

## Environmental Issues

### Environmental Assessment

ITOCHU deals with a wide variety of products and makes investments in various kinds of businesses both in Japan and overseas. Consequently, our business activities may have a great impact on the global environment. With this recognition, ITOCHU formulated ITOCHU's Environmental Policy in 1997 and, based on this policy, ITOCHU started trying to contribute to the realization of a sustainable, recycling-based society. ITOCHU considers the most important thing is the system for environmental assessment through which we conduct thorough checks beforehand on transactions of new products or investments in new projects, from an environmental point of view.

All proposals for dealing with a new product must receive an assessment by Global Environment Office which examines the proposal from an environmental point of view when it has been filed. Proposals for a new investment or new development will be inspected thoroughly in terms of environmental impact, and when they are judged to have an environmental impact in any respect, advice will be sought from Global Environment Office and if necessary, an environmental assessment by a specialized institution will be conducted (environmental impact preliminary surveys concerning the natural environment of the concerned area, laws and regulations of the concerned country, international treaties, etc.)

### Environmental Management Systems

ITOCHU has built a company-wide Environmental Management System with Head of the Global Environment Committee appointed by the President being the chief officer in charge. The Global Environment Committee functions as a consultative body. The Executive Environmental Manager appointed by Head of the Global Environment Committee will oversee the actual implementation. Each Division has an environmental manager (75 in total) and "eco leaders" are also appointed to work under the environmental manager. ITOCHU received ISO14001 certification in 1997 and implements environmental management and annual internal environmental audits that conforms to the ISO14001 standard.

With respect to the Group Companies, ITOCHU also established an environmental manager position in March 2005

mainly in domestic consolidated subsidiaries, based on the recognition that they need further promotion of environmental efforts. Also, ITOCHU has conducted every year since the fiscal year ended March 2002 an environmental assessment (actual condition survey) for some twenty companies selected from among the Group Companies for which special environmental attention is required. ITOCHU intends to maintain the environmental management efforts for its Group Companies in a more articulate way by identifying the areas and industries that need focused efforts while further promoting environmental risk prevention as well as environmental conservation.



### Support for MOTTAINAI\* Campaign

When we consider how we can contribute to environmental conservation through our business, ITOCHU recognizes that it is most important for us to implement each of our business operations in environmentally-sound ways. One of the business operations which ITOCHU has recently implemented in order to contribute to the creation of a recycling-oriented society is the MOTTAINAI Campaign which is getting a lot of attention lately.

The MOTTAINAI Campaign was proposed by honorary professor Wangari Maathai, the first environmental activist who won the Nobel Peace Prize for her achievements in promoting afforestation and in other activities. ITOCHU joined the MOTTAINAI Campaign in July 2005 and created the MOTTAINAI brand, the first brand in the world featuring environmentally-friendly, recycling-oriented products. ITOCHU will use its vast expertise in commercializing various brands and the licensing business and work together with the MOTTAINAI base office (The Mainichi Newspapers) in order to support expansion of the MOTTAINAI Campaign

on a global scale. ITOCHU intends to commercialize products incorporating the "3R's" precepts (Reduce, Reuse, Recycle) such as those that would generate less waste, those that are reusable, and those that are recyclable. We will also be promoting the campaign through the business we excel in, that is, our contents business (music distribution, film and event) from a unique viewpoint.

Please see CSR Report (page 39 - 41) for more details.

\*"Mottainai" whose origin is a Buddhist term has a meaning of respects for ties with everything.