environmentally friendly technologies.
<b>Anticorruption</b>	▪ <b>Principle 10</b>	Businesses should work against corruption in all its forms, including extortion and bribery.

## Contribution to Activities of the Global Compact Network Japan

ITOCHU Corporation actively engages in activities as a Board Member of the Global Compact Network Japan (GCNJ), the local network of United Nations Global Compact in Japan.

The GCNJ organizes the Working Groups by issues related CSR where member companies are able to learn from other companies' best practices and academic experts and to have discussions and exchange opinions regarding CSR initiatives.

In FY2015, ITOCHU took part in following Working Groups.

- the Expansion Committee to enlarge the Network Japan (Playing a co-chair for enlarging the Network Japan and raising the level of its activities)
- the Committee of Human Rights Due Diligence
- the Committee of Human Rights Education
- the Committee of Environmental Management
- the Committee of Supply Chains
- the Committee of Disaster Risk Reduction

# Penetration of CSR at ITOCHU

## CSR Confirmation Test and Employee Questionnaire

Each year, we conduct the on-line CSR Confirmation Test and Employee Questionnaire Survey with all ITOCHU employees around the world, in order to promote the in-house penetration of CSR awareness and study the awareness of employees.

More specifically, once a year, our in-house magazine ITOCHU Monthly, which is published in the three languages of Japanese, English, and Chinese, puts out a special CSR issue. This issue presents the minimum requisite CSR-related knowledge and information which every employee should know. The implementation of the confirmation test on-line helps to heighten understanding of CSR among all employees.



In FY2015, ITOCHU Monthly ran an article that was titled "Supply Chain Management and CSR" as new CSR-related knowledge. The Confirmation Test presented questions from examples introduced in the article. Non-consolidated employees were requested to take a confirmation test on Waste Management and Public Cleansing Act. Among 6,704 non-consolidated and overseas bloc employees who were covered by the survey and test, a total of 6,621, or 98.7 percent, answered.

The Employee Questionnaire Survey on CSR, which surveys awareness on the topic, asks employees what CSR issues they think ITOCHU ought to tackle each year. For FY2015, against the backdrop of the growing awareness of solutions to global issues and the increased number of overseas investment projects, we see that the top-ranking CSR issue is "Contributing to the development of local communities." Given the result of the questionnaire, we held a seminar entitled "Business Activities from the Standpoint of Solving Global Issues" in February 2015.

### ■ Response rate of the CSR employee questionnaire and confirmation test 2014

	Questionnaire for employees of ITOCHU Corporation	Questionnaire for employees of overseas blocs	Total
<b>Number of employees</b>	4,869	1,835	6,704
<b>Number of respondents</b>	4,869	1,752	6,621
<b>Response rate</b>	100.0%	95.5%	98.7%

### <Questionnaire Results Excerpt> Top 3 CSR Issues ITOCHU Corporation should address

<b>1</b>	Contribution to the development of local communities	46.5%
<b>2</b>	Ensuring the safety of products and services	45.3%
<b>3</b>	Respect and consideration for human rights	41.3%

## CSR Seminars

We regularly organize internal CSR seminars to incorporate the views and opinions on various CSR issues from outside experts. Since FY2014, we have been holding the seminars under the title of the "CSR and Global Environment Seminar" on themes selected for their importance in the pursuit of business activities by ITOCHU employees. In addition, beginning in FY2015, we hold "CSR Seminars for Specific Fields" by inviting specialists in each field to provide our employees with a thorough overview of the CSR risks of each field and region. Through these seminars, we will conduct educational activities that provide a detailed look at the industry trends we face.

## ■ CSR and Global Environment Seminar on "Business from the Perspective of Solving Global Issues"

On February 6, ITOCHU held a CSR and Global Environment Seminar on "Business from the Perspective of Solving Global Issues" at the Tokyo Head Office with 234 people in attendance. The seminar was also broadcast via video conferencing to the Osaka Head Office and ITOCHU Taiwan Corporation.

For the keynote lecture, Public Affairs Specialist Toshiya Nishigori from the United Nations Development Programme (UNDP) gave a talk on the sustainable development goals (SDGs) the UN is developing, with examples of how they are interrelated with ITOCHU's business domains. He also provided anecdotes on the initiatives of various leading companies from around the world. A panel discussion moderated by Senior Researcher Mariko Kawaguchi of Daiwa Institute of Research Holdings Ltd. followed.

The discussion shed light on Panasonic Corporation's business activities using solar lanterns to help regions outside the reach of power grids develop and sustainable procurement of raw material for coffee by ITOCHU's Sugar, Confectionary Materials, Coffee & Dairy Products Department. There was a lively exchange of viewpoints, particularly on the significance and difficulty of contributing to society through business activities. Feedback from seminar participants included how sogo shosha have an obligation to use technology and ideas to contribute to society, and that the seminar taught the importance of collaboration inside and outside ITOCHU. We will continue to enhance our educational activities to better realize ITOCHU Corporation's basic approach to CSR of "contributing to society through business activities."

## ■ CSR Seminars for Specific Fields for FY2015

Field/Region	Theme
Forest Products & General Merchandise	Latest Trends in Wood Procurement with an Aim towards Forest Preservation (For further information, please see P63)
Ho Chi Minh Office	Sustainable Management for Supply Chain (For further information, please see P60)
Textile Company	Risks in Procurement in the Textile Industry and the Prevention of the Risks (For further information, please see P38)



Seminar at the Ho Chi Minh Office



- A workshop held to enable Group companies to learn the Ten Principles of the United Nations Global Compact

ITOCHU Corporation began holding the Group Liaison Conference on Corporate Communications in 2006. The purpose of this conference is to improve the practical skills of people from Group companies who are in charge of corporate communications and CSR. Aimed at promoting effective corporate communications and CSR activities and at managing risks throughout the ITOCHU Group, the conference is held under one of three themes in rotation: responding to the press, planning and production, and CSR and social contribution activities.

At the 17th conference, which was held in the first half of fiscal 2014, KPMG Japan was invited to provide external lecturers, and the Dilemma Game, whose developers include the United Nations Global Compact (hereinafter, "GC") and KPMG, was played in the form of a workshop. Through this game, the participants experienced how the five groups of stakeholders evaluate the way a company handles dilemma issues it faces in each one of the fields of the Environment, Human Rights, Labour, and Anti-Corruption, as specified by the United Nations GC. The conference was attended by 80 people from 52 companies, and enabled them to learn the importance of relationships with stakeholders, etc. in addition to the Ten Principles of the United Nations GC.

