

CASIO SUSTAINABILITY REPORT 2018



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# Editorial Policy

Casio provides three channels of CSR reporting to meet the needs of different readers: the Sustainability website, the Sustainability Report, and the Sustainability Communication Book.

## Sustainability Website

An easily searchable site that offers comprehensive information on Casio's CSR initiatives.

## Sustainability Report 2018

A report containing information from the Sustainability website that can be downloaded in PDF format. It may be printed in part or in its entirety, for your reader convenience.

## Sustainability Communication Book 2018: “Welcoming the Challenge of Helping to Build a More Sustainable Global Society”

Highlights of Casio's CSR initiatives are presented based on the Charter of Creativity for Casio. The content is presented in a way that is easy to understand.

CASIO



Sustainability Communication Book 2018

持続可能な社会の実現に向けたカシオの挑戦

Sustainability Communication Book 2018: “Welcoming the Challenge of Helping to Build a More Sustainable Global Society”

> [Click here](#) to download the report.

An independent opinion independent opinion from an outside expert has been obtained and included as an objective assessment of the report overall. Third-party verification of environmental performance data has also been obtained to ensure reliability.

> [Independent Opinion on the Sustainability Report](#)

> [Third-party Verification Certificate](#)  (PDF / 136KB)

For details on Casio's management and financial information, visit the [Investor Relations site](#).

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## Scope of the report

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- *Period*

This report covers fiscal 2018 (April 1, 2017 to March 31, 2018), and also includes some information pertaining to years before and after fiscal 2019.

- *Issued*

December 2018

(Previous publication: December 2017, next publication planned: November 2019)

- *Boundary*

Some information in this report applies only to the parent company, Casio Computer Co., Ltd., while other material refers to the entire Casio Group. Further clarification is provided in each case, as needed. The name “Casio” in this report indicates the Casio Group, while “Casio Computer Co., Ltd.,” refers specifically to the parent company.

### Guidelines used as a reference

- GRI Standards, Global Reporting Initiative
- *Environmental Reporting Guidelines* (2007 Edition) issued by Japan’s Ministry of the Environment
- *Environmental Accounting Guidelines 2005* issued by Japan’s Ministry of the Environment
- ISO 26000 Guidance on Social Responsibility

(GRI Guidelines and ISO 26000 content indices are posted on the website.)

### Inquiries

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### Forecasts and forward-looking statements

The future forecasts and forward-looking statements published in this report for Casio Computer Co., Ltd., and the Casio Group are based on information available at the time of publication. These forecasts and statements include potential risk and uncertainty, and the reader should be aware that the actual results of business activities may differ from these predictions.



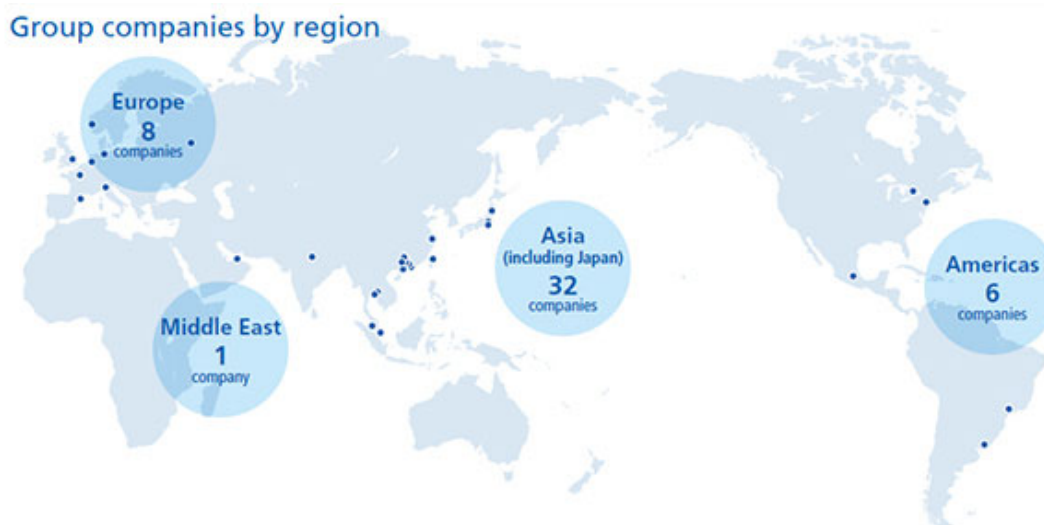
# Corporate Overview

## Company data

Name	Casio Computer Co., Ltd.
Headquarters	1-6-2, Hon-machi, Shibuya-ku, Tokyo, Japan, 151-8543
Established	June 1, 1957
President and CEO	Kazuhiro Kashio
Employees *	2,903 (consolidated: 12,298)
Paid-in capital *	¥48,592 million
Net Sales *	¥314,790 million (consolidated)
Operating income *	¥29,568 million (consolidated)
Ordinary income *	¥28,726 million (consolidated)
Net income *	¥19,563 million (consolidated)
Major Products	Timepieces, Electronic Dictionaries, Calculators, Label Printers, Electronic Musical Instruments, Digital Cameras, Handheld Terminals, Cash Registers, Office Computers, Data Projectors, Molds

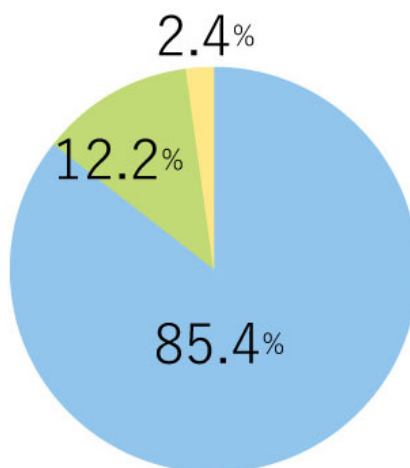
\* as of March 31, 2018

## Group companies by region



## Sales by segment and region

### Sales by segment



#### Consumer (85.4%)

Watches, Clocks, Electronic dictionaries, Calculators, Label printers, Electronic musical instruments, Digital cameras, etc

#### Net sales

¥268,905 million  
(down 1.4% YoY)

#### System equipment (12.2%)

Handheld terminals, Electronic cash registers, Office computers, Data projectors, etc.

#### Net sales

¥38,302 million  
(down 3.6% YoY)

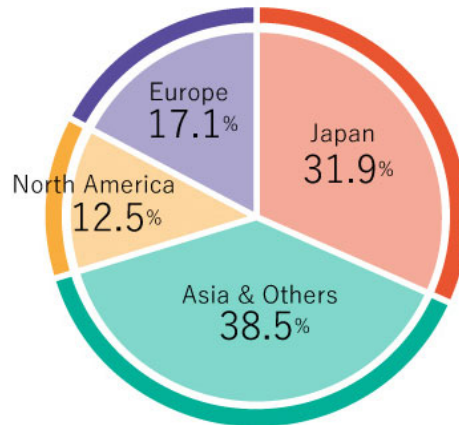
#### Others (2.4%)

Molds, etc.

#### Net sales

¥7,583 million  
(down 12.6% YoY)

## Sales by region



### Japan (31.9%)

Net sales  
¥100,360 million  
(down 6.3% YoY)

### Asia & others (38.5%)

Net sales  
¥121,330 million  
(down 2.2% YoY)

### North America (12.5%)

Net sales  
¥39,326 million  
(down 4.2% YoY)

### Europe (17.1%)

Net sales  
¥53,774 million  
(up 9.8% YoY)

# Message from the President

## Transforming the Entire Company to Pursue “Creativity for Contribution” in order to Grow Sustainably with Society

### How Casio’s Unique Approach to Value Creation Contributes to the World

Casio is a company that has grown by creating innovative products, creating markets, and creating cultures, based on our corporate creed of “Creativity and Contribution.” The ability to create and build up new things is a distinctive strength of Casio.

We aspire to fulfill our social responsibility by ensuring that each and every person working at Casio embraces that basic creative stance. This is the key to contributing to a sustainable world. Helping to solve various social issues by continually providing new value to the world through our core business is the very thing that increases Casio’s corporate value.

In line with that idea, this year Casio established a new vision: “We will contribute to society by using Casio’s original digital technology to create authentic, unique and surprising experiences and develop new cultures together with users.” All Casio Group employees will practice “Creativity for Contribution” with a shared commitment to this vision.



### From Partial to Total Optimization

In fiscal 2018, we worked hard on company-wide organizational reforms. In recent years, Casio’s divisions had been operating their own businesses separately without sufficiently sharing objectives among development, manufacturing, sales, and staff departments. Reflecting on the fact that we had concentrated in the direction of partial optimization and were not embodying the essence of Casio originality — creating something from nothing — we carried out large-scale reforms to ensure the whole company operates efficiently.

Specifically, after integrating our existing business divisions into the Product Development Headquarters, we created a new Business Strategy Headquarters. The new headquarters collaborates with the Global Marketing Headquarters and the Product Development Headquarters in a structure that optimizes business. Furthermore, in order to strategically retie technology and markets, we introduced a system of six business units: timepieces; electronic dictionaries and English conversation learning tools; educational scientific calculators; musical instruments; DPJ and VI; and system equipment. We also established the Business & Technology Development Center, which is tasked with combining Casio’s diverse assets to create new businesses.

The key to our efforts is making the most of management assets from the perspective of total optimization, establishing themes that clarify the objectives for each market, and operating our business in a trans-organizational way. I feel that the structural reforms we made have laid the foundation that will allow us to accomplish all this.

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## Returning to a User-First Commitment

In carrying out our reforms, the biggest key is a user-first commitment. Placing the user first means thinking about what we should do now, with the sole aim of continually providing utility to end-users. We will return to Casio's starting point as a company that has created markets together with customers and retie Casio's technology and our target markets, while focusing on users, in the shortest time possible and with the greatest efficiency.

Electronic dictionaries, one of our flagship product categories, are a good example of a product that accurately captures users' needs. We have continued to strengthen these products with an obsessive commitment to user friendliness, such as coordinating them with textbooks used by different schools. This kind of care has resulted in the establishment of such a solid market that nearly all students in Japan buy a Casio electronic dictionary when they enter high school. It is important to clearly define the target for each business in this way and to get stronger in segmented areas. We will expand our markets by deeply understanding users and continuing to provide value that exceeds expectations.

Optimization of distribution is also essential. In the case of the G-SHOCK, in which Casio's originality stands out, it is normal for customers to make their purchase based on the brand. As such, we will not leave things up to sales outlets; we will connect with users directly and offer products where it is more convenient for users to make purchases.

In new fields as well, we will leverage the technologies and knowhow we have built up thus far to develop products that are truly useful from the perspective of our user-first commitment. Our imaging diagnostic support system for cancer and other conditions of the skin, which leverages our camera technology for the medical use of dermoscopy, is a perfect example.

## Linking Business and CSR Under Our New Structure

In recent years, society has continued to pay more attention to the way companies handle environmental, social, and governance (ESG) matters. It is therefore extremely important to link initiatives that address social and environmental issues with business strategy. At present, our education business is the business that embodies this concept in Casio. In our GAKUHAN activities in developing countries, we support children's learning in cooperation with local ministries of education, schools, and NPOs, and have established a system in which "academic development in regions where we conduct business" is itself our business goal.

The Sustainable Development Goals (SDGs), shared by the international community, have also given us a new perspective for thinking about Casio's medium- to long-term growth. Right now we are formulating a medium-term management plan. In the process, we are aware of the connections between our business and the 17 SDGs and are considering targets where Casio can contribute globally.

In fiscal 2018, we revised our CSR implementation structure in order to integrate our pursuit of social responsibility and business goals. We changed the positioning of the CSR Committee, upgrading it to a body chaired by the president with its members consisting of all directors, Audit & Supervisory Board members and executive officers. Underneath the CSR Committee we established a CSR Implementation Subcommittee to advance company-wide measures and, as a core organization, we also created the ESG Headquarters, which is responsible for environmental, social, governance, and human resources issues.

We also regard reinforcement of our governance system as an important issue. We will appropriately introduce outside scrutiny into our management while separating management from operations and improving decision-making and the checks on operations.

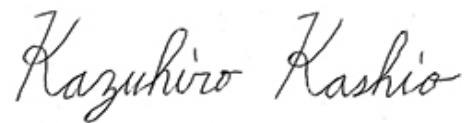
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## Pursuing True Reform as a Unified Company

Now that we have established a foundation for “Creativity for Contribution,” from here on the Group’s employees must all move into action and change Casio. True reform will only make progress with two-way movement: top-down, in which the company sets business strategy and optimizes organizations, and bottom-up, in which all employees think of the most appropriate action for themselves and their departments and seek action from the company.

We are currently reviewing Casio’s Charter of Creativity with the intention of revising it to make our creed of “Creativity and Contribution” easier to understand and to turn the Charter into something upon which employees can rely in their daily conduct of business. That is why young officers and department heads, who are the future leaders of Casio, are leading this effort, engaging in repeated conversations with the aim of creating a Charter that anyone can fully understand. I think this process itself is highly valuable.

All of Casio’s work is connected by the business cycle of “Creativity and Contribution,” and we are determined to keep working together as a Group on corporate activities that continue to provide utility to users.



Kazuhiro Kashio

President & COO



# Working to Improve the Math Skills of Children in Developing Countries Partnership with the GAKUHAN Program

Through its products, Casio contributes to education around the world under a program called “GAKUHAN.” In Bangladesh, since 2016 Casio has partnered with the non-profit organization e-Education to use scientific calculators to improve mathematics skills among middle and high school students. We spoke with Masao Naka, Managing Director, Casio India Co., Pvt. Ltd., who oversees the GAKUHAN program in Bangladesh, and Kaito Miwa, Executive Director, e-Education, regarding their massive effort to partner with India's Ministry of Education and school teachers to change the face of mathematics education in India.



Kaito Miwa, Executive Director, e-Education (left), Masao Naka, Managing Director, Casio India Co.,Pvt. Ltd.

## Challenges in working with the Bangladesh education market

Q. What have been the respective initiatives of Casio and e-Education prior to this partnership?

**Miwa:** e-Education is a non-profit that supports education in developing nations. We have been active in Bangladesh since 2010. In Bangladesh, it is common to see families whose children have completed secondary education but who are unable to attend a university. There are no educational opportunities to prepare them for university entrance exams and what opportunities do exist are extremely expensive, which are barriers to most students. But these students want to go to university so that they can get good jobs and make their families happy. Under these circumstances, we developed our organization with a primary focus on supporting university entrance exam preparation by providing video-based educational materials to high school students living in agricultural areas.

**Naka:** Casio has long contributed to education in Asia, but since we do not have an office in Bangladesh, our activities in the area weren't as far-reaching as we would have liked. With limited information from local sources regarding the state of education in the region, we were unable to identify the type of approach that would be effective. Also, the local schools were flooded with counterfeit copies of Casio scientific calculators. These factors combined to make Bangladesh an incredibly challenging market for Casio.

Q. How did this partnership get started?

**Naka:** Things got started when a Casio employee reached out to e-Education via its website. Ascertaining the state of education in Bangladesh prior to proceeding with our initiatives meant it was vital that we partnered with an organization with contacts and experience. For 20 years, I had been working based in India, a neighbor to Bangladesh, and while I did not have a direct connection with e-Education, I had heard of you as a group that provides support for students in Bangladesh preparing for university exams.

**Miwa:** To be honest, I was surprised when we were first contacted by Casio, because most middle and high school students in Bangladesh were already using scientific calculators with a "CASIO" logo. I thought Casio had to be more familiar with the education market in Bangladesh than e-Education was. However, when we inquired more closely, we learned that the majority of the products the students were using were counterfeit.

**Naka:** Unfortunately, that is true. Those counterfeit products quickly break and are sometimes made with lead and other materials that pose health risks. Users were being victimized. As a manufacturer, this was not a situation that we could ignore. The question of how to deal with counterfeit products was a serious issue.

**Miwa:** We conducted information exchanges with members of the GAKUHAN team, from whom we could sense a sincere desire to understand the educational system in Bangladesh fully and involve various people in elevating the educational level of the region. In truth, we were able to trust the record Casio already had of contributing as a private company to elevating the educational levels of children around the world, and their methods resonated with us. The issue Casio struggled with of not understanding local educational systems and not being sure of how to approach the Ministry of Education was similar to the struggles we faced when we first launched our activities in Bangladesh. We had already gone through the process of trial and error in Bangladesh, so I believed we would be able to help.



## Three challenges to contributing to mathematics education with scientific calculators



Q. Please provide some details of the projects undertaken through the partnership between Casio and e-Education.

**Miwa:** Since 2016, we have been involved in three projects. The first is the creation of support educational materials that summarize usage and instruction methods for scientific calculators. The second was creating scientific calculator workshops gathering all the secondary education schools in the capital city of Dhaka. The third was strengthening relationships with teachers by visiting each school that participated in workshops.

**Naka:** For these projects, we chose to use the CLASSWIZ, Casio's latest scientific calculator. Compared to the counterfeit calculators being used in Bangladesh at the time, products based on an older Casio design, the CLASSWIZ enabled users to display formulas as they were shown in their textbooks, and were compatible with table calculations. The CLASSWIZ could do dramatically more. We also knew that the high-precision display and many other hardware design nuances meant the CLASSWIZ was difficult to copy, making the product itself an effective countermeasure against counterfeit products.

**Miwa:** A scientific calculator is an invaluable tool for middle and high school students in the region who are considering going to college. The education system in Bangladesh is somewhat different from the system in Japan. College admissions are influenced by the total scores for middle and high school graduation exams. Students are allowed to bring scientific calculators into exams, and if they are unable to use the calculators well on the exam, it is difficult for them to get good scores. Thus the ability to use a scientific calculator more effectively is extremely important. However, the reality is that many schools struggled to provide proper instruction in the use of scientific calculators. That's where this project came in. We created education materials and held workshops on using calculators, both of which used the CLASSWIZ as the model.

**Naka:** During the creation of education materials, we took full advantage of the collective knowledge and experience cultivated by e-Education. Local partner teachers from e-Education thoroughly analyzed existing textbooks. From that analysis, we were able to create a high-quality textbook that teachers could use for classes that incorporate the scientific calculator effectively. It fully complies with textbook standards and is written in the local Bengali language.

**Miwa:** The second project, creating a mathematics workshop that incorporates the scientific calculator, was a major undertaking that involved both the private and the public sector, with some 1,200 teachers gathered from all 450 schools in Dhaka. To provide detailed support, we limited the maximum number of participants to 30 people per workshop and held workshops over a period of six months. In total, we conducted 40 workshops with every school in Dhaka taking part in a workshop. This project became the first program to be certified by the Bangladesh Mathematics Society (BMS), a group of reputed mathematicians and members of the Bangladesh Ministry of Education.

**Naka:** I was at the workshops and what surprised me was the passion of the teachers. They were taking part in the workshops on their days off, eager to learn and intensely engaged in the lectures. Many of the teachers were young, and I sensed their belief that they would be working to make their country a better place. In the third project, our current initiative involves the GAKUHAN team and members of e-Education conducting joint school visits to provide continuing support to each school as they move forward. Visiting the classroom, one sees that not only the teachers, but also the students themselves, are proactively engaged in their studies with an energy unique to developing nations.

## Wave of change comes from collaboration between a private company and a non-profit

Q. What struggles did you face when promoting this project?

**Miwa:** It took time and effort to get the Ministry of Education to understand how our project is different from private companies trying to promote their products. We began by engaging with the BMS, a group with which we had prior involvement through other e-Education projects, to convey the meaning of Casio's GAKUHAN program. Then, together with BMS, we visited the Ministry of Education. This was a critical and invaluable step. In the end, I believe the Ministry of Education and the BMS chose to place their trust in us as a non-profit that had spent many years supporting local high school students preparing for university exams in Bangladesh.

**Naka:** Since we were requesting participation by all schools in Dhaka in the name of the Ministry of Education, the condition that no private company name be used was established in the interest of fairness. The workshops were only possible thanks to our collaboration with e-Education, a non-profit organization that is rooted in the local region. We would not have been able to accomplish this on our own.

**Miwa:** On the other hand, we would never have been able to secure the financial resources required for such a large-scale project. It is because Casio, a large company, sponsored the costs of holding the workshops that we were able to approach the Ministry of Education without giving them the impression that such an undertaking was not financially feasible. I believe this is a shining example of something that neither a private-sector company nor a non-profit organization could do on its own; it really shows the success that is possible when the two collaborate and mutually complement each other.

Q. What progress has been made in the year since the project started, and what are your thoughts looking back on the past year?

**Naka:** Since holding the workshops, there are schools with new mathematics classes that incorporate the CLASSWIZ. Even compared with GAKUHAN in other countries, it is rare to see this level of change in a previously untapped market in the short span of only one year. For me, this emphasizes just how important partnerships with e-Education, as well as the Ministry of Education and the BMS, have been, and the great value of the local activities conducted based on these partnerships.

**Miwa:** On the other hand, it is a reminder of the difficulty of addressing counterfeit products. Despite the fact that a CLASSWIZ counterfeit product did not exist one year ago, such counterfeit products have already reached the streets of Bangladesh. Once they're released, even products that bring together all your advanced technologies can be easily copied, which may reflect the speed of manufacturing around the world.

**Naka:** As a manufacturer, it is disappointing that we must deal with counterfeits. However, taking a different view, it is in a sense rather impressive that even counterfeits of our products have upgraded from the old model to a new model CLASSWIZ. So we are even seeing changes happening with the counterfeit products on the education market — one way or the other, the standard of mathematics education is being raised.



**Miwa:** Many of the teachers who participated in the workshops are grateful to Casio and have become fans of Casio. This is sure to lead in the future to an increase in people who wish to use authentic Casio products over counterfeit products. More and more teachers hope that using Casio scientific calculators will mean Casio will continue to offer excellent programs in the future. I think it is important for GAKUHAN to help develop the Casio fan base, even though it may not lead to tangible results right away.

## Contributing to developing countries by creating a method for resolving education issues



Q. What kind of value do you think the GAKUHAN program can offer in Bangladesh?

**Naka:** Today, scientific calculators support higher mathematics skills for children, not only in Bangladesh, but all around the world. The global trend in mathematics education today is to focus on logical thinking and problem-solving skills by using computers, calculators, and other technology to quickly and accurately solve the calculation aspect of problems. Mathematics is the foundation of numerous industries, including science and IT, and it is vital to increasing the core competence of entire nations. There is nothing better than encouraging children in developing nations to use scientific calculators, thereby promoting increased mathematics skills and fostering the development of the human resources who will one day support the future of that nation.

**Miwa:** This GAKUHAN program is probably the first attempt in Bangladesh's history by a private company to make a change in the classroom. In developing nations, private companies tend to avoid getting involved in the education landscape, and schools were not in the practice of collaborating with private companies. In developed nations, however, it is commonplace for companies and schools to partner, and in Japan, too, companies have played a large role in innovation in education. As we saw in the schools we visited in Bangladesh, where many of the teachers were excited and welcomed Casio to their schools, teachers in the classroom want to work with companies to improve education. It is no exaggeration to say that this program will change the history of education in Bangladesh, and Casio was at the center of this effort. I believe this is a massive social contribution about which we can all be excited.

**Naka:** I am so pleased to be involved with this project, and I find it very rewarding. In contrast to something like a one-time donation, contributions through projects like these can continue indefinitely. Bangladesh today is a developing country, but I think we should be thinking of providing support that helps with growth 20 or 30 years down the road.

Q. Moving forward, how will you further advance your initiatives?

**Naka:** For now, I think it is important that we continue to focus on grassroots activities in the capital of Dhaka to strengthen partnerships with schools and establish a program model. From there, we will look to expand activities to cities other than Dhaka as we gradually expand into other regions.

**Miwa:** Right now we only provide printed teaching materials, but in the future, I can imagine that we will create video materials as visual aids that help students more easily understand how to use scientific calculators. In terms of addressing counterfeit products as well, it is simply not good enough to provide hardware. Our fight against counterfeiters, whose only interests lie in their own profits, must provide education support solutions involving a combination of products and services. Thus, we are using the scientific calculator to start our educational contributions, but next we will move into activities designed to raise the overall level of education by addressing the education issues that each school faces.

**Naka:** I feel exactly the same way. Casio is a pioneering company that has contributed to the global society with its commitment to “creating something from nothing” in many different fields from calculators to musical instruments. Now that the times have changed, we realize that what the world needs are solutions that transcend the traditional framework of manufacturing. We must contribute to society by creating methods of resolving problems based on our corporate creed of “Creativity and Contribution.”

**Miwa:** Your GAKUHAN program is the embodiment of your corporate creed of "Creativity and Contribution." The GAKUHAN program is also highly commendable for its link to contributing to the fulfillment of the Sustainable Development Goals (SDGs), which have become a priority focus for the international community. Among the SDGs is not only Goal 4, "Quality Education," but also Goal 17, "Partnerships for the Goals." Since long before the adoption of the SDGs, Casio's GAKUHAN has developed globally, partnering with Ministry of Education officials and teachers from various countries to contribute to the creation of quality education. In that sense, the world is just beginning to catch up to Casio. We value this partnership with Casio and hope to continue working together on various initiatives.

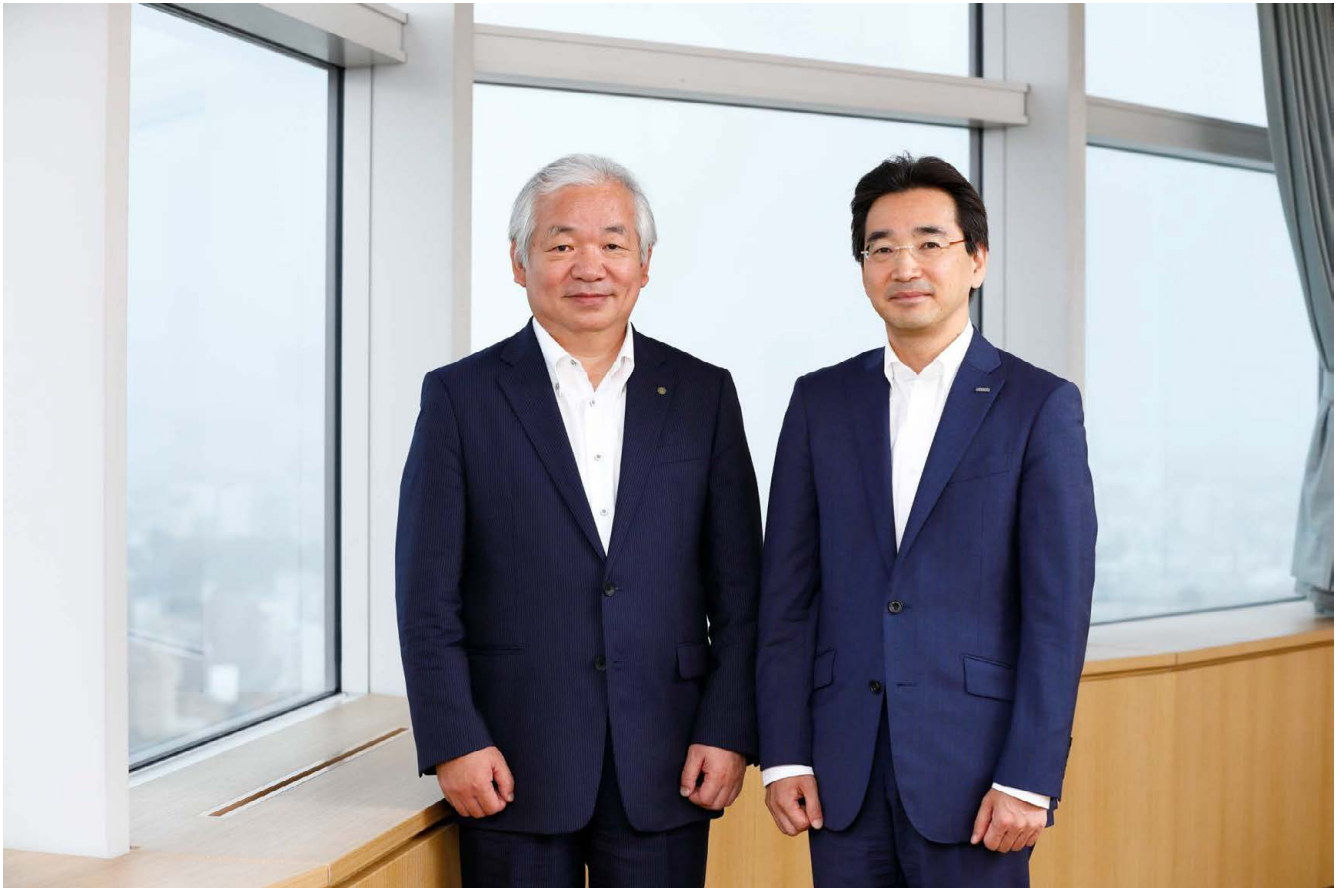




## CSR Conversation

# Learning from Model CSR Companies: OMRON's Integration of Business Goals and Sustainability Goals

Casio regards it as important to learn from the best practices of model CSR companies, in order to strengthen its own CSR management. In June 2018, Masaru Kaizaki, General Manager of the Planning Department in the Sustainability Office at OMRON Corporation, visited the Casio head office and talked with Noriaki Kimura, Manager of Casio's Environment and Social Planning Office in the Sustainability Promotion Department. Mr. Kimura asked Mr. Kaizaki about OMRON's highly regarded initiatives to strategically promote sustainability based on the OMRON Principles. They also had a broad discussion covering such topics as the CSR mindset and its dissemination within the company, and approaches to the SDGs.



## The mindset that putting the OMRON Principles into practice = promotion of sustainability

**Kimura** Casio is preparing to publish an integrated report, in place of its traditional annual report, beginning in fiscal 2019. We still have a lot of issues to iron out and are proceeding by trial and error and we have a great deal still to learn. OMRON was one of the earliest adopters of the integrated report in Japan, right?

**Kaizaki** The first integrated report we published was the 2012 version. Before that, we had an annual report and a sustainability report. At first, we too fumbled around trying to integrate the two reports and ended up publishing a thick booklet. Later, we gradually improved the precision of integration.

**Kimura** The Japanese name of your old sustainability report more literally means “Corporate Report as a Public Institution,” which is a unique name. Did that have something to do with the OMRON Principles?

**Kaizaki** Yes. OMRON has a mission statement established by its founder, Kazuma Tateishi: “To improve lives and contribute to a better society.” Behind that is the idea that a business should create value for society—that is, that a corporation is an institution that serves the public. In 2015, we revised our corporate philosophy, but the mission has not changed and is still clearly stated the same way in the new OMRON Principles.

**Kimura** What prompted your company to revise its corporate philosophy?

**Kaizaki** As we accelerated our global expansion, there were fears in the company that the OMRON Principles were being overlooked out in the field. For the nearly 60 years since the company was established in 1959, our mission statement had been the guiding principle upon which OMRON relied. But it takes on meaning only if each and every employee applies it in his or her daily work. While the content of our corporate philosophy did not change greatly from what it had been, by revising its complicated system of principles, we aimed to convey the spirit of our mission statement globally, in a simpler, easier to understand form, with the hope that it would be put into practice.

**Kimura** Later, OMRON established a Sustainability Policy in 2017. Why did you formulate that policy?

**Kaizaki** Our Sustainability Policy is a revision of the CSR Policy that we already had. The content of the CSR Policy was similar to that of our Management Philosophy, which we had revised at the same time as the OMRON Principles, which made it difficult for employees to understand. So, we made the Sustainability Policy reflect the same meaning and content as declared by our Management Philosophy, based on the OMRON Principles. Namely, “We are committed to sustainably enhancing our long-term corporate value by putting the OMRON Principles into practice.” In other words, we arrived at the view that, for OMRON, putting the OMRON Principles into practice equals promotion of sustainability. Our Sustainability Policy is what sets that out clearly.

## Linking contribution to the SDGs with the medium-term management plan



Masaru Kaizaki

General Manager of the Planning Department in the Sustainability Office at OMRON Corporation

**Kimura** In your Medium-term Management Plan VG2.0, which began in fiscal 2018, you established sustainability goals for each of four focus business domains—Factory Automation, Healthcare, Mobility, and Energy Management—and also tied them to the SDGs. I imagine it must have taken quite a bit of effort to develop a plan to this level. At Casio too, we think that it is essential to address the SDGs, and we would like to establish sustainability goals for each business division and integrate them with our business strategy, as OMRON has. When your company was discussing the new medium-term management plan, how did you foster understanding of the SDGs within the company?

**Kaizaki** It took numerous discussions to tie the concept of sustainability into VG2.0. We especially obsessed over establishment of social issues for 2020 by backcasting from our corporate vision for 2030 and the SDGs. There was continuity, as the SDGs and the social issues to address overlap in many respects with our focus domains. Since we claim in Our Mission a commitment to “contribute to a better society,” there was no arguing with the fact that the resolution of social issues would be a pillar of VG2.0 as well. And by taking the SDGs as a tool through which to give shape to the OMRON Principles, it was easy to obtain the understanding of management.

**Kimura** How did you establish the sustainability goals in the four focus domains?

**Kaizaki** First, our Sustainability Office came up with a list of “social issues for OMRON to address” in a future-oriented manner, as a springboard for discussion, after which we had each department consider them. Then we discussed how to tie these to the 17 SDGs and their 169 targets. In setting our goals, we paid close attention to whether they would lead to expansion of social value and whether they expressed positive content and were easy for employees to understand. Of course, we also focused on maintaining consistency with the medium-term management plan. Setting sustainability goals that differ from business goals would cause confusion in the field. Our sustainability goal for 2020 in the healthcare domain, for example, is blood pressure monitor sales of 25 million units per year. The reason we set the goal as a number of units rather than an amount of money or market share comes down to the idea that by selling of 25 million units we could provide the value of being able to measure blood pressure at home to 25 million patients. In its turn, that would help to resolve social issues, such as reducing medical costs and prolonging healthy lifespan by lowering the risk of conditions such as heart attacks and strokes.

**Kimura** In other words, you align your business goals with your sustainability goals. That must make it easy for people in the field to accept.

**Kaizaki** Exactly. By treating business goals and sustainability goals as two sides of the same coin, we can adjust our language accordingly, talking about sales and share percentage in terms of business performance and number of units in connection with social value. We make a thoroughgoing effort to get people in the company to understand that the two are inextricably linked and that each is one aspect of the OMRON Principles put into action.

## The importance of receiving objective evaluation of one's own company's initiatives



Noriaki Kimura

Manager of Casio's Environment and Social Planning Office in the Sustainability Promotion Department

**Kimura** Another thing that caught my attention while reading your integrated report is that OMRON's compensation system for officers and directors is linked to medium- and long-term performance and that your company has now added sustainability evaluation to that. I admire your company for working under such a scrupulous strategy. What was your intention in basing the sustainability evaluation on the Dow Jones indicators, the DJSI?

**Kaizaki** We wanted to use the perspective of third parties as the yardstick. Given that society's evaluation is fundamental in sustainability, it is important to check whether one's own company's initiatives have reached a certain level from the viewpoint of a wide range of stakeholders including investors.

**Kimura** While the DJSI is an index with a high profile worldwide, it is also true that it is difficult for people on the outside to see the reason for the evaluation. Doesn't that create a problem in terms of acceptance by officers?

**Kaizaki** To be sure, the DJSI is a relative evaluation, and so even if OMRON tries hard, the results could end up different depending on other companies' initiatives. However, one's position in the global standing is also an important measure. With an internal index, we could probably make a system that is easier to understand, but that would also introduce the possibility of establishing targets that are that much easier to meet. I think that receiving an objective evaluation is, after all, the most important point.

**Kimura** It is true that your Integrated Report 2017, which compiles a series of initiatives into a story and communicates that to the world, has received high ratings socially.

**Kaizaki** In addition to winning a WICI Japan Award for Excellence in Integrated Reporting and the Nikkei Annual Report Award 2017, our report was also selected by the Government Pension Investment Fund of Japan as an "excellent integrated report" and the "most-improved integrated report." It seems that the key points for this recognition were the facts that we set non-financial goals for each business, demonstrated contribution to the SDGs through our business, and disclosed the fact that we incorporated sustainability evaluation by third parties into officers' compensation, among other things. Receiving such an evaluation has a sobering effect, making me feel that we must push our initiatives ahead even more and disclose information appropriately. A year has passed since we started our new system and already some goals themselves are starting to feel at odds with the current situation. I think that it is important to continually review our goals in light of social trends, without adhering too rigidly to them just because they were decided once.

**Kimura** I suppose that kind of flexibility is important. There is a general propensity to dislike quantification, because when goals are expressed in numbers they tend to become goals one is committed to meet. But I get the feeling that your company has done well overcoming that difficulty. In two more years it will be 2020, the target year for VG2.0. Have you already started to consider your next medium-term management plan?



**Kaizaki** We establish a long-term plan every 10 years, and so a project looking ahead to the next 10 years after 2020 will start sometime next year. However, we plan to establish longer-term goals during the current fiscal year just for our environmental goals, as the 2020 goals we have right now have not quite caught up to current social demands.

\* DJSI: Dow Jones Sustainability Indices. An ESG index that evaluates and selects companies by looking at economic, environmental, and social performance in an integrated manner with a view to long-term enhancement of shareholder value.

## Instilling awareness of CSR among employees

**Kimura** Employee awareness is extremely important in promoting CSR, but I often feel how difficult it is to instill awareness within the company. As something comparable to OMRON's mission statement, Casio has a corporate creed of "Creativity and Contribution." This is broken down in the Charter of Creativity, which we are reviewing right now, looking for a way to tie our corporate creed to actual practice.

**Kaizaki** Developing a system for actually putting a creed into practice is something I think any company would find challenging. At OMRON, every single employee can rattle off our mission statement, but as for whether they truly understand it and can put it into action, that is a high hurdle for sure. Although we set goals for each department and go through the PDCA cycle, I sometimes feel that there are differences in degree of commitment in the field to company-wide expectations. I think that the only answer is to keep working at it tenaciously.

**Kimura** I guess the most essential point is whether or not each employee fully understands and accepts an idea as valid. Since 2015, we have been holding CSR Leader Meetings with the aim of instilling awareness within the company. Each department chooses CSR leaders who gather periodically for CSR training at these meetings. At present, there are about 100 CSR leaders taking action at our head office. The number of people is still small and hasn't formed fully into a group that could lead the whole company strongly. Nevertheless, we hope to increase the number of people with experience as CSR leaders through rotation in the future and to gradually create a foundation for talking about CSR and SDGs as common terms.

**Kaizaki** I think that is a great initiative. That's like putting CSR evangelists into the company. To have continued to develop as many as 100 human resources for that is no mean accomplishment. In our case, we have an internal award system called TOGA, The Omron Global Awards, as a scheme for instilling awareness within the company. Employees around the world give presentations on how their own initiatives put the OMRON Principles into practice and contribute to the creation of social value. Qualifying trials are held in each area and 13 excellent themes are chosen. The final presentations are given in Kyoto, where our head office is, every year on May 10, which is our Founder's Day. The presentations are distributed online globally so that employees in every country can see them. In fiscal 2017, we had around 6,200 entries from over 51,000 people worldwide. OMRON has about 36,000 employees, so there are many cases of people participating in TOGA in groups of two or more.

**Kimura** Those are incredible numbers. So, employees chosen from around the world all get together for the final presentation?

**Kaizaki** Yes, and we create opportunities for employees from sites outside Japan to experience OMRON's origins while they are here, including visiting the Kazuma Tateishi Memorial Museum in Kyoto. Especially in the case of employees who were hired locally outside Japan, it is actually hard for them to see what kind of company OMRON really is and what it does, beyond their own department. We feel it is important to have such opportunities for them to deepen their understanding of OMRON and interact with other employees.

**Kimura** Do you have an incentive, such as a cash reward, for the winning groups?

**Kaizaki** Yes, but it is more remuneration for the effort it takes to win than encouragement to submit an entry. We also award medals and other prizes, but I have heard that for employees outside Japan, the chance to come to Japan itself is a considerable incentive. Since the winning of a TOGA award is entered into HR records, it might also have significance in that it becomes a mark of performance. While company officers make the final selection, the preliminary levels have been set up in such a way that anyone can vote through internal social media. We started TOGA in 2012, but at first we couldn't manage to get away from the idea of being concerned about business performance. After we revised the OMRON Principles in fiscal 2015, I feel that people finally started to get used to the new concept and the perspectives of "how can we practice innovation driven by social needs?" and "how can we solve social issues?" started to take root among the employees who participate.

**Kimura** That is quite a meaningful initiative, distinctive of OMRON. We too have a president's award system, but we haven't yet added ESG as a factor. You have given us a very big hint, and I hope to make use of it in the future.

## Enhancing communication with the world outside the company to deepen CSR

**Kimura** As a form of engagement with the world outside the company, OMRON held an ESG Meeting in fiscal 2017. What led your company to start this initiative?

**Kaizaki** We have always taken an active approach to IR activities, but IR inevitably focuses on business performance, tending to neglect non-financial affairs. To remedy that, we established the ESG Meeting as a place for engagement focused on non-financial issues. During the first meeting, which was held in December 2017, the relevant company officers introduced initiatives in the human resources, manufacturing, and risk management departments. Even though it was the end of the year, over 160 investors, analysts, and others came to the meeting, which received higher marks than we expected. Although we are still figuring out how best to proceed, we plan to continue such meetings in the future.

**Kimura** I would definitely like Casio to think about holding such meetings, as well. Our publication of an integrated report might also become a step forward in the sense of establishing a foundation for management to communicate non-financial information to the world outside the company. Lastly, please share with us any opinions you may have of Casio's pursuit of CSR.

**Kaizaki** I think that Casio is conveying a forward-looking commitment to the environment. You have set out the goal of an 80% reduction in greenhouse gases in fiscal 2051 compared to fiscal 2014 as a long-term goal. OMRON's targets are still set in terms of intensity, and so we should re-establish our long-term goal in terms of total emissions in the future.

**Kimura** "An 80% reduction by fiscal 2051" is a goal that we set a while back, but the current goal reflects the fact that we changed the base year from fiscal 2006 to fiscal 2014 so as to make it an even more challenging goal. It will by no means be easy to achieve, and so we will have to increase our efforts amid the many issues that we still face.

**Kaizaki** Also, I think that actively incorporating voices from outside the company into your report—including by examining other companies' practices, like you are doing now, and by holding dialogues with outside experts—is a unique initiative. I also get the impression, from the fact that you visit suppliers and take the time to talk with them, that Casio values the supply chain.

**Kimura** I think that including dialogues in our report is also important in the sense of sharing voices from outside the company with members of the company. We intend to continue learning from diverse opinions in the future, in order to raise the level of our CSR efforts. Thank very much for this conversation today.

# CSR Management



> Casio's Corporate Creed and Approach to CSR	> Social Trends and CSR Progress	> CSR Implementation System
> Material Issues for Casio	> Stakeholder Engagement	> Corporate Governance
> Corruption Prevention Initiatives / Compliance	> Risk Management	> External Evaluation

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# Casio's Corporate Creed and Approach to CSR

**Making life richer and more convenient by creating innovative products—this was the aspiration of Casio's founders, and it is summed up in the corporate creed, "Creativity and Contribution." Casio believes that part of its social responsibility is to pass down this corporate creed to all of its employees without fail. Casio is determined to ensure that its businesses, which make something from nothing, or go from "0" to "1," continue to make a consistent contribution to a more sustainable global society.**

## Welcoming the challenge of helping to build a more sustainable global society

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In recent years, there has been widespread concern over the sustainability of human civilization in its current form. While economic activity has enriched the lives of many people, it has also put great strain on the global environment and social systems. Cooperation is needed to overcome this global crisis and leave a sustainable global society to future generations. In order to achieve this, proactive initiatives need to be taken by individuals, companies, governments, and international organizations. A company has a much larger impact on society than an individual, and corporate activities are responsible for some of the current impact on the planet. This is why society now has much greater expectations for companies to actively implement their own initiatives to help resolve sustainability issues, or in other words, to fulfill their corporate social responsibility (CSR). In recent years, investment in enterprises based on environmental, social and governance (ESG) criteria has grown exponentially worldwide. Given this trend, companies that neglect their CSR initiatives and fail to fulfill their social responsibilities no longer hold any appeal for investors, and the continued existence of such companies holds no value for society.

Casio's corporate creed of "Creativity and Contribution" contains the company's founding idea of social contribution through the provision of innovative products that have never existed before. Everyone working at Casio fully appreciates this corporate creed, and the company is always striving to help build a more sustainable global society by pursuing business activities designed to make something from nothing, or go from "0" to "1." This is Casio's CSR approach.

The Charter of Creativity for Casio outlines the basic principles concerning the attitudes and conduct expected of Casio employees in order for the company to continue realizing its corporate creed. The company's 60th anniversary last year provided momentum for a review of the Charter of Creativity for Casio. The president feels strongly that the Charter should serve as an each employee's compass when the way forward is unclear, and that its content needs to reflect this purpose. A project team is now working on revising the Charter to ensure that the spirit of the current charter is maintained while creating something that is more practical and inspiring.

The Casio Group Code of Conduct is also used as a guide for all officers and employees of the Group, ensuring compliance with applicable laws and internal regulations and appropriate conduct from an ethical point of view. Based on changes in and outside the Casio Group, the Code of Conduct was revised in June 2013 and again in November 2016 to meet new standards in areas where the international community has high expectations and demands, such as human rights, supply chain management, and anti-corruption measures.

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Casio has identified three material issues, shown below, to guide its efforts to address social and environmental issues that relate directly and indirectly to its business operations. By addressing these issues the company aims to help build a more sustainable global society.

The world today is faced with many complex economic, environmental and social problems of a very serious nature. Humanity as a whole needs to consider its own best future, and then find ways to move in that direction. If economic activities are to be maintained on this planet with limited resources, every member of society must try to help achieve sustainability.

Casio is determined to do its part to find solutions for social and environmental issues while continuing to provide new value to society, based on its corporate creed of "Creativity and Contribution." Casio will steadily pursue specific initiatives while always seeking to conceive of ideal solutions for each issue.

## **Casio's Environmental Materiality and Medium-Term Targets**

### **1. Realizing a low carbon society**

Medium-term targets

Reduce greenhouse gas emissions (Scopes 1 and 2) for the entire Casio Group:

1. Reduce emissions by 26% compared to FY2014, by FY2031.
2. Reduce emissions by 80% compared to FY2014, by FY2051.

### **2. Building a recycling society**

Medium-term targets

1. Aim for 100% waste recycling at business sites by FY2031.
2. Aim for a 90% sales ratio for Green Star products by FY2026.
3. Aim to perform life-cycle assessment (LCA) for all new product models by FY2026.

### **3. Living in harmony with nature**

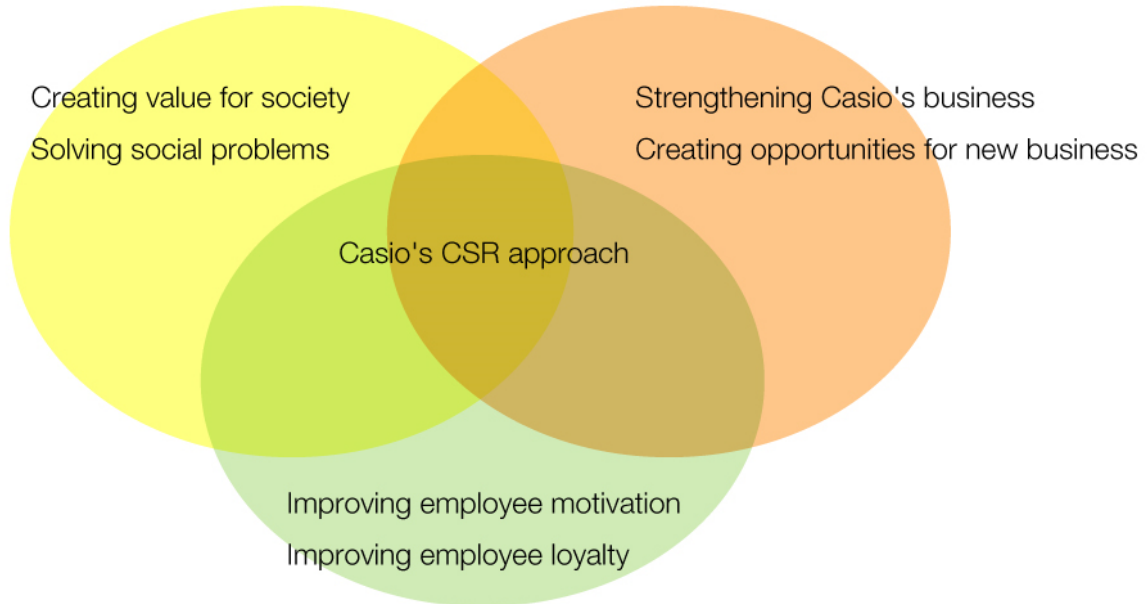
Medium-term target

Aim to use only sustainable paper by FY2031.

## Casio's CSR Approach

Casio's CSR approach is one where the group works to meet the expectations of society by helping to solve environmental and social issues through business operations, while achieving sustainable growth. Casio must continue to be useful to society, while also maintaining the respect of its employees.

### Promoting CSR activities to improve corporate value



## Medium-Term CSR Policy (FY2018 – 2019)

The Sustainable Development Goals (SDGs) were adopted at the United Nations in September 2015, while the Paris Agreement, the result of the 2015 United Nations Climate Change Conference (COP 21), entered into force in November of the same year. Given this background, along with the global trend toward investment based on economic, social, and governance (ESG) factors, Casio has formulated the following medium-term CSR policies for the next two years.

- Promoting concrete initiatives associated with the SDGs to solve social and environmental issues based on materiality linked with business management
- Establishing achievement scenarios linked to long-term environmental targets, and continually improving environmental performance through implementation of environmental management systems (EMS)
- Strengthening the business foundation by gathering compliance and ESG information from Casio Group companies and continuing to improve performance levels
- Raising the awareness of all Casio Group employees, and promoting behavioral changes

Following these medium-term policies, Casio will specifically address the following three issues as the top priority issues.

1. Initiatives based on SDGs
2. Initiatives to achieve medium and long-term environmental targets
3. Initiatives for disclosure of corporate ESG information

Casio will establish KPIs for each policy and will promote and manage initiatives using plan-do-check-act (PDCA) cycles.

### Casio's CSR Platform





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## Charter of Creativity for Casio and Casio Common Commitment

In 2003, Casio adopted the Charter of Creativity for Casio and Casio Common Commitment, a promise from everyone working at Casio. They are designed to ensure that Casio employees will be aware of the corporate creed at all times, and act upon it. These promises cover the three key aspects of CSR—economy, environment, and society—as well as the company’s approach to compliance.

### Charter of Creativity for Casio

#### First Chapter

We will value creativity, and ensure that our products meet universal needs\*.

#### Second Chapter

We will strive to be of service to society, providing customers with delight, happiness, and pleasure.

#### Third Chapter

We will back up our words and actions with trustworthiness and integrity, and work as professionals.

\* To create innovative products that everyone needs but no other company has ever produced. At Casio, this is the mission not only of product development, but of every other part of the business.

[> Charter of Creativity for Casio and Casio Common Commitment](#)

## Engaging employees in Casio’s unique CSR approach

To ensure thorough application of these principles, the directors and department heads sign the Charter of Creativity for Casio and Casio Common Commitment every year, and together recite a pledge to abide by the Charter and Commitment and familiarize their subordinates with it. All employees also sign a card printed with these promises, to carry with them at all times.

There is also a site on the company intranet entitled CASIO STYLE which includes messages about the corporate creed and the Charter and Commitment from the four brothers who founded the company, along with other simple, compelling stories presented once a month. This helps all group employees to better understand and identify with Casio’s essential character.

The CSR Communication Book has been issued mainly for employees every year since 2012. By presenting specific cases to illustrate each chapter of the Charter of Creativity, it helps employees better understand the charter.

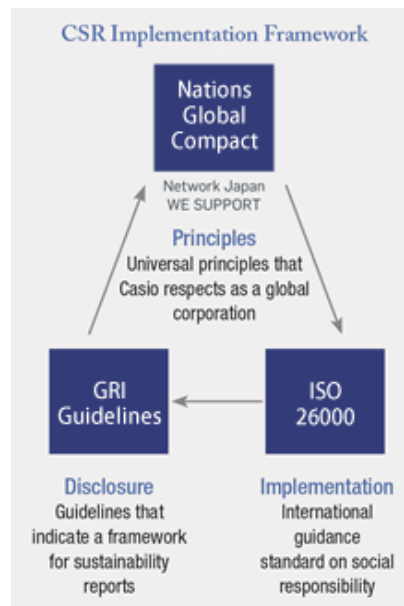
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## CSR Implementation Framework

Casio joined the UN Global Compact in 2010. The company upholds the ten principles of the Global Compact, which concern human rights, labour, the environment and anti-corruption, and it has also fully adopted the corporate commitments.

Casio has been working to enhance its CSR programs to meet the requirements of the international community. The company draws on the ISO 26000 guidance standard on social responsibility in implementing CSR, and uses Global Reporting Initiative (GRI) Guidelines to select subjects for disclosure. The company is currently working to comply with the latest G4 version of the guidelines.



## United Nations Global Compact

Casio products are made through cooperation not just within the Casio Group, but with many other parts and consignment manufacturers. Through global distribution, over 100 million Casio products are sold each year in 140 countries around the world.

In order for consumers worldwide to purchase Casio products with confidence, the company believes that it must support and adhere to common global principles for sustainable growth for the international community, beginning with Casio's global supply chain.

This is why, in December 2010, the company president signed a letter of commitment to support the principles of the United Nations Global Compact. With that step, Casio joined the compact, and it has been making employees thoroughly aware of it ever since, group-wide. While pursuing specific initiatives for the realization of the Global Compact principles, Casio is also appropriately disclosing progress.

Casio is also active at the local network level of the UN Global Compact, serving as a member of the Japanese Global Compact Network Japan (GCNJ).

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## 10 Principles of the UN Global Compact

### Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

### Labor Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labor;
5. the effective abolition of child labor; and
6. the elimination of discrimination in respect of employment and occupation.

### Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

10. Businesses should work against all forms of corruption, including extortion and bribery.

## FY2018 participation in Global Compact Network Japan (GCNJ) Subcommittees

- Human Rights Due Diligence Subcommittee
- Women's Empowerment Principles Subcommittee
- Reporting Research Subcommittee

Related Links: [United Nations Global Compact](#) 

## SDG-Based Initiatives

In September 2015, the United Nations Sustainable Development Summit was held at the UN Headquarters. With the participation of over 150 member countries, the 2030 Agenda for Sustainable Development was unanimously adopted by world leaders at the summit. This global agenda includes 17 SDGs and 169 targets.

The SDGs outline priority global issues to be resolved by 2030 and clarify shared objectives for the world. They indicate specific opportunities to put the planet on a sustainable path, including the elimination of poverty and hunger, and the achievement of clean energy, climate action, and peaceful societies.

The SDGs have made it easier for Casio to establish targets for its contribution to the world, as part of its corporate creed, "Creativity and Contribution."

Currently, Casio is looking for SDG collaboration opportunities for each of its business areas and is working with experts to determine the relevance of each SDG to its business activities. The SDG opportunities and risks for Casio business activities will be released together with materiality information in the 2019 Casio Sustainability Report.

Examples of opportunities that the SDGs bring to business activities are as follows.

[Working to improve the math skills of children in developing countries](#)  
[Partnership with the GAKUHAN program](#)

## SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD



# Social Trends and CSR Progress

Casio's CSR activities have evolved with social trends over the years. This section reviews that history, showing the increasing importance of management focused on social responsibility.

## 1990s: Establishing Environmental Management

The 1990s was a decade of growing public criticism of corporate practices, with repeated corporate scandals in Japan. Compliance measures were advanced, including the establishment of codes of conduct by large companies. Also, the issue of global warming came to light, and global environmental problems became apparent. Against this backdrop, many Japanese companies shifted to environmental management.

Casio established its Environmental Conservation Committee in 1991 and began to pursue environmental management. In 1993, the Casio Environmental Charter was established. This led to environmental activities across the Casio Group relating to both products and production/business sites.

As a company with a global presence, Casio understands that it is vital to comply with international norms as well as the applicable laws and regulations in each country and region. In 1998, the Casio Code of Ethics was created to ensure that all officers and employees act based on high ethical standards and sound judgement.

- CSR management reinforcement
- Environmental initiative
- Information disclosure
- Social Trends

### Social Trends

1990	●	Action Program to Arrest Global Warming established
1991	●	Act for Promoting the Utilization of Recycled Resources takes effect
	●	Keidanren Global Environment Charter established
1993	●	Basic Environment Act takes effect
1994	●	United Nations Framework Convention on Climate Change takes effect
1996	●	ISO 14001 international environmental standard created
1997	●	Kyoto Protocol adopted by the third session of the Conference of the Parties (COP3)
1998	●	Act on Rationalizing Energy Use revised
	●	Act on Promotion of Global Warming established

## Casio Initiatives

1991	●	Casio Environmental Conservation Committee launched
1993	●	Casio Environmental Charter and Environmental Fundamental Policies established
1997	●	Environmental activities reported on the Casio website
	●	ISO 14001 certification acquired by Aichi Casio and Yamagata Casio
1998	●	Casio Group Code of Conduct established
	●	ISO 14001 certification acquired by Kofu Casio, Kochi Casio, Casio Korea, and Casio Electromex (Mexico)
1999	●	Green Procurement Guidelines established
	●	Environmental Report first published
	●	First exhibit at Eco-Products
	●	ISO 14001 certification acquired by Casio Electronics

## 2000s: Shifting to CSR Management

In addition to environmental efforts, CSR themes including human rights, labor relations, society, and product liability began to be discussed in the 2000s. CSR reports also started coming out as part of stakeholder communication efforts. A growing number of companies established CSR offices and appointed officers in charge of CSR. These efforts took place in the context of management strategy, as an indispensable element for sustainable development of the company.

In 2003, Casio reviewed its corporate creed, "Creativity and Contribution," in light of the times, and established the Charter of Creativity for Casio to set the course for CSR management. In 2004, Casio established its CSR Promotion Office and CSR Committee. In 2005, the Casio Group identified its key stakeholder segments and started issuing the CSR Report, which clearly described the Group's responsibilities to each segment.

- CSR management reinforcement
- Environmental initiative
- Information disclosure
- Social Trends

### Social Trends

2000	●	United Nations Global Compact initiated
	●	<i>Sustainability Reporting Guidelines</i> issued by the Global Reporting Initiative (GRI)
	●	Containers and Packaging Recycling Act established
2001	●	Green Purchasing Act established
	●	Act on the Promotion of Effective Utilization of Resources, the Waste Management and Public Cleansing Act, and the Basic Act on Establishing a Sound Material-Cycle Society established
2002	●	World Summit on Sustainable Development held in Johannesburg
	●	Act concerning Pollutant Release and Transfer Register (PRTR Act) established
2003	●	WEEE and RoHS Directives take effect
2005	●	Kyoto Protocol takes effect
2006	●	JEITA issues Supply Chain CSR Deployment Guidebook

## Casio Initiatives

2000	●	ISO 14001 certification acquired for production sites in Japan and four Casio Computer business sites
	●	Environmental accounting introduced
	●	Green Procurement Standards issued and business partner briefing sessions begin
2001	●	Casio Taiwan and Casio Software acquire ISO 14001 certification
2002	●	Casio Electronics (Shenzhen), Casio Electronics (Zhongshan), and Casio Techno headquarters acquire ISO 14001 certification
2003	●	The Charter of Creativity for Casio established
2004	●	CSR Promotion Office and CSR Committee launched
	●	<i>Environmental Report becomes Environmental Management Report</i>
2005	●	<i>Environmental Management Report becomes the CSR Report</i>
	●	RoHS compliance achieved for all products sold in Europe
2006	●	<i>CSR Report and Corporate Profile combined to create Corporate Report</i>
2009	●	Casio Environmental Charter becomes the Casio Environmental Vision, and the Basic Environmental Policy becomes the Casio Environmental Declaration

## 2010s: Integrating CSR into Management Strategy

In the 2010s, the attitude of external stakeholders toward companies has been changing dramatically. In particular, more companies are highlighting their own business activities based on how they address issues targeted under the Sustainable Development Goals (SDGs) adopted at the United Nations in 2015. Many investors have begun to look at corporate CSR activities as part of investment criteria, labeling them as environmental, social, and governance (ESG) information. As a result, companies are starting to actively promote CSR as part of their management strategies.

Casio has also worked to meet the expectations of society through participation in international frameworks such as the United Nations Global Compact and the ISO 26000 standards for social responsibility. In 2016, Casio established a process for identifying materiality in dialogue with various stakeholders and incorporating public expectations into its CSR management.

In 2018, Casio is looking at how it can help achieve the SDGs and has started to consider targets that can make a global contribution.

- CSR management reinforcement
- Environmental initiative
- Information disclosure
- Social Trends

### Social Trends

2010	●	ISO 26000 standard created
2013	●	<i>G4 Sustainability Reporting Guidelines</i> released
	●	International Integrated Reporting Framework announced by the IIRC
2014	●	Fifth Assessment Report released by the United Nations Intergovernmental Panel on Climate Change (IPCC)
2015	●	Sustainable Development Goals (SDGs) adopted at the UN
	●	Japan's Government Pension Investment Fund (GPIF) signs the Principles for Responsible Investment (PRI)
	●	ISO 14001 standard revised
	●	Paris Agreement adopted
2016	●	GRI Standards released



## Casio Initiatives

2010	●	<i>Corporate Report</i> becomes <i>Sustainability Report</i>
	●	Joined the United Nations Global Compact
2011	●	Casio Group Biodiversity Guidelines established
2012	●	Analyzed current status for ISO 26000
	●	<i>CSR Communication Book</i> issued
	●	Replaced the Casio Environmental Vision with the Casio Environmental Vision 2050, and the Casio Environmental Declaration with the Casio Environmental Declaration 2020
2014	●	Casio Group Basic Policy on Respect for Human Rights established
	●	Joined the Consortium for Sustainable Paper Use
2015	●	Casio Group Paper Procurement Policy established
	●	CSR materiality studied
	●	CSR Leader system established at Casio Computer
2016	●	Material issues identified
2017	●	CSR Leader system expanded to group companies in Japan

# CSR Implementation System

## CSR Committee and CSR Promotion Subcommittee

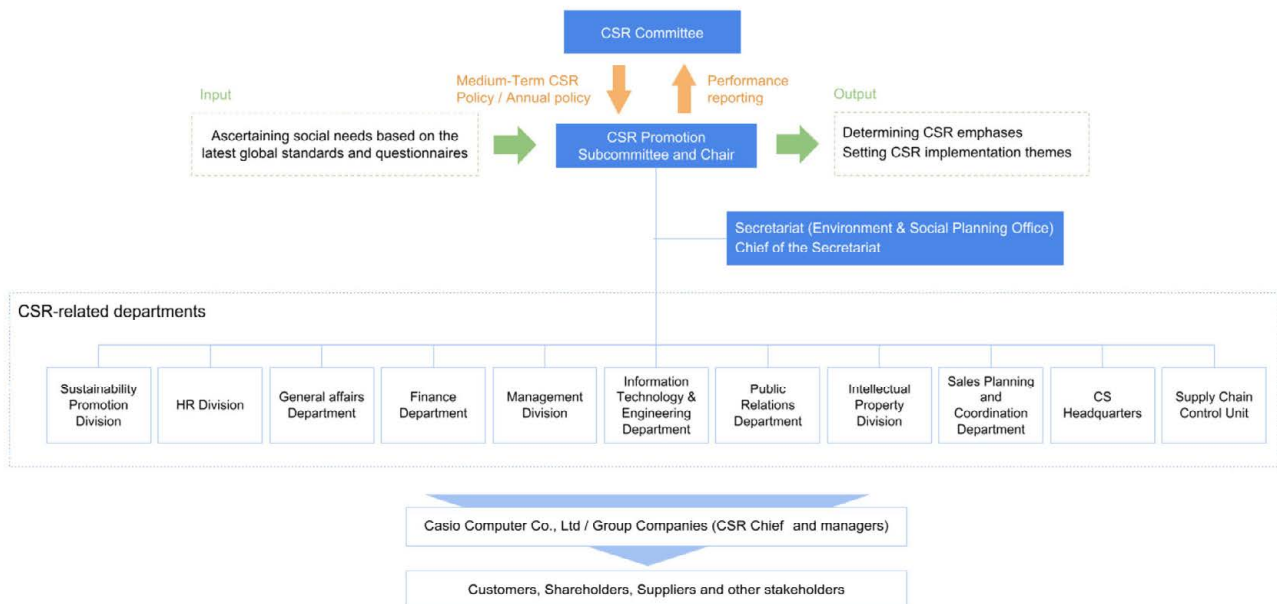
In fiscal 2018, Casio revised its CSR Committee system. Under the new system, the CSR Committee is chaired by Casio’s president, and its members include all the company directors, audit & supervisory board members and executive officers. It has become the body that discusses and approves Casio’s CSR activities, including the medium-term CSR policy, annual policy, and previous years’ performance reports. In addition, the former CSR Committee was renamed the CSR Promotion Subcommittee.

In order to respond to the expectations of society, the CSR Promotion Subcommittee identifies social issues to be addressed, and implements measures to help resolve them. As the core CSR organization, the subcommittee is composed of CSR chiefs and managers from staff-related departments at Casio Computer Co., Ltd., and all Casio group companies worldwide, and is administrated by a Secretariat. A regular meeting is held every six months, and the subcommittee activities are promoted throughout the year based on the management cycle of the fiscal year.

At the start of the fiscal year, the Secretariat checks progress made on various CSR themes in the previous year. It then creates an overview of conditions for future progress, the expectations of society, and environmental changes. Priority themes for action are determined for each fiscal year, and a specific action plan is formulated. Under the action plan, ongoing themes are continued and new themes are introduced. New themes are established upon ascertaining the current situation and challenges, and also according to requests from CSR-related departments.

The CSR-related departments promote theme initiatives through programs formulated based on the original objectives and the plan for the year concerned. They also evaluate progress made on the initiatives at the end of the fiscal year, identify issues based on the results and achievements, and use them when planning improvements for the next fiscal year.

### CSR Implementation System



In fiscal 2018, Casio continued to address four CSR themes that it had been working on since the previous fiscal year: “respect for human rights,” “fair business practices,” “increase and utilize employee diversity,” and “ensure no conflict minerals are used,” which are core objectives of ISO 26000. Two new themes were also established: “create a global compliance system” and “comply with the EU General Data Protection Regulation (GDPR).” The following table outlines the progress made on these themes in fiscal 2018 and the results achieved.

## Individual themes for fiscal 2018 and implementation status and fiscal 2019 plan

No	Theme	Fiscal 2018 performance	Status	Fiscal 2019 plan
1	Fair business practices: take action to prevent corruption	Promoted corruption risk assessment for eight sales group companies and implemented improvements based on feedback	Ongoing	Conduct corruption risk assessment at 29 production group companies and implement improvements based on feedback
2	Create system for checking respect for human rights	Checked human rights issues at 29 group sales companies and implemented improvement based on feedback	Ongoing	Check human rights issues at eight group production companies and implement improvements based on feedback
3	Increase and utilize employee diversity	Promoted initiatives for the advancement of women, carried out work style reforms, and revised the senior employee system	Ongoing	Improve the recruitment rates for women and people with disabilities, and plan support measures for veteran employees
4	Implement measures to ensure no conflict minerals are used	After an investigation policy was established, sent a survey to all material suppliers and collected the responses; increased suppliers that do not use 3TG conflict minerals and that completed the survey	Ongoing	Establish an investigation policy for the sixth-year initiative, share the policy within the Casio Group conduct a survey among all material suppliers, and collect the responses
5	Create a global compliance system	Analyzed the responses from the previous year's Global Compliance Survey and provided feedback	Ongoing	Conduct the second Global Compliance Survey and collect the responses
6	Comply with the EU General Data Protection Rules (GDPR)	Launched an internal project, ascertained the current handling of personal data, checked suitability, and created a to-do list	Ongoing	Following the priorities set in the to-do list created in the previous year, implement measures to meet the requirements

# Material Issues for Casio

## Approach

As a company with a global reach, it is extremely important for Casio to pursue initiatives that meet the expectations of the international community. The worldwide movement to build more sustainable societies continues to evolve, year by year. Companies today are expected to carry out strategic initiatives as part of their core business activities. Casio is no exception. Even more so, as a company known for “creating something from nothing,” Casio must strategically implement social contribution measures that are integrated with its business activities.

Responding to these trends, Casio has specified the issues with the greatest significance (materiality) to its practice of social responsibility, in accordance with the G4 Sustainability Reporting Guidelines issued by GRI in May 2013. Going forward, the company will take action on each of the specified issues, and will apply the plan-do-check-act (PDCA) cycle to these efforts to ensure the highest level of socially responsible management.

## KPI and Performance

Evaluation ◎: All targets met, ◦: Most targets met, △: Remaining issues outweigh results, ×: No progress made

Material Issues for Casio	FY2018 Targets and KPI	FY2018 Performance	Evaluation	FY2019 Targets and KPI
Realizing a low-carbon society	Reduce the FY2018 CO <sub>2</sub> emissions for the entire Casio Group by 8.25% compared with FY2014	Achieved a 6.0% reduction	△	Reduce the FY2018 CO <sub>2</sub> emissions for the entire Casio
	Implement energy conservation diagnosis at major sites in Japan to clarify the energy savings potential, then create an energy reduction roadmap	Conducted energy conservation diagnosis at major sites in Japan and clarified the energy savings potential at the sites concerned, but an energy reduction roadmap has not yet been created	△	Create scenarios to reduce CO <sub>2</sub> emissions and achieve medium and long-term targets
Building a recycling society	Maintain the Casio Green Star product sales ratio at 60% or more	Casio Green Star Product sales ratio: 69%	◎	Maintain the Casio Green Star product sales ratio at 70% or more
	Promote the development of new Casio Super Green Star Products	No new certified models in FY2018 (35 certified models to date)	△	* Without performing target management, continue to promote the development of Casio Super Green Star products
	—	—	—	Achieve a recycling rate for business site waste of at least 92%

Living in harmony with nature	Ensure that 40% of product catalog paper used in Japan is FSC® certified paper	Ratio of certified paper in catalogs in FY2018: 65%	◎	Ensure that 65% of product catalog paper used in Japan is FSC® certified paper
	Set specific activity initiatives for biodiversity preservation based on the results of the biodiversity surveys at major sites in Japan, and launch activities	The Hamura R&D Center formed a team of employee volunteers to carry out observation and conservation activities for endangered species such as Golden Orchid and Silver Orchid that are native to Japan	○	* Without using target management, continue the employee volunteer activities
	—	—	—	Develop scenarios for achieving medium-term targets relating to usage ratios for sustainable paper
Promoting CSR procurement	Implement CSR education at Casio sites and at suppliers, and hold awareness raising campaign during one vendor meeting in China	Implemented CSR education at Casio sites and at suppliers, and held awareness raising campaign during one vendor meeting in China Presentation on human rights issues from headquarters	○	Implement CSR education at Casio sites and at suppliers, and hold awareness raising campaign during one vendor meeting in China
	Implement annual audit follow-up and confirmation prior to the annual audit	Conducted follow-ups for CSR audits requested by customers at 4 production sites In China, conducted onsite inspections at 8 suppliers In Thailand, conducted onsite inspections at 6 suppliers	○	Annual audit follow-up Continue audits requested by customers at production sites Carry out production site audit and document surveys Continue onsite audits at suppliers
Providing supportive workplace environments and promoting diversity	Achieve rate of employee return after childcare leave of 90% or more	<ul style="list-style-type: none"> <li>Achieved childcare leave usage rate for eligible employees of 100%</li> <li>Achieved a rate of employee return after childcare leave of 100%</li> </ul>	◎	Childcare support <ul style="list-style-type: none"> <li>Achieve childcare leave usage rate for eligible employees of 90% or more</li> <li>Achieve rate of employee return after childcare leave of 90% or more</li> </ul>
	Keep employee turnover at less than 5%	Company-wide employee turnover was 3.7%	◎	—
	Achieve implementation rate of follow-up measures of 80% or more by urging employees to reserve re-check up	<ul style="list-style-type: none"> <li>Follow-up measure implementation rate: 46%</li> <li>Implemented a health promotion incentive program where employees who are healthy, who improve their checkup results, or who undergo further examination concerning health findings can earn points redeemable for health-related products</li> </ul>	△	Follow-up measure implementation rate for annual checkups: 80% or more <ul style="list-style-type: none"> <li>Strengthen measures to urge those who have not received checkups to get them</li> <li>Implement a health promotion incentive program where employees who are healthy, who improve their checkup results, or who undergo further examination concerning health findings can earn points redeemable for health-related products</li> </ul>

<p>Promote stress management</p> <ul style="list-style-type: none"> <li>• Ascertain the actual mental illness rate</li> <li>• Implement e-learning training for new employees and managers</li> <li>• Implement stress management seminars for managers</li> <li>• Implement work skill improvement training (including self-management) for young employees</li> </ul>	<ul style="list-style-type: none"> <li>• Ascertained mental health problem rate for consolidated group (fiscal year end)</li> <li>• Implemented e-learning for new recruits (including those who joined mid-career) and executives (in July and December)</li> <li>• Implemented job-specific level-up training for young employees (including self-management) (June)</li> </ul> <p>* Stress management seminars for managers have not yet been implemented for integration into manager training</p>	○	<p>Promote stress management</p> <ul style="list-style-type: none"> <li>• Ascertain the actual mental illness rate (analysis together with stress check results)</li> <li>• Implement e-learning training for new employees and managers</li> <li>• Implement work skill improvement training (including self-management) for young employees</li> </ul>
<p>Implement stress checks</p> <ul style="list-style-type: none"> <li>• Ascertain the rate of employees with high stress</li> <li>• Ascertain the health risk rate (by department)</li> <li>• Implement industrial physician consultations to interested employees with high stress</li> <li>• Implement workplace analysis and feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Ascertained the rate of employees with high stress (November)</li> <li>• Consultations provided by industrial physicians to interested employees (November to February)</li> <li>• Ascertained health risk rates by department (March)</li> <li>• Implemented workplace analysis and feedback (March)</li> </ul>	○	<p>Implement stress checks</p> <ul style="list-style-type: none"> <li>• Ascertain the rate of employees with high stress</li> <li>• Implement industrial physician consultations to interested employees with high stress</li> <li>• Ascertain the health risk rate (by department)</li> <li>• Implement workplace analysis and feedback</li> <li>• Implement workplace improvement using stress checks</li> </ul>
<p>Achieve female science graduate employment rate of 20% or more</p> <ul style="list-style-type: none"> <li>• Implement measures to strengthen recruitment of women for technical positions</li> </ul>	<p>Female recruitment rate: 25% (14% were female science grads)</p> <ul style="list-style-type: none"> <li>• Participated in recruitment seminars for female science students</li> </ul>	△	<p>Achieve female science graduate employment rate of 20% or more</p> <ul style="list-style-type: none"> <li>• Implement measures to strengthen recruitment of women for technical positions</li> </ul>
<p>Maintain legally mandated employment rate of people with disabilities at 2% or more</p> <ul style="list-style-type: none"> <li>• Actively employ people with disabilities, including those with mental disabilities, and achieve the legally mandated employment rate</li> <li>• Implement measures for retaining employees with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Employment rate for the Casio Group (consolidated group in Japan): 2.13% (as of June 20, 2018)</li> <li>• Participated in joint interviews sponsored by Hello Work</li> <li>• Continued post-hiring follow-up system and commuting support system</li> </ul>	○	<p>Maintain legally mandated employment rate of people with disabilities at 2.2% or more</p> <ul style="list-style-type: none"> <li>• Actively employ people with disabilities, including those with mental disabilities, and achieve the legally mandated employment rate</li> <li>• Implement measures for retaining employees with disabilities, while seeking to employ people with diverse disabilities</li> </ul>

Respecting human rights	Check human rights issue and implement feedback: All sales group companies (100%)	Checked human rights issue and implemented feedback: Implemented at all 29 sales companies (100% complete)	○	Check human rights issue and implement feedback: All production group companies (100%)
	Implement human rights education for CSR leaders: Casio Group companies in Japan (100%)	Implemented human rights lecture and workshop by international human rights NGO, Amnesty International, on December 2017 at a leader meeting for group companies in Japan (94% completion from attendance rate)	○	Implement human rights education for CSR leaders: Casio Group companies in Japan, along with CSR leader replacement (100%)
	Develop a grievance mechanism a) In Japan: Raise awareness b) Outside Japan: Ascertain current situations and create grievance handling mechanisms	Carried out education at all group companies, mainly through e-learning, in order to raise awareness of the whistleblower hotline in April 2017	○	Develop a grievance mechanism; establish the mechanism and put into full operation
Preventing corruption	Develop anti-corruption educational materials and carry out specialized training.	Prepared an anti-corruption self-checklist and provided mechanisms to sales management departments	△	Conduct global corruption risk management (1) Manual preparation, dissemination, implementation, and evaluation
	Check corruption risk at all production group companies (100%)	Checked corruption risk at all 8 production group companies (100%)	○	

## Materiality specification process

### Step 1: Specification of issues with significance to the company

In fiscal 2015, Casio made a detailed list of CSR issues with reference to its business areas, and prioritized them based on relevance to its own activities.

### Step 2: Specification of issues with significance to stakeholders

In fiscal 2016, Casio sent a questionnaire to its stakeholders and conducted interviews in order to organize the issues by their significance to stakeholders.

### Step 3: Summarization and finalization

Based on the results of the processes in steps 1 and 2, in fiscal 2016 Casio formally specified its material issues with the approval of the director in charge of CSR.

### Step 4: KPI formulation and implementation

Casio formulated key performance indicators (KPI) with reference to the specified material issues, thereby enabling each responsible department to evaluate its CSR initiatives quantitatively. In fiscal 2017, Casio is implementing related activities using the plan-do-check-act (PDCA) cycle.

## Step 1: Specification of issues with significance to the company

Regarding the 46 “aspects” indicated in the G4 Sustainability Reporting Guidelines from GRI, Casio analyzed the risks to the company for each aspect and the degree of impact that they would have on Casio. The aspects were used to evaluate matters at various levels, including business segments, value chains for each segment, and regions of operation. This shaped the identification of the most significant aspects. The departments charged with CSR responsibilities also examined the identified aspects, and finalized them for use in their own processes.

## Step 2: Specification of issues with significance to stakeholders

Based on the G4 Sustainability Reporting Guidelines, the 46 aspects were divided into six areas: economic, environment, labor practices, human rights, society, and product responsibility. The importance of each area was then identified through dialogue with stakeholders closely related to Casio.

Questionnaires were also given to customers and employees, and aspects with high significance to stakeholders were identified. In addition, questionnaires and interviews with experts were carried out on the respective topics. These processes enabled Casio to identify society’s expectations, resulting in a list of issues with significance to Casio stakeholders.

### Economic



Takeshi Mizuguchi, Professor  
Takasaki City University of Economics

[More detail](#)

### Environment



Sadayoshi Tobai  
Conservation Director, WWF Japan

[More detail](#)

### Labor Practices



Hiroki Sato, Professor  
Chuo Graduate School of Strategic Management

[More detail](#)

### Human Rights



Makoto Teranaka, Visiting Professor  
Tokyo Keizai University

[More detail](#)

### Society



Kaori Kuroda, Executive Director  
CSO Network Japan

[More detail](#)

### Product Responsibility



Kikuko Tatsumi, Executive Advisor  
Nippon Association of Consumer Specialists

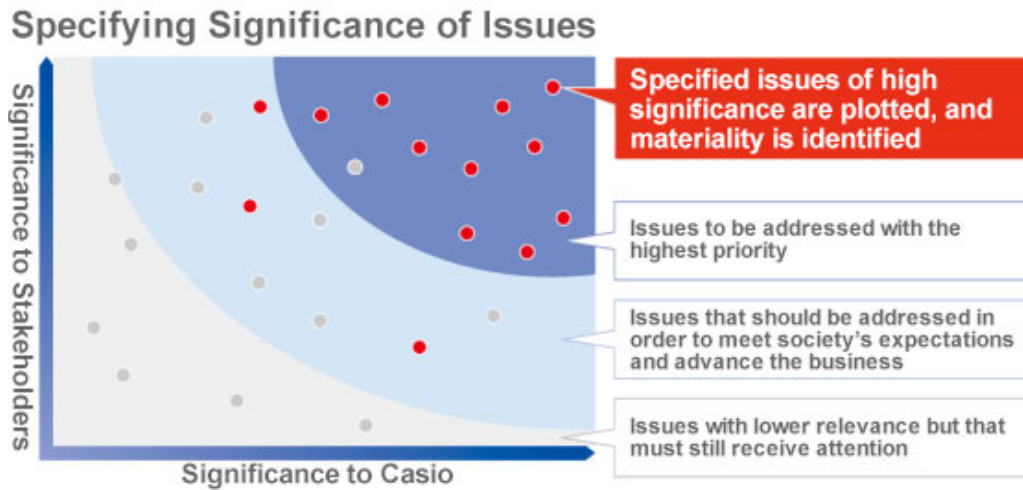
[More detail](#)



### Step 3: Summarization and finalization

By mapping the aspects identified in steps 1 and 2, Casio specified eight material issues, with a focus on aspects given a high priority. Finally, with the approval of the director in charge of CSR, the issues with medium-term materiality to the Casio Group were defined.

#### Material Issues for Casio



Material Issues for Casio	Material Aspects	Boundary	
		Internal	External
Building a recycling society	Products and services	•	•
Realizing a low-carbon society	Energy	•	•
	Emissions	•	•
Living in harmony with nature	Biodiversity	•	•
Promoting CSR procurement	Supplier environmental assessment	•	•
	Supplier assessment for labor practices	•	•
	Supplier human rights assessment	•	•
	Supplier assessment for impacts on society	•	•
Providing supportive workplace environments and promoting diversity	Employment	•	
	Diversity and equal opportunity	•	

Respecting human rights	Investment	•	•
	Non-discrimination	•	•
	Freedom of association and collective bargaining	•	•
	Child labor	•	•
	Forced or compulsory labor	•	•
	Human rights assessment	•	•
	Human rights grievance mechanism	•	•
Preventing corruption	Anti-corruption	•	•
Maximizing economic performance	Economic performance	•	•

## Step 4: KPI formulation and implementation

### KPI Formulation

Casio investigated key performance indicators (KPI) with reference to the specified material issues, in order to enable the responsible departments to evaluate their initiatives quantitatively. With the approval of the CSR Officer, the KPI were finalized, and efforts are underway in fiscal 2017 to ensure high performance.

[For more information on KPI, see "KPI and Performance" above.](#)

### Materiality Review

For the materiality of the next fiscal year, Casio plans to review the last three years of initiatives to address the company's material issues, and make adjustments based on the evaluation results and changes in business and social trends.

# Stakeholder Engagement

## Main stakeholders of the Casio Group

Casio strives to ascertain and understand how its operations impact the environment and society and what kind of contributions it can make. It then identifies stakeholder groups and strives to implement appropriate measures for each.

Companies must not become complacent in their efforts to pursue social responsibility and maintain social trust. The first step in earning stakeholders' understanding and trust for the initiatives of the company is listening to what they have to say. Good communication is a necessity, and it is not a one-way street. Companies must find solutions that benefit both their stakeholders and their business, as well as the global society as a whole. By actively disclosing information to stakeholders, and creating opportunities for dialogue with them, Casio finds out what stakeholders expect, evaluates its existing activities, and plans future initiatives.

Main Stakeholder Group	Main Casio Group Responsibilities	Main Dialogue Opportunities / Information Disclosure
Customers	<ul style="list-style-type: none"> <li>Providing appealing, safe, and reliable products</li> <li>Ensuring stable product supply</li> <li>Providing the proper information regarding products</li> <li>Improving customer satisfaction</li> <li>Providing fast and accurate support to customers</li> <li>Properly managing customer information</li> </ul>	<ul style="list-style-type: none"> <li>Daily sales activities</li> <li>Customer Support Center</li> <li>Customer satisfaction surveys</li> <li>Casio's official website</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Fair and equitable transactions</li> <li>Requesting CSR implementation and providing support</li> </ul>	<ul style="list-style-type: none"> <li>Daily procurement activities</li> <li>Holding vendor conferences</li> <li>CSR questionnaires</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>Timely and appropriate information disclosure</li> <li>Appropriate profit returns</li> </ul>	<ul style="list-style-type: none"> <li>General Meeting of Shareholders</li> <li>Briefings for investors</li> <li>Investor Relations website</li> <li>Issuing financial reports (shareholder newsletter)</li> <li>Responding to CSR questionnaires from socially responsible investors</li> </ul>

Employees	<p>Respecting human rights</p> <p>Promoting diversity and inclusion</p> <p>Promoting balance of work and family life</p> <p>Human resource recruitment and utilization</p> <p>Fair evaluation and treatment</p> <p>Industrial health and safety and employee health promotion</p>	<p>Casio intranet</p> <p>Group Workers' Labor-Management Conference</p> <p>Occupational Safety and Health Committees</p> <p>Career challenge system</p> <p>Internal newsletter</p>
Local communities	<p>Respecting and preserving regional cultures</p> <p>Activities that contribute to local communities</p> <p>Preventing accidents and disasters at sites</p> <p>Providing support to disaster-stricken regions where sites are located</p>	<p>Factory and workplace tours</p> <p>School visit program</p> <p>Internships</p> <p>Employee participation in local community events</p>
Global environment	<p>Environmental consideration in product development</p> <p>Environmentally responsible production activities</p> <p>Complying with environmental laws</p> <p>Protecting biodiversity</p>	—
NPO/NGO	<p>Protecting the environment, human rights, and biodiversity</p> <p>Support for local communities and cultural activities</p>	<p>Responding to questionnaires</p> <p>Holding dialogues</p> <p>Implementing social contribution programs together with NGOs and NPOs</p>

## Details of activities

<b>Customers and Casio</b>	<b>Suppliers and Casio</b>	<b>Shareholders and investors and Casio</b>
<ul style="list-style-type: none"> <li>&gt; <a href="#">Quality Assurance</a></li> <li>&gt; <a href="#">Activities to Improve Customer Satisfaction</a></li> <li>&gt; <a href="#">Intellectual Property Initiatives</a></li> </ul>	<ul style="list-style-type: none"> <li>&gt; <a href="#">Supply Chain Management</a></li> <li>&gt; <a href="#">Respect for Human Rights</a></li> </ul>	<ul style="list-style-type: none"> <li>&gt; <a href="#">Investor Relations</a></li> </ul>
<b>Employees and Casio</b>	<b>Local communities and Casio</b>	<b>Environmental Activities</b>
<ul style="list-style-type: none"> <li>&gt; <a href="#">Making the Most of Human Resources and Maintaining Optimal Workplace Environments</a></li> <li>&gt; <a href="#">Occupational Safety and Health</a></li> <li>&gt; <a href="#">Respect for Human Rights</a></li> </ul>	<ul style="list-style-type: none"> <li>&gt; <a href="#">Social Contribution Activities</a></li> </ul>	<ul style="list-style-type: none"> <li>&gt; <a href="#">Building a recycling society</a></li> <li>&gt; <a href="#">Realizing a low-carbon society</a></li> <li>&gt; <a href="#">Living in harmony with nature</a></li> </ul>

# Corporate Governance

## Corporate Governance System

Casio is a company with an Audit & Supervisory Board. In addition to the management oversight function of the Board of Directors and Audit & Supervisory Board, Casio is working to further strengthen its corporate governance by expanding the role of outside directors and enhancing the executive officer system.

### Board of Directors and Directors

To enable rapid management decisions and maintain an appropriate management structure, the Board of Directors is comprised of seven directors, two of whom are external directors, and the term of a director's appointment is set at one year.

The Company believes that the Board of Directors must consist of members that possess diverse perspectives, experiences, and skills in order to fulfill its management oversight function effectively. The Board of Directors therefore includes outside directors who possess broad insight and extensive experience in addition to internal directors from the company who are highly knowledgeable about the Company's business.

### Outside Directors

Outside directors bring in external perspectives and increase management transparency. The Company also appoints multiple outside directors to further strengthen the oversight function in regard to the execution of business. They are experts who can provide opinions and advice from a wide variety of perspectives and from the perspective of social contribution and are invited to Board of Director meetings and other meetings.

The two outside directors comment and state their opinions as necessary to ensure adequate and appropriate decision-making by the Board of Directors. To enable them to function and fulfill their role, the Secretariat for the Board of Directors provides outside directors with advance explanation and other assistance on agenda items for Board of Directors meetings. The Secretariat also arranges opportunities for plant and office tours, information exchange with key divisions, and many other opportunities, as needed, to enable them to understand the circumstances of the Casio Group.

### Reason for appointment as an outside director

Hirokazu Ishikawa (Independent Officer)	Mr. Ishikawa has been involved in financial services for many years and has experience in corporate management. Casio has appointed him as an outside director to reflect his extensive experience and broad insights in the management of the Company.
Makoto Kotani (Independent Officer)	Mr. Kotani has academic experience as a university professor and management experience as the president and director of a university. Casio has appointed him as a director to reflect his extensive experience and broad insights in management of the Company.

## Audit & Supervisory Board and Audit & Supervisory Board Members

There are currently three Audit & Supervisory Board Members, two of whom are outside Audit & Supervisory Board Members. In order to ensure the soundness and transparency of business management, Audit & Supervisory Board Members attend Board of Directors meetings and other important meetings and committee meetings and voice their opinions, as necessary, to ensure appropriate decision-making. This is done in accordance with audit policies and allocation of responsibilities set out by the Audit & Supervisory Board. Audit & Supervisory Board Members also exercise strict oversight by meeting regularly with the president of the company to ensure a common understanding, soliciting information and reports from directors and others, and reading the documentation for resolutions on important matters.

Half or more of Audit & Supervisory Board Members must be outside Audit & Supervisory Board Members. The Audit & Supervisory Board includes members who are knowledgeable in finance and accounting to strengthen the audit function.

### Reason for appointment as an outside Audit & Supervisory Board Member

Michiko Chiba (Independent Officer)	Ms. Chiba possesses expertise finance and accounting and extensive auditing experience as a certified public accountant. Casio has appointed her as an outside Audit & Supervisory Board Member to reflect her expertise in Company audits.
Kazuhiko Tozawa (Independent Officer)	Mr. Tozawa has expert knowledge and extensive experience gained over many years as a prosecutor and attorney. Casio has appointed him as an outside Audit & Supervisory Board Member to reflect his expertise in Company audits.

## Director and Audit & Supervisory Board Member Training

The Company's directors and Audit & Supervisory Board Members believe that they must continually increase their knowledge and skills in order to fulfill their roles and fully execute their responsibilities, and therefore work to educate themselves. The Company provides information and opportunities, and provides ongoing support by assuming expenses and providing other types of support. To be specific, we continually plan and provide outside directors with opportunities to attend important internal meeting, tour plants and offices in Japan and overseas, attend internal research presentations, and participate in other company activities to acquire knowledge about Casio's business. These opportunities are not only provided when they accept their positions but throughout their terms as directors as well. Audit & supervisory board members also gather information and attend seminars and other events through the Japan Audit & Supervisory Board Members Association and other venues to improve their knowledge to the extent necessary for fulfilling their role and responsibilities.

## Executive Officer System

Executive officers are delegated certain authorities to execute business according to the policies established by and under the supervision of the Board of Directors. Matters important to the execution of business are discussed at executive officer meetings that are attended by the relevant executive officers, directors, and Audit & Supervisory Board Members. This structure enables seamless sharing of information, company-wide coordination, and implementation. The detailed procedures for execution are set out in the rules on business execution and decision-making authority.

## Internal Auditing

The Internal Audit Department consists of four auditors who audit the status of organizational management based on common group standards and work to strengthen internal controls. Dedicated staff have been allocated to department members (including outside Audit & Supervisory Board Members) to assist them in their work and they hold regular quarterly meetings and exchange information on a daily basis. They also plan internal audits, provide a summary report based on the items audited after internal audits have been conducted, and work together to improve the efficiency and effectiveness of the audit function. The results of internal audits are reported to directors.

## Nomination Committee and Compensation Committee

The Company has established a Nomination Committee and a Compensation Committee to better ensure the transparency and adequacy of the decision-making process on nomination and compensation of directors and executive officers. The Nomination Committee deliberates on and selects officer candidates, and also formulates plans for successors to the president and other executive management. The Board of Directors has delegated authority to the Compensation Committee for discussing and determining the compensation of directors and executive officers.

Officer category, total amount of compensation, etc., total amount by type of compensation, etc., and number of officers eligible for compensation

Total amount for directors (excluding outside directors): 370 million yen (basic salaries: 258 million yen; bonuses: 112 million yen); number of directors, 9

Total amount for Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members): 13 million yen (basic salaries: 13 million yen), number of Audit & Supervisory Board Members: 2

Total amount for outside officers (directors/Audit & Supervisory Board Members): 34 million yen (basic salaries: 34 million yen); number of officers, 4

Notes:

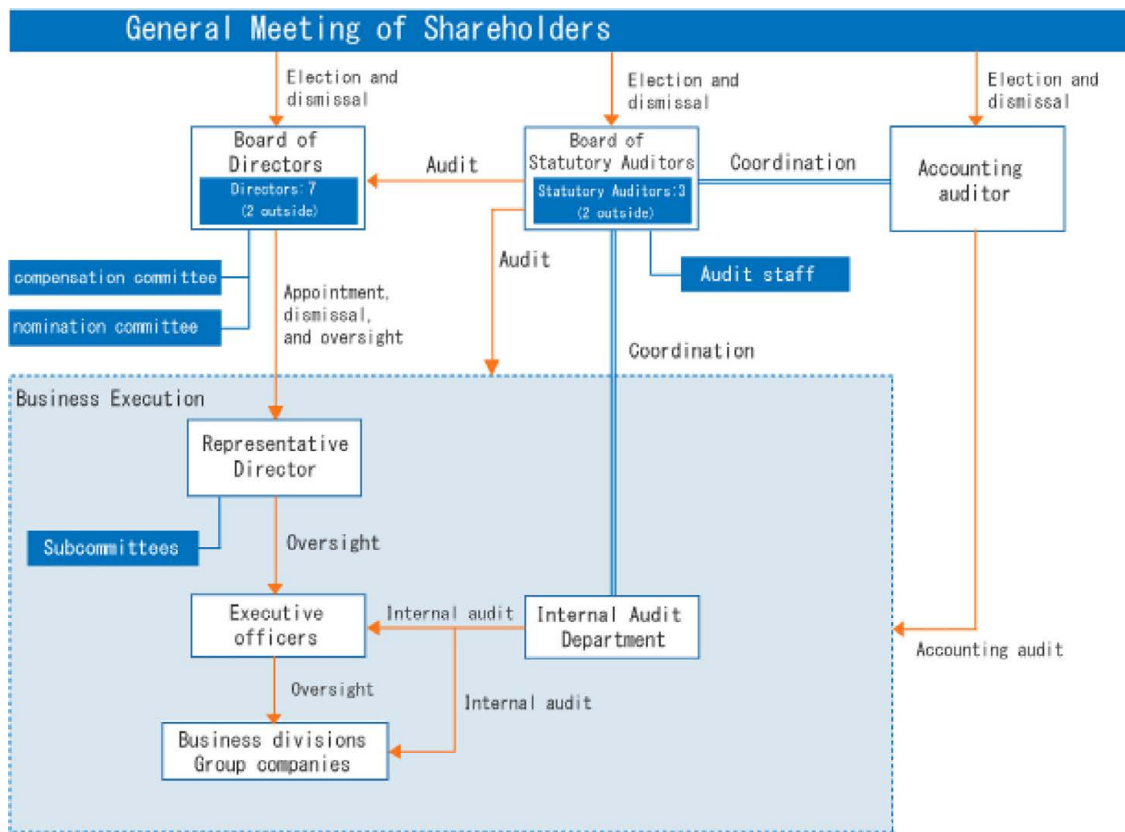
1. The amount paid to directors does not include the employee salaries for directors who are also employees.
2. The maximum limit on director compensation was set at 700 million yen a year by resolution of the 53rd Ordinary General Meeting of Shareholders held on June 26, 2009. (However, the employee salary and officer retirement bonus reserve amounts are not included in this).
3. The maximum limit on Audit & Supervisory Board Member compensation was set at 70 million yen a year by resolution at the 51st Ordinary General Meeting of Shareholders held on June 28, 2007. (However, this does not include the officer retirement bonus reserve amount).

The consolidated compensation, etc. of each officer of the Company is shown below:

Name, total consolidated compensation, etc., officer category, company category, amount by type of consolidated compensation, etc.

Kazuhiro Kashio, director; submitting company, total amount: 141 million yen (basic salary: 99 million yen; bonus: 42 million yen)

Note: The total amount of consolidated compensation, etc. is listed only for officers earning 100 million yen or more are listed.



## Basic Views on Internal Control System and Progress on System Development

The Casio Group has established the Charter of Creativity for Casio, Casio Common Commitment and Casio Code of Conduct based on the corporate creed of “Creativity and Contribution.” The following systems have been implemented to ensure proper business operation.

1. System to ensure that performance of duties by directors and employees of the Company and group companies comply with the Articles of Incorporation and relevant laws and regulations
  - a. Based on laws, the Articles of Incorporation, and rules for the Board of Directors, the Board of Directors decides important issues relating to legal requirements and management of the Company and group companies, and prevents violations of the law or the Articles of Incorporation by monitoring the performance of duties by the directors.
  - b. In order to comply with relevant laws and regulations regarding the performance of duties, specific documents such as policies and rules are prepared. Awareness of these are promoted throughout the Company and each group company after various committees, such as the CSR Committee, have examined and deliberated on them.
  - c. The Whistleblower Hotline has been established with internal and external channels and operates as the point of contact for inquiries and reporting on problems related to legal violations and other compliance matters. The Company ensures that whistleblowers are not penalized.
  - d. The Company and group companies are not involved with antisocial forces, which pose a threat to social order and public safety, in any way, and the entire organization is resolute in refusing any improper demands.
  - e. The validity and operational adequacy of the above-mentioned rules are improved through internal audits and continual review, in order to prevent any misconduct.



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2. System for retaining and managing information relating to performance of duties by directors and employees of the Company and group companies  
Each department retains and manages information relating to the performance of duties by the directors and employees concerned, based on the Document Management Rules and other rules.
  3. Risk management rules and other systems at the Company and group companies
    - a. The Company and group companies have a system to manage risks that can have a significant impact on management. The system is promoted in a unified way by the relevant departments and the Secretariat for the CSR Committee, based on the Risk Management Rules.
    - b. Fundamental Policies on Product Safety and an implementation system have been established with an understanding that maintaining customer confidence in product safety is an important management issue.
  4. System to ensure the efficient performance of duties by directors and employees of the Company and group companies
    - a. Board of Directors meetings are held and attended by the Company's directors and Audit & Supervisory Board Members to discuss important management issues facing the Company and group companies and make decisions swiftly and in a reasonable manner. Such meetings are held at least once a month in principle.
    - b. The Company's executive officers, directors, and Audit & Supervisory Board Members attend meetings of the executive officers to discuss and decide on the execution of important business matters. They ensure group-wide coordination and smooth implementation of measures.
    - c. Detailed execution procedures are outlined in the Executive Decision Making Authority Rules and the Group Company Decision Making Authority Rules.
    - d. Group companies have created a system for performance of duties based on consolidated management plans, the Group Company Decision Making Authority Rules, and various basic group policies.
  5. System to ensure proper operations at the Company and group companies
    - a. To ensure proper operations, the Company and group companies have various rules based on the Charter of Creativity for Casio, Casio Common Commitment, and Casio Code of Conduct.
    - b. The Company assigns certain directors or executive officers based on a system under which directors and officers are responsible for specific group companies. The relevant directors and executive officers perform group company management through a system that requires reporting to and approval by the Company, in accordance with the Group Company Decision Making Authority Rules. They also perform monitoring as necessary.
    - c. The Company and the group companies have built a system to ensure the adequacy and reliability of financial reporting. After internal controls related to business flow and financial reporting are inspected, they are documented and evaluated, and revised to improve them.
  6. System for employees that assist Audit & Supervisory Board Members in the performance of their duties, and the independence of those employees from the directors
    - a. Employees are appointed to assist Audit & Supervisory Board Members in their duties.
    - b. Matters concerning the appointment, transfer, evaluation or discipline of employees who assist Audit & Supervisory Board Members require prior consent from the Audit & Supervisory Board.

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7. System for the Company's directors and employees and group companies' directors, auditors, and employees to report to the Audit & Supervisory Board Members; other systems for reporting to the Audit & Supervisory Board Members; and systems to ensure that audits by the Audit & Supervisory Board Members are performed effectively
- a. Whenever something that is likely to cause significant damage to the Company or group companies, facts pertaining violation of the law or the Articles of Incorporation, or facts pertaining to illegal conduct of business are discovered, the Company's directors and employees must immediately report it to the Audit & Supervisory Board Members.
  - b. Whenever something that likely to cause significant damage to the Company or group companies, facts pertaining to a violation of the law or the Articles of Incorporation, or facts pertaining to illegal conduct of business are discovered, the directors, auditors and employees of a group company must immediately report it to the Company officer in charge of the group company, and that officer must immediately report it to the Audit & Supervisory Board Members.
  - c. Whenever a group company's directors, auditors and employees determine that a management action or guidance from the Company may violate the law, or may present a compliance issue, they must report it to the Audit & Supervisory Board Members.
  - d. The Company's directors and employees and the directors, auditors and employees of group companies will provide reports and information in response to requests from Audit & Supervisory Board Members.
  - e. The Company's Internal Audit Department periodically reports the results of audits of the Company and group companies to the Audit & Supervisory Board Members.
  - f. The Whistleblower Hotline Secretariat reports the status of whistleblower reports and measures taken to the Audit & Supervisory Board Members.
  - g. The Company and group companies ensure that people who have made a report to the Audit & Supervisory Board Members are not penalized.
  - h. The Company promptly processes any requests it receives for the prepayment or reimbursement of expenses arising from the performance of duties by the Audit & Supervisory Board Members.
  - i. Audit & Supervisory Board Members may attend any important internal meeting of the Company.
  - j. Important ringi approval documents of the Company and group companies are reported to the Audit & Supervisory Board Members after approval.

# Corruption Prevention Initiatives / Compliance

## Casio Group Code of Conduct

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Casio established the Casio Group Code of Conduct to make explicit its expectations that all executives and employees follow international norms, laws and ordinances applicable in each country and region, as well as all company rules, and also act with high ethical standards and good sense in their day-to-day work. On June 1, 2013, Casio revised the code, in order to better meet the expectations of the international community and capture trends in the social environment including the issuance of ISO 26000, the international guidance standard on social responsibility, in November 2010; Casio having joined the UN Global Compact in December 2010; and Casio having adopted the UN's Guiding Principles on Business and Human Rights in June 2011. Since then, Casio has been working to ensure everyone is fully aware of the revised code, group-wide. Here are the three main revisions to the Code of Conduct.

1. Points concerning issues of high concern to the international community such as human rights, supply chain management, and anti-corruption were revised
2. The respective roles of executives and employees were clearly stipulated
3. Content was improved to indicate common policies that apply to the worldwide group.

Also, on November 1, 2016, Code of Conduct provisions for "respect for human rights" were partially revised. This was based on changes to international norms concerning human rights that affect the Casio Group, including enforcement of the UK's Modern Slavery Act in 2015.

The revised Code of Conduct was prepared in Japanese, English, and Chinese, and is translated into other employee languages as necessary. Education on the new code is carried out across the entire group, with the aim of further deepening understanding of its content. Along with this education, a compliance questionnaire is conducted once every two years. The results and identified issues then are shared group-wide to promote continued improvement.

## Provisions of the Casio Group Code of Conduct

### I. General Provisions

1. *Purpose*
2. *Scope*
3. *Compliance*

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## II. Code of Conduct

### 1. *Enabling Value Creation*

1-1. Provision of Products and Services Beneficial to Society

### 2. *Fulfilling Our Corporate Social Responsibilities*

2-1. Respect for Human Rights

2-2. Environmental Conservation

2-3. Sound Initiatives across the Entire Supply Chain

2-4. Harmony with Society

### 3. *Building Customer Trust*

3-1. Provision of Safety and Peace of Mind to Customers.

### 4. *Establishing Sound Workplaces*

4-1. Establishment of Employee-friendly Workplace Environments.

### 5. *Ensuring Correct Actions*

5-1. Compliance with Laws

5-2. Prohibition of Bribery and Restrictions on Business Entertainment and Gift-giving

5-3. Fair Competition and Transactions

5-4. Prohibition of Insider Trading

5-5. Thorough Security Trade Control

5-6. Prohibition of Involvement with Anti-social Forces

5-7. Separation of Personal Affairs from Business

5-8. Information Protection

5-9. Protection and Utilization of Intellectual Properties.

### 6. *Building a Relationship of Trust with Society*

6-1. Promotion of Communication with Society

## III. Maintenance

### 1. *Establishment, Revision and Abolishment of this Code of Conduct*

### 2. *Reporting of Violations*

### 3. *Handling Violations*

➤ [Casio Group Code of Conduct](#)

## Compliance Risk Management

Based on its Basic Risk Management Policies, Casio has built a system for efficient management of risks, with an emphasis on compliance risk.

To build this system, Casio identified 70 laws relating to its businesses and listed measures being taken to comply with each law. Casio determined priorities based on the possibility of a risk materializing and its potential impact on company management. Casio then planned and implemented individual measures and developed an overall management system.

In the risk management process at Casio, departments responsible for certain risks develop measures in a planned way to avoid and reduce these risks. The Risk Management Secretariat performs comprehensive management through the use of plan-do-check-act (PDCA) cycles. The Internal Audit Department also audits this entire mechanism. Accordingly, as of the end of fiscal 2011, it was confirmed that the relevant departments had the necessary measures in place for management of all risks, and an overview of the entire situation was obtained. Now, however, Casio is changing its method of implementing risk management for Japanese laws. It is transitioning to a system in which the Secretariat checks new and revised laws, develops themes and carries out measures on important issues.

Complementing this, the Secretariat takes inventory of risks as necessary, regularly monitors the risk management measures implemented to date, and confirms whether there are any deficiencies in their implementation. In addition, based on Japan's revised Companies Act that entered into force in May 2015, Casio is shifting the focus of risk management to overseas compliance.

## Education and Awareness Raising

Casio provides e-learning and other educational programs on corporate social responsibility (CSR) once a year to group employees worldwide. The objectives are to promote and instill understanding of the corporate creed and CSR and to ensure awareness of and compliance with the Casio Code of Conduct. In fiscal 2018, the programs put the spotlight on the SDGs and focused on materiality (significant CSR issues)—namely, respect for human rights, anti-corruption including prohibition of bribery, realization of a low-carbon society, and living in harmony with nature, which are commitments that Casio will promote in connection with the SDGs.

Casio will continue to improve the CSR literacy of employees while promoting the corporate creed, through group-wide education and awareness raising activities.

### Risk management system



## Whistleblower Hotline

As a way to help ensure compliance, including respect for human rights, Casio set up a Whistleblower Hotline in April 2006. The hotline has been functioning with neutrality and fairness across all of its internal and external contact points

Operating on a basis of impartiality, the hotline follows up on all whistleblower reports and consultations, and takes resolute measures against any improper behavior discovered. Effort is put into preventing issues before they grow into real problems.

In fiscal 2018, seven issues were reported to the Hotline. Two of these had to do with suspicions of a criminal act of embezzlement, but investigations did not find instances of embezzlement in either case. However, the investigations did reveal that work processes left room for potential misconduct, so measures were taken to improve workflow and prevent any illicit action. There were also four reports of harassment. One of these was found not to be factual, and the other three were resolved by reprimanding and educating the persons reported on, who then apologized to the whistleblowers.

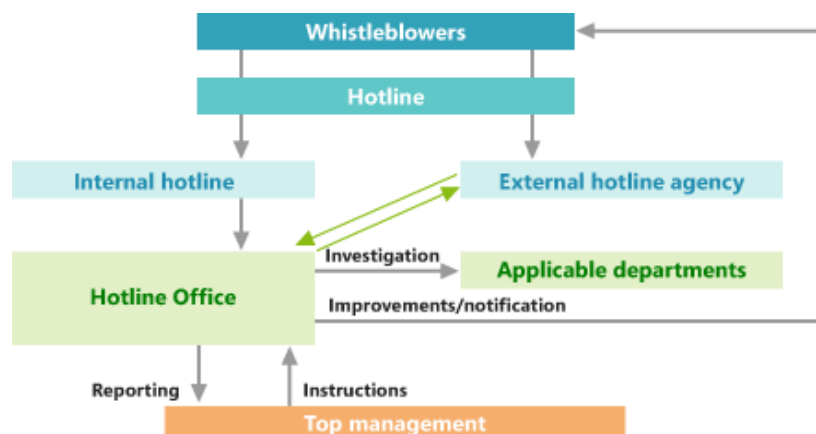
The contractor operating the external contact point of the Whistleblower Hotline was changed in April 2015. Now Casio employees can utilize online whistleblower consultation and report filing in English and Chinese, and telephone consultation and reporting is also available in English. This has given employees at group companies outside Japan better access to the hotline. To ensure even greater hotline awareness, Casio will strive to further increase group-wide understanding of the system in fiscal 2016, using a special intranet site with information on whistleblower protection in Japanese, English, and Chinese.

In addition to internal hotlines, in fiscal 2018, an external whistleblower hotline was established exclusively for suppliers in October 2017.

### Fiscal 2018 Report Details

Sexual harassment or power harassment	(Suspicion of) embezzlement	Privacy violation
4	2	1

### Whistleblower Hotline



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## Export control

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Export control, or security trade control, aims to maintain international peace and security. It involves regulations on the export of goods and technology that could be diverted for the development of weapons of mass destruction or other weaponry. The regulations are designed to prevent such goods and technology from reaching countries and regions of concern or terrorist organizations.

In 1987, the Export Control Security Program of Casio Computer Co., Ltd. (a compliance program) was established in order to make sure proper measures are taken to ensure the security of exports. The program has since been continually updated along with changes in the Japanese Export Control Regulation.

Casio has appointed employees responsible for export control in relevant departments as part of an internal system to ensure observance of the program.

As the Exporter Compliance Standards took effect in April 2010, Casio has been striving to maintain and manage its system by conducting voluntary annual audits while ensuring thorough legal compliance, in response to the revision of applicable laws and regulations. Efforts include the strengthening of training activities at group companies in Japan.

Casio has also established a management system for complying not only with Japanese export laws but also with US Export Administration Regulations. The company is working to improve global export management, including the implementation of export management training in fiscal 2013, at group companies in the UK and Germany, and in fiscal 2014 at a group company in the US.

By meeting with officials at various export control organizations, government agencies, and major companies, Casio is participating in a social contribution activity that gathers useful information for export managers in Japan. In July 2015, it was discovered that Casio headquarters exported one covered item (with a total value of US\$37.62) to Iran without permission. Casio immediately reported this to the Ministry of Economy, Trade and Industry (METI). At the same time, Casio investigated the causes of the violation and launched measures to prevent a recurrence. It was determined that the causes of the violation were a problem with the operation of the company's IT system and human error on the part of the person who took the order. Steps were taken to prevent a recurrence and a final report was given to METI in September. The issue was brought to a conclusion with the submission of a report in the president's name in November. Casio sincerely regrets this violation and will strive to ensure that no similar violation ever occurs again.

In October 2016, Casio received an onsite inspection by METI to check for compliance with laws and regulations. Despite a few indications to improve management methods concerning transaction audits and customer checks, the inspection confirmed Casio's good management and operations company-wide.

In response to the findings, in June 2017, Casio modified its Export Control Security Program (a compliance program) and revised its detailed rules, which were accepted by METI.

## Initiatives for compliance with fair trade and advertising laws

In order to promote proper transactions as well as fair, transparent and free competition, it is essential for sales employees to have a proper understanding of Japan's Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and Act against Unjustifiable Premiums and Misleading Representations. The sales offices of Casio Computer Co., Ltd., in Japan are strengthening their measures to ensure compliance with these laws.

A revision of Japan's Act against Unjustifiable Premiums and Misleading Representations in 2014 required companies to maintain and strengthen internal management systems. Casio Computer Co., Ltd. established a committee with members from all relevant departments tasked with ensuring compliance with the revised Act throughout the company. Casio is striving to ensure proper product representations and labeling through the establishment of rules for self-regulation and awareness-building programs such as intranet education. Internal guidance is also being provided by a consultation desk and improvement examples are being shared.

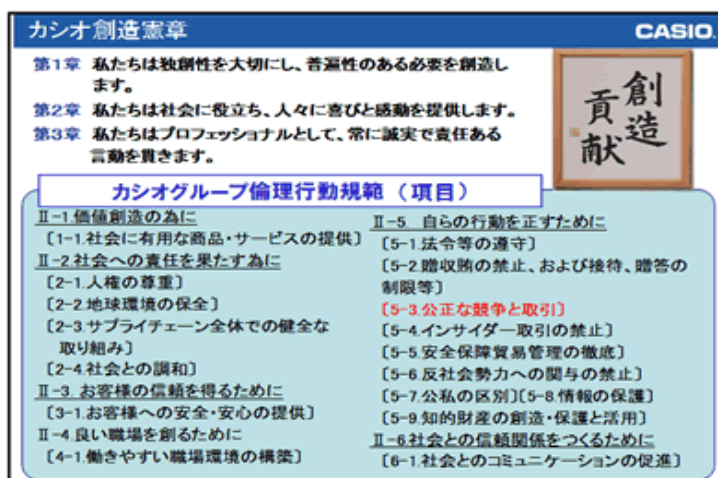
Sales departments at Casio have distributed a Sales Compliance Card to their employees as a tool to promote appropriate and fair competition and trade. These employees are required to carry the card, to help ensure understanding and familiarity with fair competition and trade. In addition to the Charter of Creativity for Casio and excerpts from the Casio Group Code of Conduct, the card contains a compliance test, as well as contact information for a consultation service, and the number for the Whistleblower Hotline. Whenever a salesperson is in doubt over a course of action during daily sales activities, he or she can use this card as a guide to quickly perform a self-assessment or consult with a knowledgeable expert.

Additionally, training sessions by internal instructors are held at sales locations in Japan, and persons transferred to sales departments outside Japan are given internal training to ensure compliance with competition laws for markets outside Japan. This training is implemented continuously.

A dedicated department conducts internal inspections to make sure that there is no unfair trade or action being taken not compliant with Japan's Antitrust Act and other laws, as a means of regular monitoring.

The department also strives to ensure that Casio provides appropriate product information by checking to make sure that there are no representations that could cause misunderstanding on the part of customers regarding product information, including in advertisements, catalogues, websites, and other messages from the company.

### Casio Sales Compliance Card (revised version)





## Subcontract Act compliance initiatives

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Casio has established a Compliance Committee on Japan's Act against Delay in Payment of Subcontract Proceeds, Etc., to Subcontractors (Subcontract Act) which includes group companies, and is striving to ensure all transactions comply with the law. Under the annual basic plan of the Committee, each group company in Japan drafts its own action plan, and maintains proper transactions with subcontractors based on the use of PDCA cycles. In particular, employees that deal directly with suppliers and outsourcers are provided with the necessary knowledge through in-house seminars and classes sponsored by the relevant government authorities

In fiscal 2018, 3,885 Casio employees attended in-house seminars, and 33 people also participated in classes sponsored by the Japan Fair Trade Commission and by the Small and Medium Enterprise Agency. This training helped to raise compliance awareness and provided employees with the knowledge they need.

Various efforts were made to encourage understanding, such as conducting training sessions with original teaching materials prepared to suit the unique transaction conditions of various group companies.

The Compliance Committee also obtains the latest information from government websites and email notification services, and sends the information directly to committee members. The news is also posted on the committee's website, and shared with the entire group.

In offices where subcontract transactions are handled, independent audits are carried out on an ongoing basis. Casio confirms that proper, compliant transactions are executed, by inspecting the document record of the entire series of transactions from ordering to payment.

Casio will continue to promote understanding of the Subcontract Act among its employees, and work to strengthen its system for even better compliance.

The company will strive to promote even sounder transactions and create value with suppliers, based on revisions to the Subcontract Act compliance standards in fiscal 2017, along with the revised Act on the Promotion of Subcontracting Small and Medium-sized Enterprises and its standards, etc.

In fiscal 2018, Casio received no warnings or fines under the Subcontract Act.

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## Corruption Prevention Initiatives

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Based on ISO 26000, the international guidance standard for social responsibility, from 2012 to 2013 Casio took stock of the main CSR challenges facing each group company in and outside Japan, assessing and analyzing the status of their initiatives. The issue that rose to the surface as a challenge warranting priority attention alongside respect for human rights was fair business practices—in other words, corruption prevention initiatives.

The Casio Group Code of Conduct prohibits bribery and sets restrictions on business entertainment and gift-giving. Still, in light of recent developments including the ongoing globalization of business, the tightening of regulations, and more robust efforts to detect bribery, there is a need to further strengthen the handling of bribery risks throughout the Casio Group. Accordingly, Casio issued the Casio Guidance on the Prohibition of Bribery (for the Casio Group) in July 2014 and the Manual on the Prohibition of Bribery (for Casio Computer Co., Ltd.) in October 2014.

The Casio Guidance on the Prohibition of Bribery articulates the Group's basic stance and philosophy on the prohibition of bribery, including the prohibition of facilitation payments. The Manual on the Prohibition of Bribery specifies the structure and mechanisms for the prevention of bribery, including the designation of persons responsible for compliance, education and training, auditing, and the Whistleblower Hotline, as well as specific rules such as a limit on the monetary amount of business entertainment and gift-giving. Additionally, Casio headquarters encourages each site to produce local rules and manuals in an effort to strengthen the mechanisms for the prohibition of bribery throughout the group.

Utilizing the knowledge of internal and external experts, in fiscal 2016 Casio prepared its own Corruption Risk Check Sheet with reference to the FCPA guidelines, and Bribery Act guidance, etc. The aim was to ascertain the corruption risk in each country where Casio operates, and to ensure thorough understanding of anti-corruption measures within group companies.

Following a survey of sales-related group companies in fiscal 2017, this tool was used to assess the corruption risk at eight production-related group companies in fiscal 2018. Issues were identified and analyzed by the secretariat, and feedback on the results was provided in order to promote improvements at the group companies concerned.

The recent survey revealed some variation between group companies concerning recognition of corruption risk in their own countries based on the Corruption Perceptions Index of Transparency International, use of education opportunities to prevent corruption, and awareness of facilitation payments. However, Casio will continue to promote anti-corruption efforts using this mechanism in the future.

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## Tax Affairs

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The Casio Group Code of Conduct stipulates that all officers and employees in the Casio Group must comply with international norms, applicable laws in each country and region, and company rules in their daily activities as the Casio Group engages in its global business.

This also applies to tax affairs. The Group strives to maintain its tax compliance by paying taxes appropriately in compliance with each country's tax laws, including transfer pricing taxation and anti-tax haven measures, as well as international rules and other statutes.

# Risk Management

## Risk Management

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### Basic Policy

Casio is making efforts to ensure management stability and safety by responding appropriately to the various risks surrounding the company. These efforts are carried out under the leadership of the officer responsible for risk management in line with Casio's basic policy to "forecast risk and seek to ensure business continuity and improve corporate value through prevention measures that minimize losses brought by risk and through effective ex-post measures when a loss occurs."

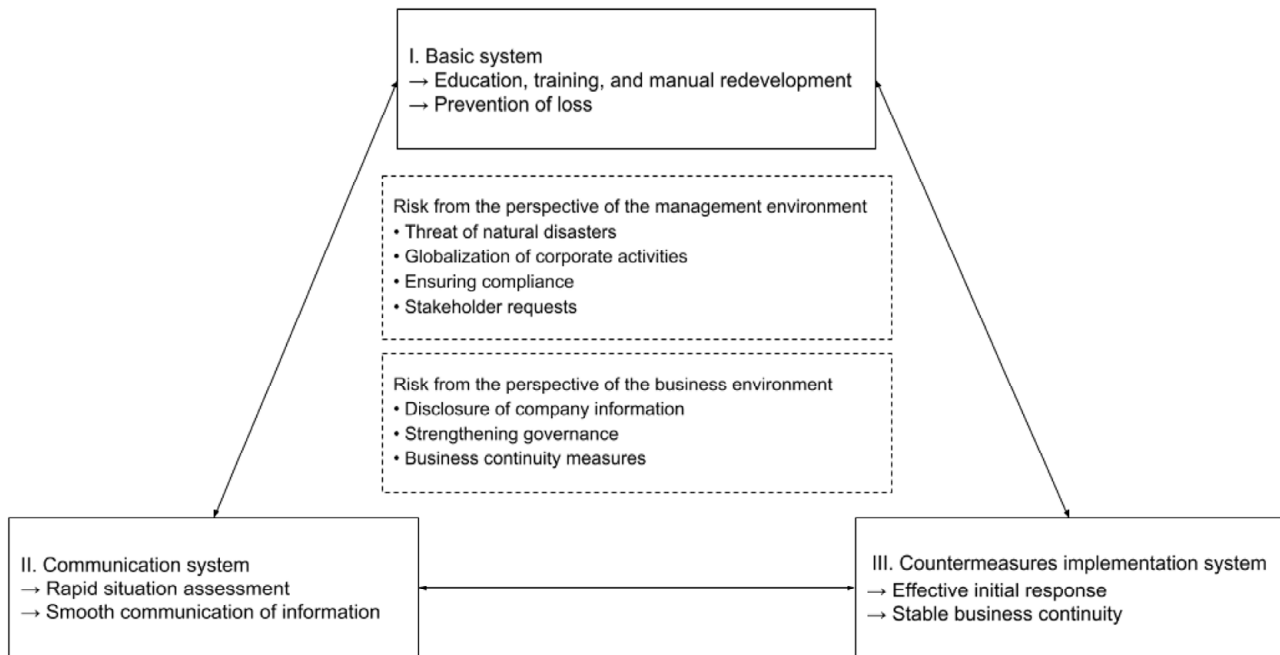
### Risk Management System

- (1) Casio has established an appropriate risk management system under which relevant departments proactively carry out risk management activities based on Risk Management Rules under the administration of the CSR Committee.
- (2) In order to respond to unforeseen circumstances as a corporate organization, Casio has issued and operates a Crisis Management Manual with the main aims of ensuring the safety of officers, employees, and their families and safeguarding corporate assets.
- (3) Based on Fundamental Policies on Product Safety, Casio has established, carries out, and continually improves independent action plans related to product safety, with each business division undertaking quality assurance activities such as visualization of quality, sharing of quality information, and deciding on quality policies and measures.
- (4) Casio has established a secretariat, which is responsible for overall implementation as well as progress management and assessment, and an auditing department, which audits the appropriateness of risk management activities.

### Creating a Future System

In addition to the above risk management system that has been in operation for a long time, Casio newly established the Corporate Governance Division in a company-wide reorganization in June 2018, which will oversee and drive the establishment of the following three systems:

1. Basic system  
The education, training, and various manuals that are the foundation of company-wide risk management will be redeveloped in an effort to prevent the occurrence of loss and to minimize effects on the company's business in the event a loss does occur.
2. Communication system  
Structures for ensuring business continuity and meeting stakeholder requests will be put in place by smoothly and quickly assessing the situation and enabling prompt communication of information to management and relevant departments.
3. Countermeasures implementation system  
Stable business continuity will be ensured by envisioning and establishing a watertight system for making an effective initial response in the event of a loss occurring and for implementing appropriate decision-making.



## Business Continuity Plan (BCP) initiatives

In order to respond to emergencies with the resources of the company organization, Casio has created a Crisis Management Manual for securing the safety of all employees, executives, and their families, preserving corporate assets. Sequential updates of the manual keep pace with changes in the business environment, and the company is taking practical initiatives at the same time. Specifically, the following measures have already been undertaken:

- Implementation of regular evacuation drills and general lifesaving classes for employees
- Distribution of emergency assistance kits to employees and additional disaster stockpiling
- Disaster prevention drill with the local community and provision of an open area for a temporary evacuation site

However, in the Great East Japan Earthquake, which struck in March 2011, circumstances were encountered that far exceeded previous expectations. Casio used the lessons learned to identify various points for improvement. These points were reflected in a largely-revised Crisis Management Manual based on the premise of responding to a major earthquake with Tokyo at its epicenter. Casio also produced the Disaster Handbook for the families of its employees to deepen understanding of disaster countermeasures in the home and promote disaster readiness.

Together with the initiatives above, Casio is working to enhance its business continuity plan (BCP). In the event of an emergency that interrupts business operations, such as a major earthquake with an epicenter in the Tokyo area, the plan outlines measures for the rapid confirmation of executive and employee whereabouts and well-being, as well as damage conditions, and the quick recovery and maintenance of operations. This mechanism is focused on Casio's global supply chain. For example, if the headquarters suffers a disaster, an emergency headquarters is set up at the appropriate key site, based on a priority determined in advance. Under the direction of the headquarters, the aim is to minimize damage by continuing to provide products and services to customers worldwide based on limited resources. Through rapid restoration of business operation, the confidence of business partners and customers is maintained.

## Information system disaster response measures

To ensure business continuity, it is vital to protect information systems against earthquakes and other disasters. In addition to an internal data center, Casio utilizes a secure external data center that features seismic construction and self-contained power generation.

As a measure to reduce disaster risk, Casio finished moving all its important servers, including those for mission-critical tasks, to external data centers and established an environment that can continue to operate even after a disaster. It also moved its e-mail system, an important means of communication, to an external provider.

The company also performs disaster drills in conjunction with the group-wide business continuity plan.

## Information security

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Casio strives to appropriately manage and handle all of its information assets, including information that it collects from customers and suppliers.

Casio has established Information Security Rules and implemented regular education for employees to continuously raise awareness of information security and ensure the implementation of safety measures.

Additionally, Casio follows the EU's General Data Protection Regulation (GDPR) regarding the handling of personal information of European users.

## Education and Awareness Raising

Information security cannot rely only on technical measures; it is also important for everyone handling information to know the required safety procedures, and to incorporate them into their work habits. At Casio, all officers and employees receive regular information security training through e-learning. The training covers general information security, as well as protection of personal information and other compliance matters, based on changes in society and in the company's business environment. Information security is being improved by providing this training content in a timely manner.

In addition, an information security handbook summarizing basic matters in clear, concise content for users has been issued to raise awareness throughout the Casio Group. The handbook has been translated and is used for training and awareness building by companies outside Japan.

## Initiatives to prevent information leakage

As an initiative to prevent information leakage, Casio ensures, as an organizational measure, that all employees handling information understand and follow necessary safety procedures. Casio has established internal rules regarding such matters as limitations on taking information or information devices off company premises and on sending emails externally, as well as proper information disposal. Training is provided on these rules in an effort to raise awareness and strengthen measures to prevent information leakage.

As a technical safety measure, Casio is strengthening its ability to monitor unauthorized access to its websites and suspicious transmissions on its internal network, in order to upgrade its preparedness against the recently growing threat of targeted attacks and other external attacks such as those from malware.

Internal measures include the installation of security software and patches on company PCs, and a multi-layered defense has been created.

## Information security certification and initiatives

Casio has focused on established a system for prioritizing the protection of personal information, publically disclosed its Privacy Policy on its website, and remains committed to the safe and appropriate handling of personal information. In December 2005, Casio Computer Co., Ltd. obtained Privacy Mark<sup>\*1</sup> certification and has maintained it since.



Casio's Information Systems Department obtained information security management system (ISO 27001)<sup>\*2</sup> certification in November 2007. The aim of applying for certification was to evaluate fulfillment of responsibility by the department, which takes care of information assets for the entire company. Since then, the department has made continual improvements using PDCA cycles. The fitness and effectiveness of Casio's information security management system was reconfirmed with a certification renewal audit in January 2017. This included an expansion of information security activities to cover all group companies.



JQA-IM0536

Information Technology & Engineering Department Casio Computer Co., Ltd.

Internal information systems at Casio Computer Co., Ltd. and each group company, and the network infrastructure of the Casio Group

<sup>\*1</sup> Privacy Mark: A program where the Japan Information Processing Development Corporation, a public-service foundation, evaluates the adequacy of corporate protective measures related to the handling of personal data. Companies that are found to have adequate protective measures in place are certified and permitted to display the Privacy Mark.

<sup>\*2</sup> A program whereby a company establishes a system for using, maintaining, and protecting information within the applicable scope (e.g., business, locations) based on international standards for information security management systems, and a certification body conducts audits of the system and issues certifications.

## Stable Supply of Products

### Approach to stable product supply

Delivering a stable supply of products to consumers is one of the most important responsibilities of a manufacturer, and is required to ensure customer satisfaction and loyalty.

As part of Casio's mission to provide delight, happiness, and pleasure to customers through its innovative products, the company is promoting the following policies.

### Policies on Stable Product Supply

1. We strive to shorten production lead-time and improve planning and execution accuracy by using IT to optimize the supply chain (procurement-production-logistics-sales-service).
2. We build good relationships with component suppliers to ensure stable procurement.
3. We maintain the flexibility needed to address various risks involved in manufacturing by:
  - building a production system with at least two production sites for each product;
  - producing multiple products and improving capacity for high-mix/low-volume production at each Casio Group production site
  - maintaining in-house production and inlining of key devices and components.

## Supply network is highly responsive to changes in demand

Casio uses supply chain management (SCM) at production sites in response to changes in market conditions and demand for high-mix/low-volume product offerings, seeking to speed up the planning cycle and provide a stable supply of salable products.

Specific initiatives include efforts to standardize work processes such as parts delivery controls, materials warehouse management, and manufacturing process management. Casio aims to achieve integrated manufacturing (total optimization) by using the same systems and same methods at different production sites. These initiatives are necessary to increase shipment precision, shorten production lead times, and shrink unused assets, and are already becoming mission-critical systems. The timepiece business in particular, which conducts production at multiple sites, in Yamagata (Japan), China, and Thailand, must respond rapidly to the changing environment in each region. Smooth operation of SCM enables the deployment of standardized IT tools and production equipment as well as the appropriate distribution of supply capacity.

Casio will move to multisite production in other product categories in the future and build an even more sophisticated SCM system.

## Diversifying production risk and producing core components in-house

Casio maintains a stable supply of products by having each production site manufacture multiple product items, and by ensuring that two different sites can produce any given Casio product.

The company is also increasing the internal production of components in order to protect newly created technologies and to reduce parts procurement risk.

### Production sites for individual products

#### Contract manufacturers

Timepieces, Calculators, Musical Instruments, Systems equipment,

#### Casio Electronic Technology (Zhongshan)

Timepieces, Calculators, Electronic Dictionaries, Musical Instruments, Data Projectors

#### Casio Electronics (Shaoguan)

Timepieces

#### Casio Timepiece (Dongguan) Co., Ltd.

Metal parts for watches

#### Yamagata Casio

Timepieces  
Data Projectors, Smart Outdoor Watches

#### Yamagata Casio (Yamanashi Office)

Systems equipment

#### Contract manufacturers

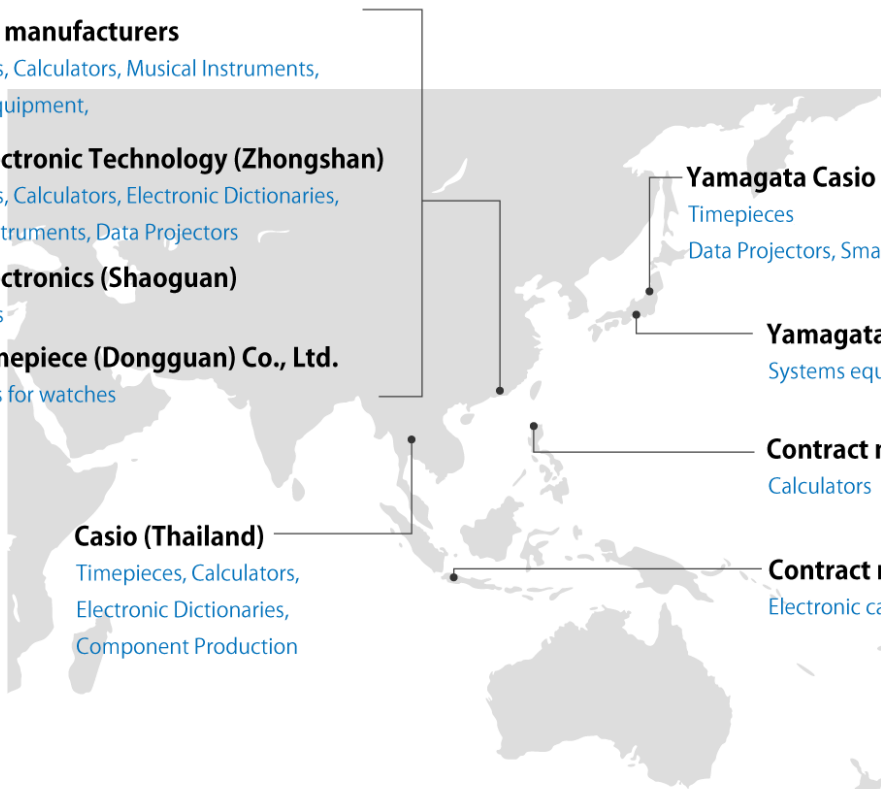
Calculators

#### Contract manufacturers

Electronic cash registers

#### Casio (Thailand)

Timepieces, Calculators,  
Electronic Dictionaries,  
Component Production





## Production Sites

### Casio (Thailand) Co., Ltd

Casio's new plant in Nakhonratchasima, Thailand, is located on high ground, making it less susceptible to floods. Casio has added the new plant to its existing major production sites with a view to enhancing business continuity planning (BCP) and diversifying risk through global manufacturing. Casio will continue to expand the plant's production scale and functions. In fiscal 2015, Casio started production of calculators and electronic dictionaries at a new third plant on the site, in order to provide a more stable, high-mix supply of products.



### Casio Timepiece (Dongguan) Co., Ltd.

Casio Timepiece (Dongguan) Co., Ltd. was launched in 2015. Located in the city of Dongguan, Guangdong Province, China, it supplies metal cases for watches to group sites in Japan, Southeast Asia, and China. As the Casio Group's first plant processing metal components, it is working at accumulating processing technology (cutting and polishing) and developing new technology. It mainly produces cases for high-end products.

### Casio Electronics (Shaoguan) Co., Ltd.

Launched as a watch assembly plant in 2016, this company is located in Shaoguan, Guangdong Province, China. As one of Casio's main watch factories in China, it is helping to maintain a stable production scale, mainly for regular and popularly priced digital mode

## Social Initiatives: Action Plans and Performance

Evaluation ◎: All targets met, ○: Most targets met, △: Remaining issues outweigh results, ×: No progress made

FY2018 Targets & Plans	FY2018 Performance	Evaluation	FY2019 Targets & KPIs
<p>Continually promote reduction of China-concentration risk to ensure a stable supply of products.</p> <p>Enhance manufacturing at Casio production sites to achieve optimum global production (automation and efficiency improvement).</p> <p>Expand in-house part production.</p>	<p>In order to stabilize watch production in China, established Casio Shaoguan and started production.</p> <p>Meanwhile, due to the expansion of factories in Thailand and production in Japan to reduce China concentration risk, the China production ratio decreased from 83% in fiscal 2014 to 63% in fiscal 2018.</p> <p>Promoted in-house processing of watch metal cases at Casio Dongguan, which contributed to the stable supply of parts and the accumulation of processing know-how.</p>	○	<p>Continually promote reduction of China concentration risk to ensure a stable supply of products.</p> <p>Commence operations at a new plant dedicated to watches at Yamagata Casio (the mother plant), and expand streamlining of production in Japan as an automatic assembly line.</p> <p>Expand self-manufacture of parts in all areas.</p>

# External Evaluation

## Independent Opinion on the Sustainability Report 2018

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The opinion presented here was written based on the content of this report, interviews with Casio personnel responsible for procurement, human resources, environmental and CSR initiatives, and visits to Yamagata Casio. The plan-do-check-act (PDCA) management cycle is used for Casio's CSR initiatives, with a focus on reducing the company's environmental impact and ensuring socially responsible procurement. Casio is now at a stage where it is expected that these efforts will expand into company-wide initiatives that include top management and human resource departments.

### Commendable efforts by Casio

- [Regarding CSR initiatives](#) at its suppliers, Casio revised the scale of response choices on its questionnaire to a five-point scale to ascertain supplier situation for reduction of environmental impact and measures to protect the human rights of workers. The company received responses from all 225 suppliers in Japan and provided feedback based on the overall results. It also visited 14 companies in China and Thailand based on the results of the previous year's responses and has continued to ascertain the situation and make it transparent, while introducing awards and case presentations at meetings to explain material procurement policy to suppliers. The revision of the scale of response choices on its questionnaire is especially commendable as it represents a level that could become the industry's de facto standard. In the future, I hope that Casio's system will evolve so that feedback can be provided with greater precision according to the level of each supplier's CSR initiatives.
- Casio has established a Basic Policy on Respect for [Human Rights](#) and has its own tool for checking the status of human rights, and it continues to provide feedback to group companies concerning the overall survey results. In addition, Guidance on the Prohibition of Bribery and a Manual on the Prohibition of Bribery have been established, and the company has started to ascertain the actual status of efforts against corruption at group companies outside Japan. It has expanded its whistleblower hotlines to give access to suppliers and discloses the number of reports to these hotlines. In order to make the guidelines and tools more effective on the frontlines in the future, I recommend that they be incorporated into goals for managers and evaluation criteria, and also that they be linked with the CSR Leader system. I look forward to seeing the company build a compliance promotion system integrated daily management.

## Points for improvement while commending progress to date

- Looking at the group-wide [CSR implementation structure](#), it is admirable that Casio upgraded the members of its CSR Committee to directors, Audit & Supervisory Board members, and executive officers, that it established high material goals and KPIs and is managing progress quantitatively, that it is appointing CSR Leaders at major group companies worldwide, and that it is increasing cooperation with NGOs in and outside Japan. Going forward, I recommend that the scope of discussions by the CSR Committee be expanded. In addition, in order to encourage value creation for the near-term future with a view to the SDGs and to encourage initiatives on the front lines by CSR Leaders, I recommend that messages from top management be translated into multiple languages and delivered to workplaces around the world. This will increase opportunities for diverse front-line employees to get a more immediate and deeper understanding of CSR trends at the head office and at sites in various countries.
- With regard to its medium- to long-term [environmental management policy](#) and [environmental management promotion system](#), Casio has specified the long-term goals of an 80% reduction in greenhouse gas (GHG) emissions by fiscal 2051 and a 26% reduction in GHG emissions by fiscal 2031, both compared to fiscal 2014. Casio is also carrying out initiatives to address its three material goals of realizing a low carbon society, building a recycling society, and living in harmony with nature by preserving biodiversity. It is especially admirable that Casio employees in Thailand achieved an annual emissions reduction of 1,567 t-CO<sub>2</sub> by taking buses to work. However, I am concerned that there were no new certifications of Super Green Star products in the period under review. Looking ahead, I strongly hope that Casio will establish a roadmap for long-term GHG reduction, expand its use of renewable energy, broaden the categories of Green Star products, and achieve its medium- and long-term goals with the help of customers, including by improving the recycling rate at the time of product disposal.
- I applaud Casio for introducing new models of cooperation with NGOs regarding the preservation of [biodiversity](#) and for starting preservation activities based on surveys conducted at major sites in Japan. Going forward, however, I hope that it will roll out models that tie into preservation of nature and biodiversity in different regions worldwide and, with a view to preserving biodiversity close to home, I hope that it will encourage cooperation with employees and local residents.
- In terms of [making workplaces more supportive](#), it is commendable that Casio has a 100% rate of return by employees who took childcare leave and that the percentage of employees of Casio Computer Co., Ltd., who utilize leaves of absence or the shorter working hours system for childcare or nursing care has reached 4.85%. I hope, however, that Casio will improve the follow-up implementation rate for employees who were found to have a health risk based on regular health checkups.
- It is estimable that Casio has established a system for developing and assessing advanced skills in women who work on premium production lines as an initiative at Yamagata Casio. In the future, however, I hope that the system will be used to research the effect on productivity of improving the traffic path and lighting, and I also hope that it will be used to promote bottom-up environmental and safety initiatives by all employees.

## Points for improvement

- In the area of [promoting employee diversity](#) across the entire Casio Group, I am concerned that policies, targets, plans, and persons responsible have not been established, no global HR meetings have been held, and KPIs are no more than defensive indicators. Going forward, I recommend concrete planning for portfolio-based global human resources management that crosses departmental and company boundaries, to be achieved within the 2020s. Casio needs an integrated system to promote the development, exchange and evaluation of human resources recruited worldwide, and to expand its human resource database to enable access to information on staff hired in each country. I hope that Casio will develop strategies and systems for the proactive utilization of human resource diversity.
- In the area of [employing persons with disabilities](#), I am glad to see that Casio exceeded the legally mandated rate of employment. I hope that Casio will continue to make improvements by holding employee interviews each quarter and introducing a staggered working hours system. I also continue to have strong expectations that Casio will pursue community-building efforts based on disability and job types and continue making workplaces more supportive in the future.
- Regarding the environmental impact reduction data in this report, it is commendable that details are provided on the principal sites in and outside Japan including group companies. My hope, however, would be that Casio will continue to increase the level of accuracy of group reporting, by proactively disclosing not only environmental data, but also governance, personnel and procurement initiatives and data.

Hideto DeDe Kawakita, Chief Executive Officer International Institute for Human, Organization and the Earth (IIHOE)

Profile of IIHOE: International Institute for Human, Organization and the Earth (IIHOE) is a nonprofit organization (NPO) that has been supporting NPO management and CSR capacity building since 1994.

> <https://blog.canpan.info/iihoe/> (in Japanese)



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## Inclusion in SRI Indexes

### Dow Jones Sustainability Indices

The Dow Jones Sustainability Indices (DJSI) evaluate the sustainability of numerous companies from the perspectives of economic, environmental, and social responsibility performance. They were developed jointly by S&P Dow Jones Indices, a provider of global financial indices, and RobecoSAM of Switzerland, which conducts surveys and rates companies as socially responsible investments. Casio Computer Co., Ltd., was selected for inclusion in the DJSI Asia Pacific indices in September 2018.



### FTSE4Good Index

The FTSE4Good Index, developed by FTSE Russell, an index and data provision services company capitalized by the London Stock Exchange Group, evaluates corporate sustainability in terms of environmental, social, and governance aspects. Casio Computer Co., Ltd., has been included in the FTSE4Good Index since June 2016.



### MSCI ACWI ESG Leaders Index

MSCI ACWI ESG Leaders Indexes, developed by MSCI (Morgan Stanley Capital Investment), consist of companies that are excellent in environmental, social and governance (ESG) aspects. Casio Computer Co., Ltd., had been included every year in its predecessor, the MSCI Global Sustainability Indexes\* since September 2014.



\* The MSCI Global Sustainability Indexes were re-named in 2017.

### Morningstar Socially Responsible Investment Index (MS-SRI)

Casio Computer Co., Ltd., has been continually included in the Morningstar Socially Responsible Investment Index (MS-SRI) since September 2004. Morningstar Japan selects 150 companies from among all listed companies in Japan based on their social responsibility track records, and indexes their stock prices.



### SNAM Sustainability Index

In June 2017, Casio Computer was selected for inclusion in the SNAM Sustainability Index created by Sompo Japan Nipponkoa Asset Management Co., Ltd. (SNAM). Based on this unique active index, SNAM launched the SNAM Sustainable Investment Fund in August 2012. This is a responsible investment product for pension funds and institutional investors that invests in a wide range of companies with high ratings based on factors. After the companies are selected with a focus on the results of ESG surveys by research firms, the portfolio weights are determined based on the SNAM Sustainability Index.



In July 2017, the Government Pension Investment Fund, Japan, selected Casio Computer for inclusion in all three of its ESG indexes.

## FTSE Blossom Japan Index

Developed by FTSE Russell, the FTSE Blossom Japan Index tracks the performance of firms with outstanding compliance activities that meet diverse standards for ESG performance.

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that CASIO COMPUTER CO., LTD. has been independently assessed according to the FTSE Blossom Japan Index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.



FTSE Blossom  
Japan

## MSCI Japan ESG Select Leaders Index

Created by MSCI Inc., the MSCI Japan ESG Select Leaders Index is made up of companies with high ESG performance from among the top 500 Japanese corporations by market capitalization.



2017 Constituent  
MSCI Japan ESG  
Select Leaders Index

## MSCI Japan Empowering Women Index

Created by MSCI Inc., the MSCI Japan Empowering Women Index is made up of members of various industries with excellent records in promoting and maintaining gender diversity. The companies are selected from among the top 500 Japanese corporations by market capitalization.



2017 Constituent  
MSCI Japan Empowering  
Women Index (WIN)

## Other

### Excellent Enterprise of Health and Productivity Management

Conducted by Japan's Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi (Japan Health Council), this system recognizes corporations including large companies as well as small- to medium-sized enterprises that practice especially exceptional health and productivity management based on initiatives to address community health issues and health-promotion initiatives advocated by the Nippon Kenko Kaigi. Casio was certified on February 20, 2018.



# Social Report



> **Quality Assurance**

> **Activities to Improve  
Customer Satisfaction**

> **Intellectual Property  
Initiatives**

> **Supply Chain Management**

> **Making the Most of Human  
Resources and Maintaining  
Optimal Workplace  
Environments**

> **Human Resource  
Development**

> **Occupational Safety and  
Health**

> **Respect for Human Rights**

> **Social Contribution Activities**



# Quality Assurance

## Approach

### Social Background

In recent years, there has been growing public concern over product quality and safety. Given this situation, Casio remains keenly aware of the need to do its very best for customers, and believes in offering trust and peace of mind to customers through products and services of high quality with the utmost safety.

### Risks and Opportunities for the Casio Group

Once an accident related to quality and safety occurs, it can pose a problem for the survival of the company, by damaging consumer trust in the brand. On the other hand, providing high-quality and safe products and services that provide peace mind can lead to stronger corporate competitiveness.

Casio believes it is important not only to provide products and services that delight customers, but also to win acceptance from the whole of society and achieve sustainable prosperity based on mutual trust. Toward this end, Casio Quality includes everything from the quality of individual products, to environmental protection and recycling. Casio recognizes that the role of quality assurance is to deliver quality that satisfies customers in every possible way.



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## Policy

At Casio, the following basic approach and policies have been established to promote product quality, and they are used as indicators to gauge quality activities.

### Quality Concept

Casio maintains a strong quality assurance system, based on its belief in "Quality First." This system requires all employees to make quality their first concern in every task they perform, enabling the company to offer products and services that please and impress customers. The company's commitment to quality supports its corporate growth and makes social contributions possible, while at the same time winning customers' trust and giving them peace of mind

### Quality Management Policies

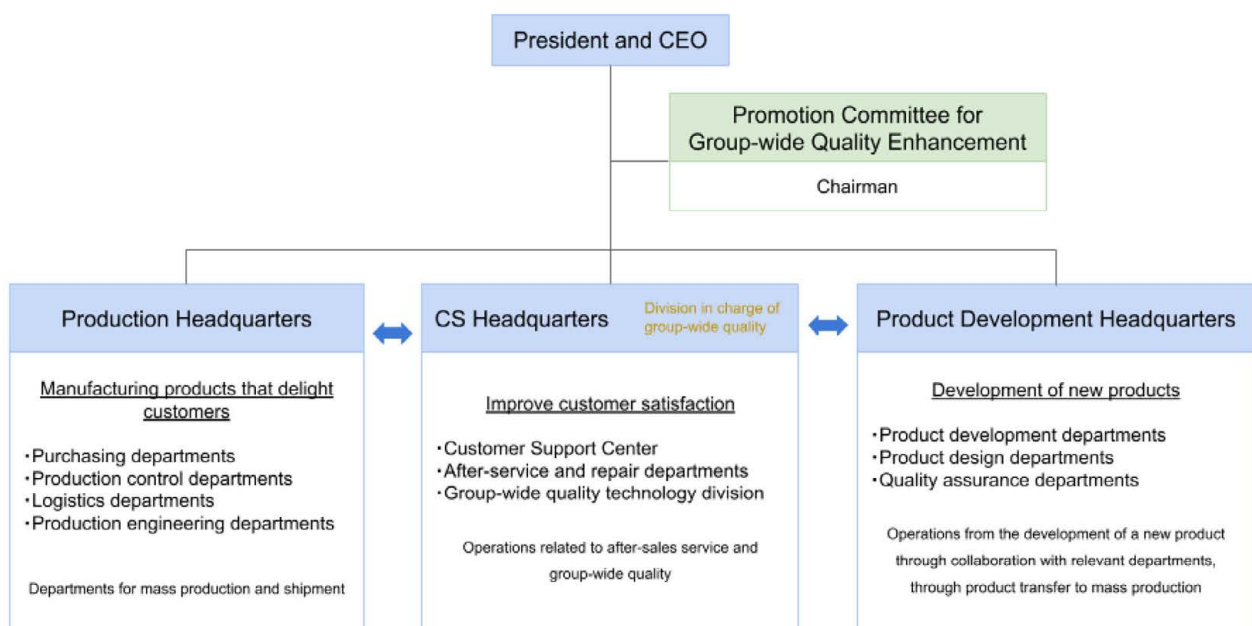
- To build a good corporate image, we offer products and services that please and impress our customers, gain their strong trust, and ensure their peace of mind.
- We respond to our customers' requests and inquiries with sincerity and speed, and reflect their valuable comments in our products and services.
- In all our business processes, we base our actions on the Principle of the Five "Gens"—in Japanese, genba (on site), genbutsu (actual goods), genjitsu (reality), genri (theory) and gensoku (rule)—and adhere to the basics of business operations.
- We capture and analyze quality assurance activities quantitatively, using reliable data, and use the analysis to make continuous improvements. We also maintain a quality information system that enables the sharing of quality information and prevention of problems before they occur, and prevents recurrence of quality problems.

## Management Approach

### System

In order to carefully maintain and improve Casio Quality, the company has created the quality assurance system shown in the diagram below. The Promotion Committee for Group-wide Quality Enhancement meets twice a year. It pursues activities such as making quality data accessible and easy to understand, and sharing quality information, while passing resolutions on quality policy and measures. The results are used for quality assurance activities in each division.

#### Quality assurance system



As the division in charge of group-wide quality management, the CS Headquarters is working hard to ensure quality, with the cooperation of all departments, while always pursuing the best solutions for customers.

In order to create a common group-wide awareness of "Quality First" being the foundation all operations, strong leadership is essential from top management and those responsible for quality. The Promotion Committee for Group-wide Quality Enhancement implements training to ensure employees understand and are widely aware of regulations and standards relating to quality and safety, and to learn technology expertise. This includes holding presentations for the improvement of quality management skills.

Casio's production plants carry out plan-do-check-act (PDCA) cycles using the ISO 9001 Quality Management System. In order to deliver reliability and peace of mind to customers that use Casio products, Casio employees focus on quality improvement.

## List of ISO 9001 Certified Sites

Classification	Certified and Registered Sites	Initial Version Registration Date
Development, Production and Service Sites in Japan	System Product Development Unit, Development Headquarters, Casio Computer Co., Ltd.	June 25, 1999
	Yamagata Casio Co., Ltd.	December 16, 1994
	Casio Techno Co., Ltd.	May 21, 2004
Production Sites outside Japan	Casio Electronic Technology (Zhongshan) Co., Ltd.	October 26, 2006
	Casio (Thailand) Co., Ltd.	July 13, 2012
	Casio Electronics (Shaoguan) Co., Ltd.	April 5, 2017

## Social Initiatives: Action Plans and Performance

FY2018 Targets & Plans	FY2018 Performance	Evaluation	FY2019 Targets & Plans
Strengthened framework for internal safety design standards.	Strengthened framework for internal safety design standards. Set new standards	○	Strengthened framework for internal safety design standards.
Promote thorough prevention of reoccurrence.	No reoccurrence due to thorough prevention measures	○	Promote thorough prevention of reoccurrence.
Eradicate new problems.	No new problems due to safety design standards and thorough safety reviews	○	Eradicate new problems.
Strengthen quality control systems.	Strengthened the system through structural reform	○	—

## Activity Results

### Offering users peace of mind

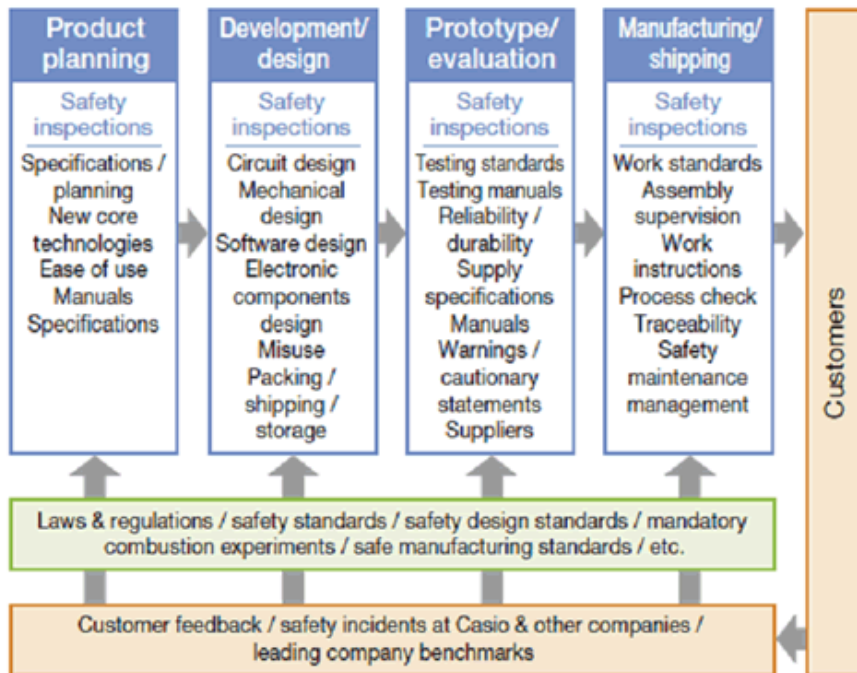
Casio makes every effort to ensure product safety so that customers can always use Casio products with peace of mind. As shown in the diagram below, Casio works to ensure product safety in each process from product planning, development, and design, to trial manufacture, evaluation, production, and delivery. In order to maintain and enhance these efforts, the company performs safety audits\* and works to prevent potential problems from occurring, or issues from reoccurring.

\* \* Safety audits: Design audits conducted based on the Casio Safe Design Standards

New products are divided into products with “new technology components” and products of the “usual rank.” Then, products that contain new technology components undergo an objective safe design review based on Casio’s own safe design standards. Usual rank products are checked for safe design by their respective business division, thereby ensuring that all products undergo a safe design review.

## Product safety system

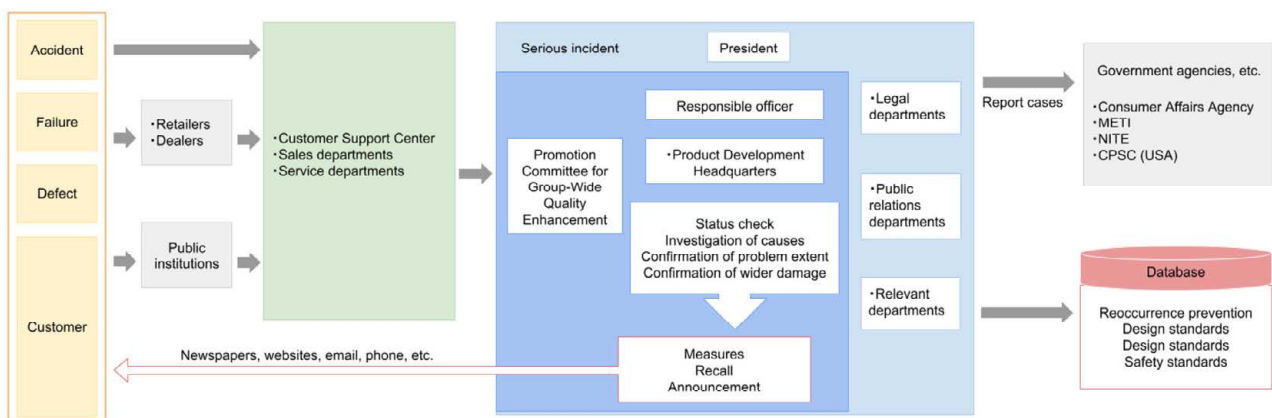
### ● Product safety system



To comply with the legislative intent of Japan's recently revised Consumer Product Safety Act, which went into force on May 14, 2007, the Casio board of directors has adopted the Fundamental Policies on Product Safety. Based on these policies, Casio has put in place the Product Safety Voluntary Action Plan which specifies the details of the steps to be taken.

The company has also reengineered its response systems for handling those unusual situations when a product-related accident occurs, and has established procedures for managing such situations. These include the steady, timely collection and dissemination of accident information, the issuance of notifications and reports to customers and relevant administrative agencies, prompt, appropriate response measures, efforts to identify causes, and measures to prevent any future recurrence.

## Response flow when a product accident or quality problem occurs



# Activities to Improve Customer Satisfaction

## Approach

### Social Background

Due to product commodification and the heightening of consumer awareness, there is an even greater necessity to listen to customer feedback and improve customer satisfaction levels. Also, with the advancement and popularization of smartphones, information and opinions from one individual can be shared instantly worldwide, from any location at any time, via websites and social media.

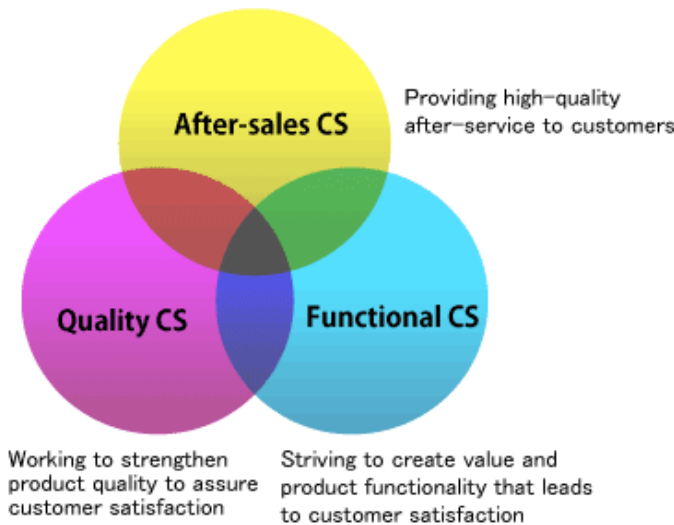


### Risks and Opportunities for the Casio Group

As the product commoditization trend progresses, product differentiation becomes difficult based only on product functions. This is why Casio believes it is important to earn and maintain customer confidence and trust in the Casio brand. This is done by quickly obtaining customer feedback and using it to improve products, while also quickly responding to customer dissatisfaction and promptly resolving customer issues.

### Policy

Casio reviews its business models and business cycles from a user-first perspective across the entire group. Through three major customer satisfaction (CS) activities, Casio is working to improve after-sales service and product quality. It is using consumer feedback to improve products and services, in order to maintain customer trust and provide peace of mind.





Under these three major CS activities, Casio is making various efforts to ensure that customers are satisfied with its after-sales service. These efforts include enhancing staff training programs to improve product knowledge, repair technical skills, and customer service skills. Casio is also working to boost customer service quality by having staff acquire public qualifications and by improving customer service sites (after-sales CS).

Casio is also striving to ensure that customer feedback from in and outside Japan is always delivered directly to the right place within the company, and to take unified improvement measures. Casio is also constantly working to improve product functions (functional CS).

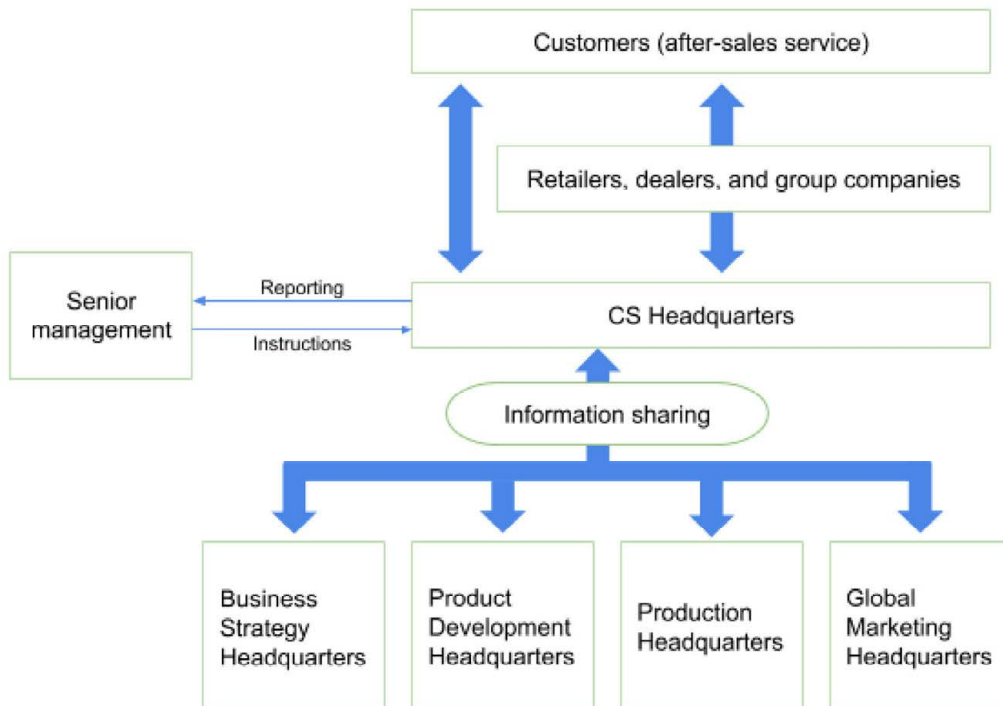
Casio compiles and analyzes information on customer inquiries and product defects in and outside Japan. It focuses on early detection, rapid response and prevention of recurrence of problems (quality CS).

## Management Approach

### System

Casio has established a CS Headquarters to consolidate customer feedback from a user-first perspective and is striving to improve customer satisfaction with three main customer satisfaction activities as the basic policy.

The consolidated customer feedback is also reported to senior management and shared with the Business Strategy Headquarters, Global Marketing Headquarters, Product Development Headquarters, and Production Headquarters. This allows the information to be utilized for improving product development and after-sales service.



## Social Initiatives: Action Plans and Performance

Evaluation ◎: All targets met, ○ : Most targets met, △ : Remaining issues outweigh results, × : No progress made

FY2018 Targets & Plans	FY2018 Performance	Evaluation	FY2019 Targets & Plans
Continue to improve customer satisfaction and convenience based on the customer satisfaction questionnaire.	<p>Enabled customers to arrange to pick up their repaired product at a nearby convenience store using Casio's online repair request service.</p> <p>Added Saturday hours to the quick watch battery replacement service at the Casio Akihabara Service Station.</p> <p>Revised electronic dictionary repair fees.</p>	○	Continue to improve customer satisfaction and convenience based on the customer satisfaction questionnaire.
Plan expansion of the global call tracking system to include Europe and the US, and promote the sharing of customer feedback.	<p>Launched a new system in March 2018 in the United States.</p> <p>In Europe, steps will be taken in fiscal 2019 and beyond to ensure compliance with the General Data Protection Regulation.</p>	○	Expand the global call tracking system for Europe, including the UK, with measures to comply with the General Data Protection Regulation, and continue to promote the sharing of customer feedback.
Establish a mechanism for disseminating information from the customer's point of view based on accumulated customer feedback.	Unified the data formats that are different at each site and achieved internal sharing (outside Japan).	◎	Enhance FAQ information and build a user-friendly support website.
	Analyzed customer feedback, established a foundation on which information can be disseminated from the customer's standpoint. Used the feedback to improve the support website (Japan).	○	Expand accumulation of customer feedback by introducing chat support, and continue dissemination of information from the customer standpoint.

## Activity Results

### Customer Service Initiatives in Japan

In order to respond to customer inquiries regarding Casio products, a customer contact department was created in 1981. Today, members of the Customer Support Center are continuously working to acquire product knowledge and improve customer service quality so that customers can use their Casio products with satisfaction. In addition, by steadily providing customer feedback to relevant departments within the company, the center is actively working to ensure that the voice of the customer is reflected in product creation and service development.

#### Emphasizing the sensibility of “consideration”

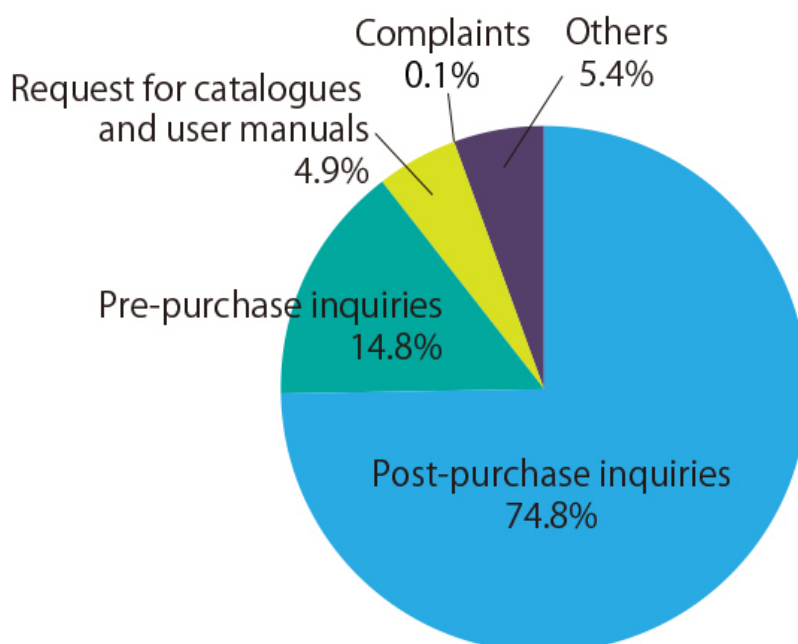
The Customer Support Center respects customers and is working to serve them based on the wish to be helpful. At the same time, the staff do not simply answer callers' questions; they strive to accurately grasp the core reasons for each inquiry, and to propose appropriate solutions, while emphasizing good interpersonal communication.

To meet the increasingly diverse needs of customers, chat support is being introduced for certain products, in addition to conventional customer service by telephone and email. This will provide customer service in real time. In addition, Casio regularly conducts satisfaction surveys concerning customer service provided, and then makes the necessary improvements. The company is constantly striving to improve customer satisfaction.

#### Sharing customer feedback and making improvements from the customer's perspective

The center shares opinions and inquiries received from customers with relevant departments such as the development and sales departments. This customer feedback is then used to make even better products and services.

At the same time, Casio is actively working on improvement from customer's perspective, based on analysis of customer feedback. In response to changes in consumer habits due especially to the popularization of smartphones, Casio is working to provide online customer service content that allows customers to find answers to product problems themselves. Going forward, the customer support website will continue to be enhanced, including better compatibility with user manuals.



Breakdown of Customer Inquiries in Japan (Fiscal 2018, Consumer Products)

## Supporting Customers Outside Japan

### Cooperation with support centers outside Japan

The Customer Support Center in Japan cooperates with similar centers at Casio sales companies in other countries.

In particular, it is necessary to consistently comply with the regulations of each country concerning the proper handling of customers' personal information. The local support centers and the legal and other departments are working closely together as necessary. Casio is also working on responding to customers using communication tools that are popular in each region. In addition to China, online chat support has also begun in the United States.

Item	Fiscal 2018	
	Overseas	Japan
Timepieces	56.0%	40.1%
Digital Cameras	11.8%	9.2%
Calculators	12.2%	3.4%
Other Consumer Products	12.4%	28.0%
System Equipment	7.6%	19.3%
Total	100.0%	100.0%

Breakdown of Product Inquiries (Fiscal 2017, Overseas/Japan)

### Customer satisfaction initiatives in Japan

The service departments at Casio, which are responsible for customer satisfaction in after-sales service, strive to increase customer satisfaction by providing service that precisely addresses customer needs and lifestyle preferences.

In September 2012, Casio began returning repaired products to customers with a questionnaire directing them to a customer feedback website. Customers are invited to provide an immediate evaluation of the service they have received. By listening to the evaluations and valuable opinions of customers who have actually experienced the company's repair service, Casio makes continuous efforts to improve its repair service and enhance convenience, in order to provide customers with quick and accurate service.

### Pursuing convenience for customers

Casio's online repair request service has been in operation since 2015 and allows customers to make direct repair service requests from a website. Customers in Japan who select the online payment method when requesting a repair through the website can now pick up their repaired products at a nearby convenience store. Previously, repaired items could only be received by home delivery or at a Casio Techno Service Station. Through cooperation between Casio and FamilyMart, customers are able to pick up their repaired items free of charge at any of the approximately 16,000 FamilyMart convenience stores across Japan. This new service solved a number of issues for customers such as the need be at home between certain hours to receive the delivery, the trouble of arranging redelivery, and privacy concerns for those who do not want to reveal their home addresses.

In addition, a new function was added to the online repair request process. When a customer selects the product name and repair problem, the website automatically displays applicable phenomena that are often mistaken as a product defect, enabling customers to resolve certain product issues by themselves.

The Akihabara Service Station offers a quick battery replacement service. This service is now also available on Saturdays, not just weekdays. Casio is continually working to ensure that its product repair fees are clear and acceptable to customers. In November 2017, the electronic dictionary repair fees were revised from a fixed flat-rate system to flat rates based on the product problem.

Going forward, Casio will continue to revise and enhance the content of its services to match customer needs with respect to each product so that customers can enjoy using Casio's products longer.

## Reliable technical skill

Casio is working to improve repair technical skills, product knowledge, and customer service skills (through training programs and in-house competitions, for example) in order to maintain customer confidence, meet the needs of the changing times, and handle the constant advance of product features —ultimately, to realize the kind of service quality that today's customers expect.

As the company responsible for repairing Casio products, Casio Techno Co., Ltd., encourages its employees to obtain public certifications and professional qualifications, such as national certification through the level 1 or level 2 exams for timepiece repair technicians and business etiquette certifications, as well as to take language training. By promoting the acquisition of a wide range of qualifications, the company is developing outstanding employees with proficiency not only in repair skills, but also in customer service and product knowledge. Casio Techno is committed to providing detailed high-quality service to customers. Every Casio Techno employee acquires a high degree of technical expertise, motivated by a sincere desire to please customers and earn their confidence. By continuing to work tirelessly in this way, Casio Techno can promise service that both reassures and delights customers.



Site group technical training

## Customer satisfaction initiatives outside Japan

Outside Japan, a total of 979 companies, including 12 local subsidiaries and 967 repair partners, carry out after-sales service for Casio brand products (as of March 2018).

Casio holds regular technical skill courses for service technicians in each region in order to raise repair skill levels, aiming to ensure that Casio customers around the world receive high-quality repair services.

Casio holds regular technical skill courses in each region in order to improve the acquisition of repair technical skill and to raise skill levels to ensure that Casio customers around the world receive high-quality repair services.

In May 2017, an overseas sales company service meeting was held in Tokyo, followed by a Russia CIS service meeting held in Moscow in September 2017. In November 2017, a China service meeting was held in Shanghai, and in March 2018, a Latin America service meeting took place in Sao Paulo, Brazil.

Casio will continue to work with its service sites to further improve the after-sales service for Casio products worldwide.

## Repair centers operated by group companies outside Japan



Germany: Projector repair technique training  
November 2017



Brazil: Timepiece repair technique training  
November 2017



Russia CIS service meeting  
September 2017



Latin America service meeting  
March 2018

To ensure that customers outside Japan feel comfortable and confident in their use of Casio products, support information is provided online in 21 languages other than Japanese. The headquarters in Japan uses a system that allows it to maintain this support information directly to ensure overall uniformity and speedier provision of information.

In fiscal 2018, Casio posted Video Tutorials on its support page, which show how to operate Casio watches, including time and alarm setting. When daylight savings time starts and ends in different countries, Casio often receives inquiries from customers concerning how to adjust the time on their watches. In order to make it easy for customers to adjust their watches, video user manuals and basic written manual are available on the support website.





# Welcome to Customer Support

## Technical Support



FAQs



Manuals



Downloads



Daylight Saving Time(DST) / Summer Time Adjustment



Windows / Mac OS



iOS / Android



Video Tutorials

## Repair / Contact

Select your local website for products/support information.



Change country

### G-SHOCK International Warranty Network

If you have any problems with your G-SHOCK, find out the nearest service center from this list.



Online support sites



# Intellectual Property Initiatives

## Approach

### Social Background

With the innovation in information and communication technologies in recent years, next-generation industries such as AI, IoT, and big data are gaining momentum, while economic globalization and industry transformation are also accelerating. Given this situation of increasingly fierce global competition to produce innovation, companies need to pursue cutting-edge intellectual property initiatives in order to improve their international competitiveness. Casio vigorously and strategically manages its intellectual property in a collaborative process between its technical and business departments. These efforts are designed to enhance corporate earnings by protecting Casio's business.

### Policy

Casio takes a medium- to long-term perspective in order to increase its technology management ability, and is systematically promoting research and development for the creation of future business. While recognizing R&D results as intellectual property, Casio is taking steps to ensure that they are properly managed and utilized in order to secure profits. Casio places importance on intellectual property as an important measure of corporate value. In order to effectively promote intellectual property activities, Casio has set the following goals for promoting intellectual property activity, and implements them group-wide for effective utilization of intellectual property.

### Intellectual property goals

Casio is working to increase its intellectual property capacity using the following goals.

- Increase the intellectual property capacity of Casio
- Protect technology and products globally with strong intellectual property capacity
- Guarantee creative technology and product development through strong intellectual property capacity

### Role of the Intellectual Property Department

Since its founding, Casio has worked to develop innovative new technologies and products that are completely original and have never existed before. The protection of these development results through the creation of intellectual property rights is vital to ensuring corporate competitiveness. At the same time, protecting Casio brands and designs from counterfeiting by securing intellectual property rights is also an important activity for the company.

The Intellectual Property Department aims to secure intellectual property rights on a global level. Its role is to utilize patent, design, and trademark rights in order to help establish competitive advantage for corporate management.

The center also broadly manages intellectual property (rights) such as copyrights and trade secrets as well as general intangible properties, while signing contracts with third parties and resolving disputes.

## Management Approach

### System

The Intellectual Property Department is located within the Product Development Headquarters, an organization created to enhance cooperation between all departments related to product development. While collaborating closely with relevant departments on a daily basis, the Intellectual Property Department is working to maximize the value and promote the effective utilization of intellectual property created by Casio in the research and development stage.

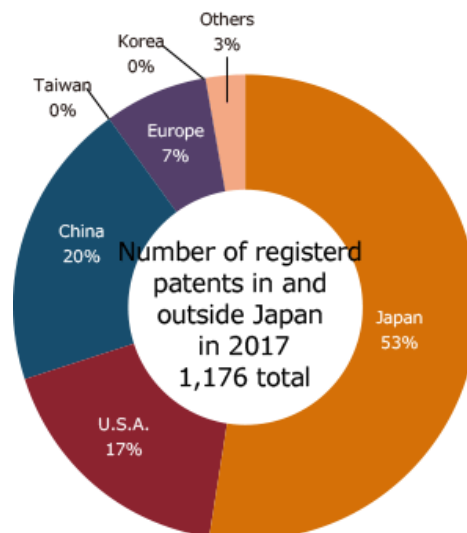
## Activity Results

Casio implements various intellectual property activities. Casio actively utilizes the intellectual property that it has accumulated over the years, and carries out activities to protect its businesses. The company conducts ongoing R&D necessary for sustained growth, and has put in place various systems for producing new intellectual property.

### 1. Patent application and rights acquisition activities

Casio constructs patent nets based on patent application and registration in priority fields (selection and concentration), and actively promotes activities for the acquisition of effective patents based on quality improvement. The company carries out patent application and rights acquisition activities worldwide, including in the USA, China, South Korea, Taiwan, and other Asian countries.

#### Global patent portfolio (fiscal 2018)



### 2. Intellectual property rights utilization

In addition to securing intellectual property rights for its inventions and other proprietary developments, Casio works to ensure freedom of operations by preventing legal claims from other companies and earns profits by licensing its technologies to other companies (including cross licensing). The company also uses intellectual property as a barrier to deter other companies from entering the same business, and carries out activities to establish competitive advantage for corporate management. In particular, Casio takes stringent measures to combat counterfeit products, and cooperates with government agencies to remove fakes from the marketplace.

### 3. Patent expert system

Casio initiated a patent expert system in 1994 in order to promote the ongoing creation of outstanding intellectual property. With the aim of business strengthening through stronger intellectual property, engineers with high-level understanding of technologies and leadership skills have been assigned to each division as patent experts. While cooperating with the Intellectual Property Department from positions within their respective divisions, these patent experts work to strengthen the intellectual property abilities of their respective organizations.

Here are details of specific activities.

1. Patent activity planning based on ascertainment of technology and development trends at Casio and other companies, as well as target management
2. Discovering and updating inventions
3. Evaluation of patent applications, determination of direction for patent creation according to business strategy, as well as evaluation of patent maintenance
4. Surveys of patents at other companies, patent infringement avoidance, and patent risk management
5. Creation of new businesses centered on intellectual property

### 4. Invention award system

Since 1968, Casio has had an award system for those employees that contribute to inventions and designs. By increasing the incentive for inventors and designers, the system fosters the desire for in-house engineers to take on the challenge of discovering new technologies. In accordance with Article 35 (Inventions by Employees) of Japan's revised Patent Act, which took effect in April 2005, Casio has revised its environment for employee inventors. It updated its intellectual property rules and created a consultation process in which the employee inventors can voice opinions in the revision of the rules. It also implemented a system for employee inventors to file an objection to monetary reward amounts. Additionally, Article 35 (Inventions by Employees) of Japan's newly revised Patent Act, which is intended to resolve instability in the attribution of rights to inventions by employees, took effect in April 2016. Accordingly, Casio updated its rules specifying that the attribution of the right to receive patents originally goes to the employer (Company), in order to resolve such problems as "procedures for joint inventions made with employees of other companies" and "double transfer of inventions by employees." The rules are revised as needed to respond to the expectations of employee inventors and adapt to the changing times and evolving environment.

Based on this award system, the Intellectual Property Department works to properly evaluate intellectual property results and to recognize and reward outstanding engineers and designers.

### 5. Intellectual property training system

In order to create a stronger awareness about the acquisition of intellectual property, Casio holds intellectual property seminars to deepen employee understanding and interest in intellectual property. The company also distributes relevant information online (through intellectual property website content), and uses outside educational organizations such as the Japan Intellectual Property Association and the Japan Institute of Invention and Innovation. In this way, the company is promoting various intellectual property education activities.

## 6. Brand support activities

### Protecting rights to the Casio brand

In order to promote smooth corporate operations on a global level, Casio has obtained 1,674 registered trademarks in 187 countries around the world, most of which are product trademarks, in order to protect the Casio brand. To further strengthen protection of rights to the Casio trademark, the company has been seeking official recognition of the Casio mark as a well-known trademark in various countries. This type of certification has already been obtained in several emerging countries.

In recent years there have been more trademark applications by other companies—mainly in emerging economies such as China and India—which try to mimic the well-known Casio brand. As a result Casio has been strengthening its monitoring activities and its efforts to prevent the trademarking of look-alike brands.

#### Trademarking of the Casio Brand Design rights acquisition (as of March 31, 2018)

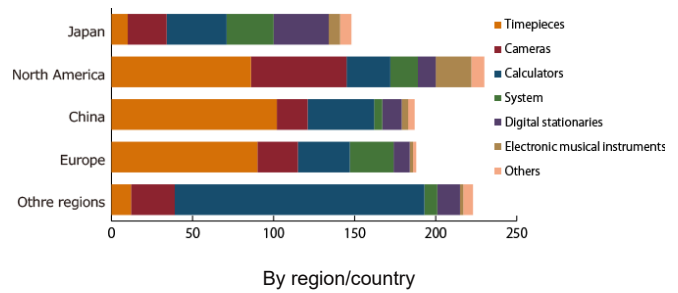
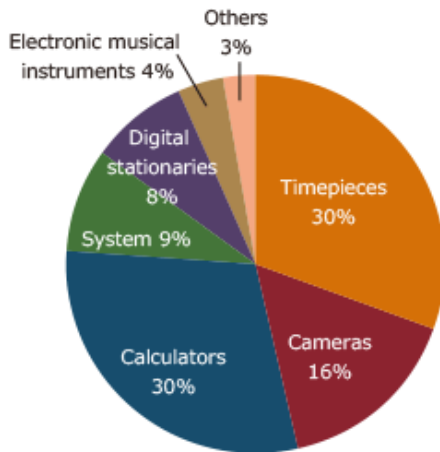


Casio has registered the Casio brand for product trademarks in the countries indicated in blue. In the countries indicated in yellow, trademark examination has been delayed in some fields, there is no trademark registration system, or applications are not being accepted due to the politician situation.

### Activities for minimizing risk entailed by new product naming and design, as well as rights acquisition

While avoiding the risk of infringing upon the design or trademark rights of other companies, Casio is actively promoting business support activities based on the strengthening of Casio's own design and trademark rights.

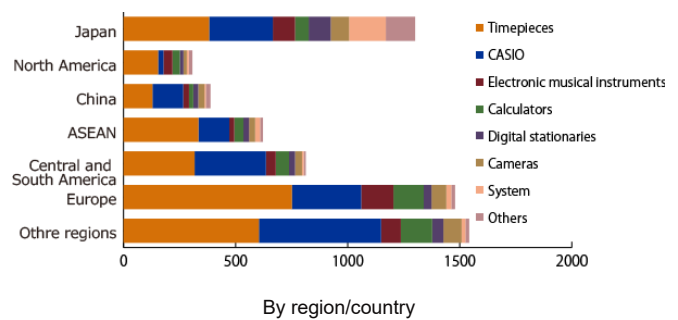
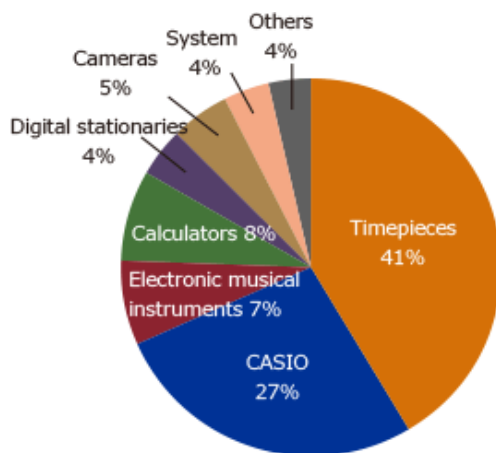
## Design rights acquisition (as of March 31, 2018)



Current number in effect: 976 design rights

By product type

## Trademark rights acquisition (as of March 31, 2018)



By product type

## Counterfeit product removal and consumer protection activities

The development of information and communications technology in recent years has facilitated the extensive spread of counterfeit goods on the Internet. Casio products are no exception to the damage caused by counterfeits. In order to guard consumers from the damage of fake products and to protect the Casio brand and increase its value, Casio has established a department tasked with counterfeit countermeasures and is taking action to get counterfeits off the market. Casio will continue to actively cooperate with efforts by government authorities to stamp out counterfeits by exposing factories that make counterfeit goods and stores that sell them, intercepting counterfeits at customs, and monitoring and eliminating counterfeits sold on the Internet.

# Supply Chain Management

## Approach

### Social Background

The rapid globalization of corporate operations has brought to light human rights violations, labor problems, and issues with environmental destruction, mainly at suppliers in developing countries. Casio recognizes that companies must undertake CSR efforts not only in their own organization but also throughout the entire supply chain.



### Risks and Opportunities for the Casio Group

When a human rights violation, labor problem, or environmental damage incident occurs in the supply chain, the company can be exposed to risks such as suspension of transactions, a tarnished brand image, labor strikes and litigation. Given these circumstances, Casio must fulfill its social responsibilities, including the protection of human rights, good labor relations, and environmental protection throughout the supply chain. Based on its Procurement Policies, Casio is working across the supply chain to improve its CSR activities while enhancing its initiatives to ensure appropriate transactions.

### Policy

Casio has established Procurement Policies in order to execute its social responsibility to conduct fair and equitable transactions throughout the supply chain. The policies cover matters including legal compliance, respecting human rights, labor, safety, and health, as well as environmental protection such as biodiversity preservation and risk control of chemical contents and information security. Casio constantly improves its socially responsible procurement by obtaining the understanding and support of suppliers for the policies and building strong partnerships.

#### *Procurement Policies*

Casio aims to fulfill its social responsibilities, including compliance with relevant laws and social norms, and protection of the environment, through fair and equitable transactions throughout the supply chain by strengthening partnership with suppliers.

#### *1. Fair and equitable transactions*

Casio carries out fair and equitable transactions by providing equal opportunities to all suppliers (and candidates) in and outside Japan in accordance with its internally established procedures.

## *2. Compliance with laws and social norms*

Casio's procurement activities comply with all relevant laws, social norms, standards and treaties worldwide, including the protection of human rights, the prohibition of child labor, forced labor and discrimination, and avoiding the use of conflict minerals, and respect for freedom of association, the right to associate, and the right to collective bargaining, as well as ensure that absolutely no contact is made with organized criminal elements. Therefore, Casio requires its suppliers to observe the same legal and social requirements.

## *3. Environmental protection*

Casio helps to protect the global environment through environmentally friendly procurement, which is based on the Casio Environmental Vision and Casio's Environmental Declaration, in cooperation with suppliers.

## *4. Strengthening partnership with suppliers*

Casio builds up relationship of trust with its suppliers through reciprocal efforts, such as merging and complementing mutual technological development abilities, supply chain cooperation, compliance with laws and social norms and protection of the global environment, which will benefit both parties.

## *5. Policies on supplier selection and transaction continuation*

Casio initiates and continues transactions with suppliers based on comprehensive evaluation criteria, which include compliance with laws and social norms, environmental protection, proper information security, respect for intellectual property, sound and stable corporate management, superior technological development ability, right price and quality, stable supply capabilities and electronic transaction systems.

## *6. Securing right price and quality*

Casio endeavors to secure right price and quality in order to provide its customers with stable supply of optimal products, which ensures that Casio gains the full confidence of customers around the world.

## *7. Prohibition of personal-interest relationships*

Casio does not allow any employees to have personal-interest relationships with any suppliers.

In order to ensure compliance with the Procurement Policies together with its suppliers, Casio has established the Supplier Guidelines (available at link below). All of Casio's suppliers in Japan and elsewhere have agreed to these guidelines to help Casio fulfill its social responsibilities.

Casio is also managing its supply chain more successfully by introducing a regular monitoring system that ensures that these guidelines are properly fulfilled.

[>Supplier Guidelines](#)

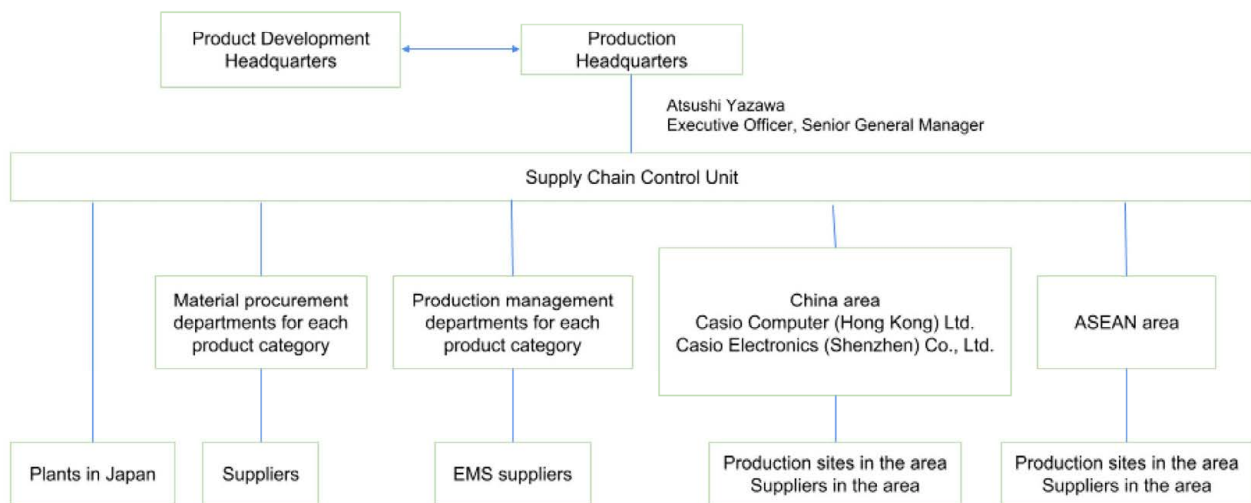


## Management Approach

### System

An executive officer, who is also the senior general manager of the Production Headquarters, is responsible for the system, and a department has been established to promote CSR procurement within the Supply Chain Control Unit at Casio Computer Co., Ltd. The department is working to promote CSR throughout the supply chain while collaborating with relevant organizations such as the CSR promotion departments and production sites.

In addition, a [Supplier Hotline](#) has been set up as a contact point for reports from suppliers concerning any potential fraud or compliance violations by Casio employees.



#### *Casio Supply Chain*

Casio carries out broad procurement over three regions, namely Japan, the China area, and the ASEAN area.

For a regional breakdown of the total value of Casio's procurement, the ratios are approximately 41% for Japan, 49% for the China area, and 10% for the ASEAN area.

## KPI and Performance for Material Issues

Evaluation ◎: All targets met, ○ : Most targets met, △ : Remaining issues outweigh results, × : No progress made

Material Issues for Casio	FY2018 Targets and KPI	FY2018 Performance	Evaluation	FY2019 Targets and KPI
Promoting CSR procurement	(1) Implement CSR education at Casio sites and at suppliers, and hold awareness raising campaign during one vendor meeting in China	Implemented CSR education at Casio sites and at suppliers, and held awareness raising campaign during one vendor meeting in China Presentation on human rights issues made by Casio headquarters	○	(1) Implement CSR education at Casio sites and at suppliers, and hold awareness raising campaign during one vendor meeting in China
	(2) Implement annual audit follow-up and confirmation prior to the annual audit (including documentation)	Conducted follow-ups for CSR audits requested by customers at 4 production sites In China, conducted onsite inspections at 8 suppliers In Thailand, conducted onsite inspections at 6 suppliers	○	(2) Implement annual audit follow-ups Continue audits of production sites, and those based on customer requests Implement production site audits, and document investigations Continue supplier onsite audits

## Social Initiatives: Action Plans and Performance

Evaluation ◎: All targets met, ○ : Most targets met, △ : Remaining issues outweigh results, × : No progress made

FY2018 Targets & Plans	FY2018 Performance	Evaluation	FY2018 Targets & Plans
Implement CSR performance monitoring, based on continued use of CSR questionnaires in and outside Japan.	The questionnaire for companies outside Japan was revised, and both domestic and overseas questionnaires were continually implemented. Questionnaires were sent to 225 companies in Japan, and the response rate was 100%. Questionnaires were sent to 245 companies in China, and the response rate was 100%. Questionnaires were sent to 66 companies in Thailand, and the response rate was 100%.	○	Implement CSR performance monitoring, based on continued use of CSR questionnaires in and outside Japan.
Continue onsite inspections outside Japan. Ensure thorough understanding of Casio's CSR policies through surveys.	Onsite inspections were conducted at 8 companies in China. Onsite inspections were conducted at 6 companies in Thailand. Thus far, mostly completed to implement onsite inspections for major suppliers.	○	Continue onsite inspections outside Japan. Ensure thorough understanding of Casio's CSR policies through surveys.
Firmly establish CSR procurement throughout the supply chain, through good two-way communication at suppliers meetings.	Explained Casio's CSR Procurement Policy at the supplier meetings and representative suppliers presented case examples of their CSR initiatives in order to share issues and know-how.	○	Firmly establish CSR procurement throughout the supply chain, through good two-way communication at suppliers meetings.

## Activity Results

### Disseminating Supplier Guidelines

Casio carries out the majority of its production outside Japan at Casio plants and manufacturing subcontractors (electronic manufacturing services). Every year, Casio holds briefings on its Procurement Policies in Southern China.

Initially, these briefings simply involved Casio explaining its business policies to suppliers and asking them to undertake initiatives. Since fiscal 2010, however, Casio has been using these briefings as an opportunity for two-way communication. Suppliers are invited to participate actively, for instance by asking those with exemplary CSR initiatives to present examples of their efforts to promote and improve CSR. This enables the sharing of useful case studies and know-how for addressing CSR. By working collaboratively with its suppliers in this way, Casio is continually improving the level of CSR performance in its supply chain.

Like last year, the recent meeting was attended by the manager of Casio's CSR promotion department, who gave a presentation on human rights issues. He explained the need for major distributors outside Japan to regularly conduct CSR audits at Casio overseas production sites. The distributors must keep a close watch on response to human rights issues on the production lines and in the supply chain. He also explained the potential for serious business and credit risk arising from any improper protection of worker rights, and presented specific examples of human rights issues to be looked at in the supply chain. The aim was to promote thorough understanding of the importance of taking steps to protect human rights.

In June 2009, Casio revised the Basic Business Agreement it signs with suppliers in Japan. Clauses were added to require measures such as legal compliance, respect for human rights, and environmental protection. The new agreement is being rolled out steadily.



Briefing on Procurement Policies



Award ceremony at the Procurement Policies briefing



Presentation by Teo JH, Managing Director, VSU (ZHUHAI) CO., LTD, a Casio supplier

## Supplier message about a presentation

After listening to a presentation by Noriaki Kimura, Manager of Casio's CSR promotion department, concerning CSR procurement in the supply chain, I feel that we at VSU need to take even greater responsibility. I would like to strengthen CSR efforts within our company and further develop our business with Casio in the future.



VSU Managing Director Teo JH speaks to his staff concerning Casio's CSR initiatives, following a Casio Procurement Policies briefing

## Supplier message

Torex Semiconductor is Japan's only dedicated manufacturer of analog power source ICs, which are super-compact power source ICs with ultra-low power consumption for environmentally friendly performance. We aim to be a corporate group that continues to grow with society by fostering human resources who can support growth and promoting thorough compliance.

As a company that is helping to protect the global environment and create more comfortable lifestyles, we are spreading awareness of CSR activities throughout our operations.

As a business partner, Torex Semiconductor will continue to support Casio's Procurement Policies and actively engage in CSR activities while helping to further increase the added value of Casio products.



Koji Shibamiya  
President  
Torex Semiconductor Ltd.

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## Comprehensive Management of CSR Performance

In fiscal 2008, Casio started conducting a questionnaire survey\* of principal suppliers in Japan on CSR performance in order to confirm the status of CSR procurement. In fiscal 2010, the survey was expanded to include suppliers in China and Thailand.

Based on the fiscal 2012 survey results and changes in society's expectations, the questionnaire for suppliers was revised in fiscal 2013. Overlapping questions were eliminated and a new theme, policies for avoiding conflict minerals, was added.

The fiscal 2018 questionnaire was sent to 225 companies in Japan, and the response rate was 100%, clearly indicating suppliers' high level of interest in CSR fulfillment. Responses were received from 311 companies (245 companies in China and 66 companies in Thailand), also for a response rate of 100%. Again, the great concern for CSR fulfillment among suppliers is clear.

Casio compiles and analyses the response data, and shares the results with suppliers, along with Casio's approach to CSR procurement.

Since fiscal 2011, Casio has been conducting onsite audits of major suppliers in China and Thailand with local staff members of the CSR promotion projects launched at sites in those countries. In fiscal 2012, the company started planning onsite inspections performed mainly by local Casio staff, and the number of visits is increasing.

In fiscal 2018, Casio conducted onsite inspections at 8 companies in China. In Thailand, it conducted onsite inspections at 6 companies. Even with the suspension in inspections caused by the flooding, it has cumulatively covered almost all suppliers in Thailand. Going forward, Casio will continue onsite inspections with the aim of instilling commitment to CSR throughout the supply chain.

\* The questionnaire was prepared in accordance with a Supplier Checklist for CSR Procurement based upon the Guidebook for Supply Chain Implementation of CSR Procurement published by the Japan Electronics and Information Technology Industries Association (JEITA). It covered: (1) human rights and labor conditions; (2) health and safety; (3) the environment; (4) fair transactions and ethics; (5) quality and consumer safety; (6) information security; and (7) social contribution.

[> A list of the items included in each category of the questionnaire is available here.](#) (PDF)

### Questionnaire results

Questionnaire given to a total of 536 suppliers

Responses to all questions received from 536 suppliers (100% response rate)

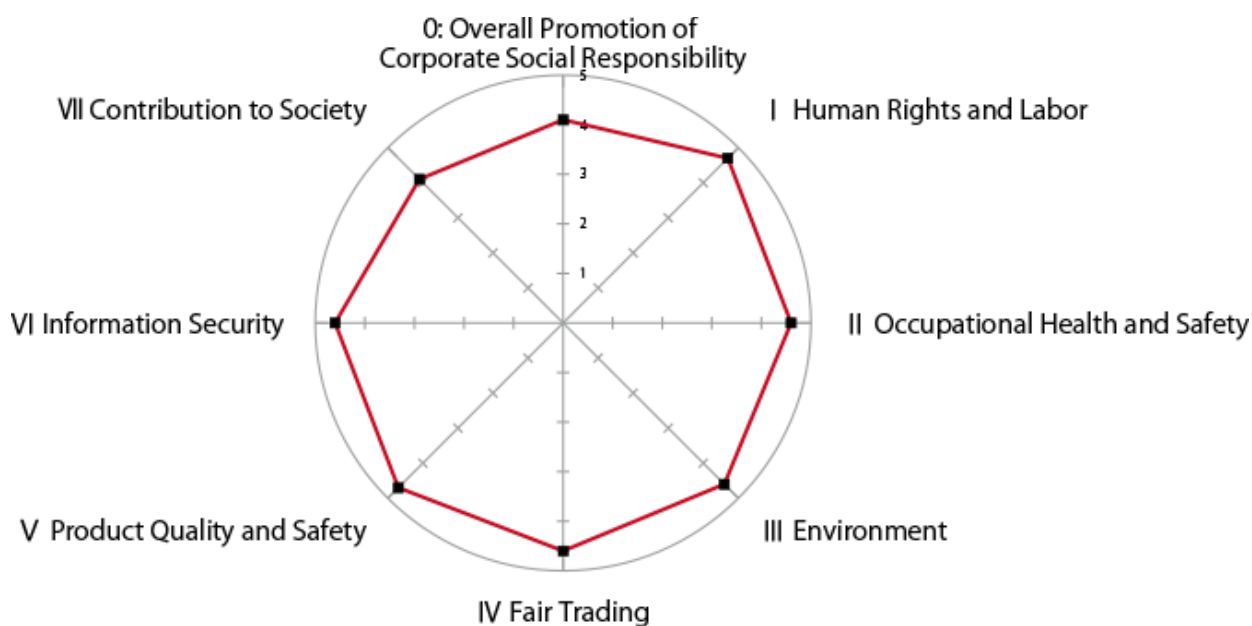
*Status of responses by CSR category*

China and Thailand

Based on the questionnaire results, there were no serious problems to be immediately addressed. In addition, points for improvement were progressively clarified for each supplier and improvement measures were requested.

## Responses by CSR category in China and Thailand

	Responses by CSR category
0 Overall Promotion of Corporate Social Responsibility	4.1
I Human Rights and Labor	4.7
II Occupational Health and Safety	4.6
III Environment	4.6
IV Fair Trading	4.6
V Product Quality and Safety	4.7
VI Information Security	4.6
VII Contribution to Society	4.1
Total	4.6



### Japan

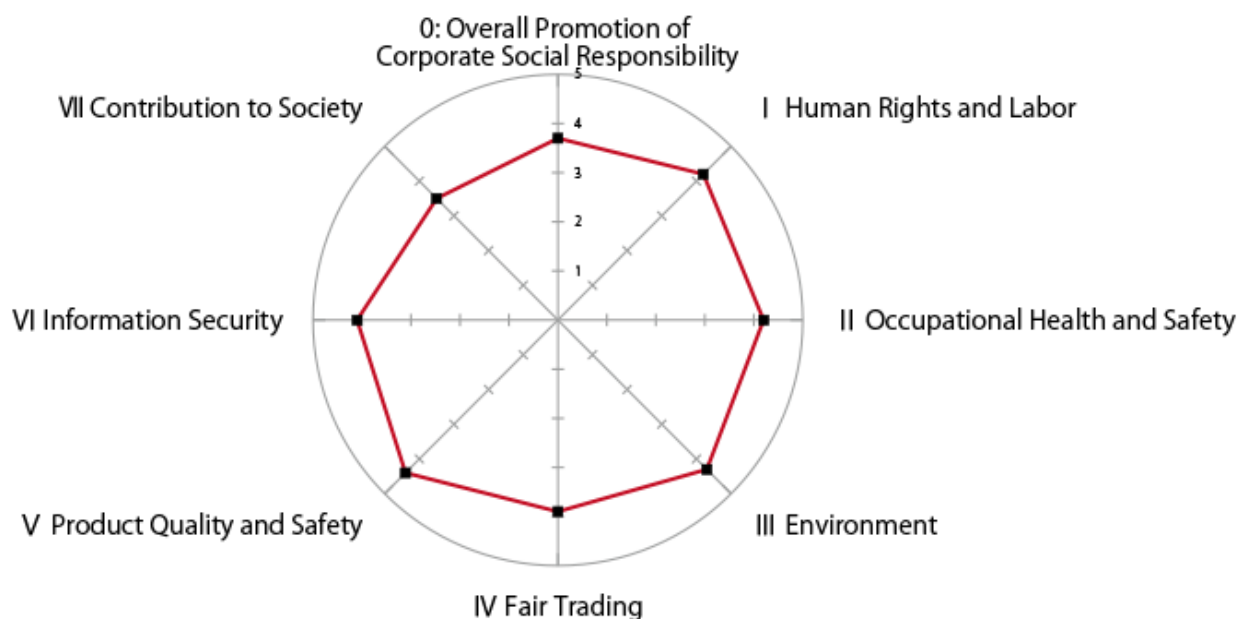
An abstract five-point evaluation system (for example: 5 = sufficient measures, 3 = not enough measures, and 1 = no measures) was used in Japan until recently. Starting in 2017 however, specific achievement levels are listed for each and every question. This helps to more objectively assess the current state of CSR activities at suppliers. In addition, the guidelines for further improvement have also been clarified.

As a result, the evaluation scores were lower than last year, but there were no serious problems requiring immediate response. In addition, points for improvement were progressively clarified for each supplier and improvement measures were requested.

This initiative will be expanded to the China and ASEAN areas in fiscal 2019.

## Japan responses by CSR category

	Responses by CSR category
0 Overall Promotion of Corporate Social Responsibility	3.7
I Human Rights and Labor	4.2
II Occupational Health and Safety	4.2
III Environment	4.3
IV Fair Trading	3.9
V Product Quality and Safety	4.4
VI Information Security	4.1
VII Contribution to Society	3.5
Total	4.1



### Selection of new suppliers

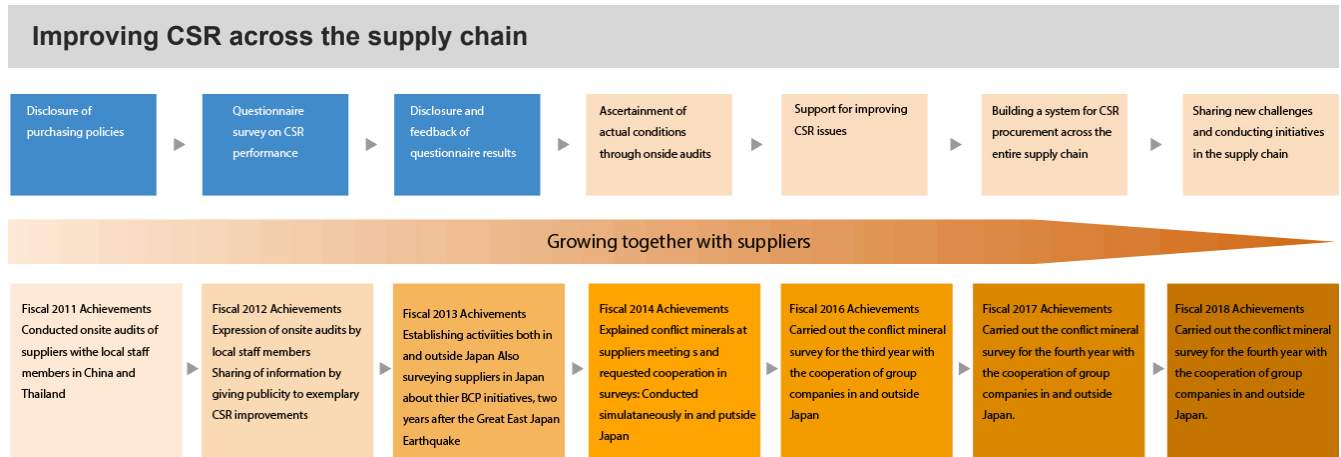
Based on the Procurement Policies, before Casio starts doing business with a new supplier, a comprehensive evaluation is carried out. The prospective supplier is checked based on the following criteria: compliance with laws and social norms, environmental protection measures, proper data protection, respect for intellectual property rights, management soundness and stability, outstanding technology development capabilities, ability to provide the desired price, quality, and a stable supply, and capabilities for online transactions.



## Promotion of green procurement with business partners

With the cooperation of suppliers, the Technical Planning Department in the CS Headquarters at Casio Computer Co., Ltd. is promoting green procurement that considers supplier measures to protect the global environment.

[Click here for more details](#)



## Avoiding Any Use of Conflict Minerals

Some minerals, such as tin, tantalum, tungsten, and gold, produced in the Democratic Republic of Congo (DRC) and neighboring African countries have become a source of funding for armed groups and anti-government forces carrying out atrocities. They are called conflict minerals because of their potential to promote conflict, human rights violations, and environmental destruction.

Wanting no part in human rights violations and environmental destruction, Casio's stance is to completely avoid the use of conflict minerals. The group will continue its efforts to avoid the use of such minerals by working closely with suppliers.

In January 2013, Casio revised its Procurement Policies and Supplier Guidelines, adding a ban on the use of conflict minerals. A question about policies to avoid the use of conflict minerals was also added to the CSR questionnaire sent to suppliers in Japan.

In fiscal 2014, Casio group companies surveyed suppliers worldwide about the use of conflict minerals, using the EICC & GeSI\* Conflict Minerals Reporting Template. Worldwide, 653 responses were received in fiscal 2018. The response rate was 100% in fiscal 2018 (99.8% in fiscal 2018).

In the first year of the survey, many companies reported conflict mineral use as "unknown." In the second year, there was a noticeable shift towards "yes" or "no" responses, rather than "unknown." There are inherent difficulties in conflict mineral investigation, as strict survey implementation requires going all the way back up the supply chain to the smelters. Casio will continue to collect relevant information including customer reactions and industry trends in the US, EU and other regions.

As a member of the Responsible Mineral Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA), Casio is also working to improve conflict mineral survey activities in the supply chain through industry collaboration.

# Making the Most of Human Resources and Maintaining Optimal Workplace Environments

## Approach

### Social Background

Management resources include goods, money, and information, but it is people who actually make corporate activities happen. To survive intense corporate competition and keep growing, Casio recognizes that it must constantly maximize the value of the management resource that its people represent.

Today's declining birthrate aging populations present mounting challenges, not only a decrease in the working population but also the need to increase the mobility of human resources and diversify work-styles. There is also a need to address "people" aspects while promoting the work-style reform advocated by the Japanese government and pursuing the 17 goals and 169 targets of the Sustainable Development Goals (SDGs) adopted at the United Nations General Assembly in September 2015, with a target year of 2030.



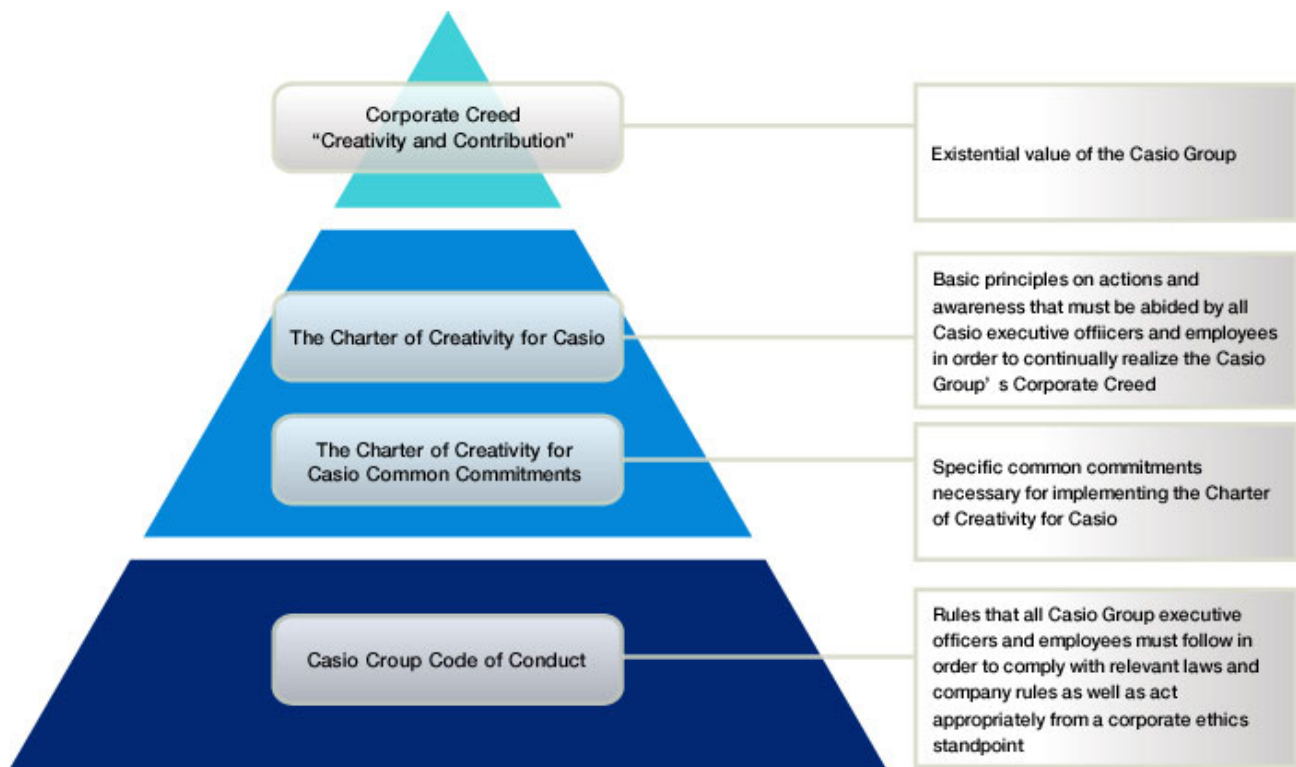
### Risks and Opportunities for the Casio Group

The Casio Group has approximately 12,000 employees, including human resources with diverse individuality and skills. For Casio to expand further, it is essential to continue providing environments that allow these human resources to reach the full potential of their abilities.

If personnel systems and workplace environments do not respond to new demands with the changing times, vitality as a corporate organization is lost and competitiveness could decline. Therefore, as a corporation, Casio remains constantly aware of changes in society and employees and believes that it is vital to establish a workplace environment that responds to change appropriately.

### Policy

In order to continually realize its corporate creed, Casio has put in place the Charter of Creativity, which sets out the basic principles around the awareness and actions expected of Casio people. However, the Charter would have no meaning if not practiced and embodied; simply stating principles is not enough. It can be said that what all employees actually do on the job constitutes the true practice and embodiment of these values.



In order to fulfill the Charter of Creativity, the Code of Conduct has been set out as follows.

### Establishing sound workplaces

- We embrace the diversity of our employees in terms of their personality, individuality, cultural background, values and opinions, and will strive to create sound workplaces that integrate such diversity.
- We recognize the importance of maintaining a work-life balance and will flexibly embrace a variety of different ways of working.
- 私 We will maintain a safe, hygienic, and comfortable workplace environment, and will strive each day to prevent workplace accidents and injuries as well as illnesses.
- We will proactively take part in initiatives to maintain and promote better health. We will be considerate of not only our own health, but the health of those around us.

Casio strives to build environments that allow employees to perform to their full potential based on this policy.

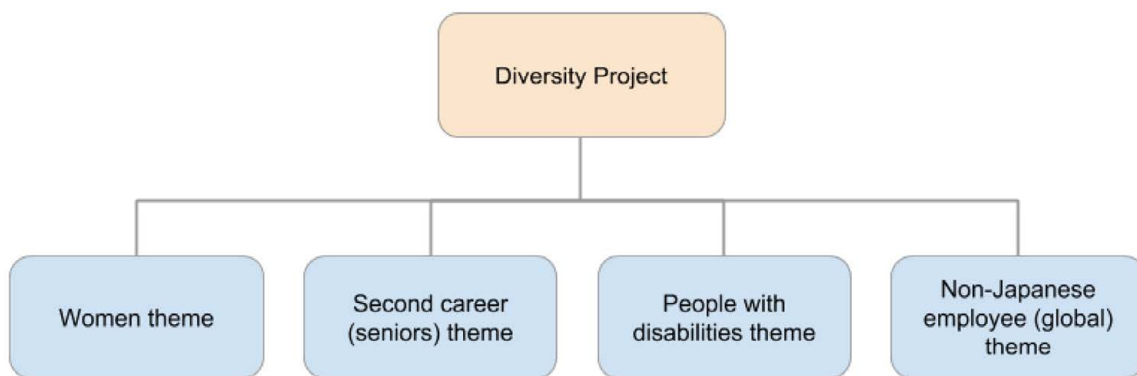
## Management Approach

### System

#### Promoting diverse work-styles

Since October 2013, Casio has been implementing diversity initiatives to create conditions where all employees can work enthusiastically and enjoy job satisfaction, regardless of gender, nationality, age, or level of ability. Casio launched the Diversity Project, led by the Human Resources Department, and has formed working groups around the themes of women, second careers (seniors), people with disabilities, and non-Japanese employees. In addition, the company has taken steps to address the nursing care issues that accompany aging populations and the global themes affecting Japanese employees when posted overseas.

Casio also focuses on work-life balance across all these themes.



#### Major reforms of organizations, evaluations, systems and frameworks

Casio is united in striving to ensure that all corporate activities “maximize efficiency” and “maximize results.” The company has launched major reform initiatives to update its mechanisms for achieving this.

#### Establishing environments that create innovation

Since 2017, the entire group has been pursuing work-style reform, aiming to increase productivity. Interaction between people is being promoted, including the establishment of satellite offices, and Casio is in the process of building environments for generating innovation.

## KPIs and Performance for Material Issues

Evaluation ◎: All targets met, ◦: Most targets met, △: Remaining issues outweigh results, ×: No progress made

FY2018 Targets and KPI	FY2018 Performance	Evaluation	FY2019 Targets and KPI
Achieve rate of employee return after childcare leave of 90% or more	<ul style="list-style-type: none"> <li>Achieved childcare leave usage rate for eligible employees of 100%</li> <li>Achieved a rate of employee return after childcare leave of 100%</li> </ul>	◎	Childcare support <ul style="list-style-type: none"> <li>Achieve childcare leave usage rate for eligible employees of 90% or more</li> <li>Achieve rate of employee return after childcare leave of 90% or more</li> </ul>
Keep employee turnover at less than 5%	Company-wide employee turnover was 3.7%	◎	
Achieve female science graduate employment rate of 20% or more <ul style="list-style-type: none"> <li>Implement measures to strengthen recruitment of women for technical positions</li> </ul>	Female recruitment rate: 25% (14% were female science grads) <ul style="list-style-type: none"> <li>Participated in recruitment seminars for female science students</li> </ul>	△	Achieve female science graduate employment rate of 20% or more <ul style="list-style-type: none"> <li>Implement measures to strengthen recruitment of women for technical positions</li> </ul>
Maintain legally mandated employment rate of people with disabilities at 2% or more <ul style="list-style-type: none"> <li>Actively employ people with disabilities, including those with mental disabilities, and achieve the legally mandated employment rate</li> <li>Implement measures for retaining employees with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>Employment rate for the Casio Group (consolidated group in Japan): 2.13% (as of June 20, 2018)</li> <li>Participated in joint interviews sponsored by Hello Work</li> <li>Continued post-hiring follow-up system and commuting support system</li> </ul>	◦	Maintain legally mandated employment rate of people with disabilities at 2.2% or more <ul style="list-style-type: none"> <li>Actively employ people with disabilities, including those with mental disabilities, and achieve the legally mandated employment rate</li> <li>Implement measures for retaining employees with disabilities, while seeking to employ people with diverse disabilities</li> </ul>

## Activity Results

### Supporting Advancement of Female Employees

Casio actively and continuously carries out a variety of measures with the aim of supporting all female employees so that they can fully demonstrate their abilities. Casio actively promotes ambitious and talented employees, and the number of women in senior staff positions increased from four in fiscal 2011 to 27 in fiscal 2018.

In order to promote the advancement of women even more in the future, Casio has established the goal of doubling the percentage of women in senior staff positions by 2020. The company plans to actively implement measures to foster ambition for promotion among female candidates for senior staff positions and to take measures to support the career formation of young women.

Additionally, in some years, the percentage of female engineers is somewhat low in the hiring of new graduates. Accordingly, Casio has set goals for the percentage of women in the hiring of new graduates joining the company every spring from fiscal 2019 of at least 20% in engineering positions, at least 50% in sales positions, and at least 30% overall. The company plans to expand the number of its female engineer applicants by aggressively targeting technically minded women in its PR.

## Female employees in senior staff positions (Casio Computer Co., Ltd.)

(FY)	2011	2012	2013	2014	2015	2016	2017	2018
Number of female employees in senior staff positions (number of managers)	4(3)	13(5)	16(8)	20(10)	20(9)	24(10)	24(11)	27(10)
Percentage of female employees in senior staff positions (percentage of managers)	0.4% (0.9%)	1.3% (1.5%)	1.7% (2.1%)	2.0% (2.0%)	2.1% (1.9%)	2.6% (2.1%)	2.6% (2.3%)	2.9% (2.0%)

\* Casio regards senior staff as professional staff and classifies them as: managers, or professionals who control an organization; and specialists, or professionals that belong to an organization.

\* A manager means a person at the department manager level or higher.

## Employing People with Disabilities and Encouraging Them to Play Active Roles

Casio is creating workplace environments that allow every individual to display their full abilities and aptitudes.

Upon request, it provides hands-on training in the workplace before hiring in an effort to dispel anxiety about actually working there and to eliminate gaps between expectations and reality.

Casio has also adopted and uses a follow-up system for persons with disabilities throughout the group. This system is intended to constantly aim for the most suitable environment in light of the opinions of both the workplace and persons with disabilities by conducting periodic interviews after a person with disabilities joins the company so they are not left alone to face any anxieties or problems. The interviews help to quickly resolve any problems, check aptitude for work duties based on actual performance of those duties, and facilitate the provision of care if a disability has changed with the passage of time. In ways like this, Casio is working hard to increase the retention rate. Casio also invites sign language interpreters to company events to help convey information to the hearing impaired.

A working group in the Diversity Project is advancing community development for persons with disabilities. It is carrying out initiatives aimed at making Casio an easier place to keep working by incorporating the opinions of persons with disabilities regarding issues such as environmental retrofitting focused on ensuring safety, measures to increase awareness in workplaces where persons with disabilities work, and measures to further establish their position in the workplace.

Furthermore, Casio introduced commuting support measures for employees with disabilities, thereby allowing them to work staggered hours. The aim was to reduce obstacles and secure safety during commuting, according to the nature of the employee's disability. This move was in response to requests from employees with disabilities, and also addressed legal requirements to prevent discrimination against people with disabilities by providing reasonable accommodation of their needs.

The company aims to create an environment in which all Casio employees can work enthusiastically and enjoy job satisfaction, regardless of level of ability. Casio actively hires people who display creativity and have the desire to work and take on challenges, and gives them a stage on which to play an active role.

## Percent of workforce with disabilities

Casio is boosting recruitment in order to raise the employment rate of people with disabilities.

	As of April 1, 2015	As of April 1, 2016	As of April 1, 2017	As of April 1, 2018
Casio Computer Co., Ltd.	1.74%	1.84%	1.87%	1.98%
Group companies in Japan	1.95%	2.04%	2.00%	2.14%

## Encouraging Non-Japanese Employees to Play Active Roles

Casio is working to create workplace environments that allow non-Japanese employees to relax and continue working long term after joining the company. Casio has implemented initiatives that take account of linguistic, cultural, customs and other differences. These initiatives include adding English descriptions to cafeteria menus and illustrations of types of meat to accommodate dietary restrictions based on religious precepts, the provision of special leave to take part in important events in employees' home countries and to create opportunities to meet with family and relatives in their home countries once every few years, and the establishment of a prayer room at the company for Muslim employees. Casio's non-Japanese employees play active roles in diverse workplaces while displaying their individuality.



English menu description (bottom); pork mark (upper right)



Establishment of a prayer room

## Encouraging the Hiring of Seniors / Supporting the Lives and Employment of Seniors

Casio has a Senior Employee Program to provide retirement-age employees with employment opportunities, and to effectively utilize the skills and know-how that these individuals have accumulated over the course of their careers. It revised this program following amendment of the Act for Stabilization of Employment of Older Persons in fiscal 2014. Under the post-revision program, Casio offers continued employment with reasonable treatment according to past performance and the roles and responsibilities assumed after retirement age. The system creates workplaces where seniors can continue using their career skills and expertise within the Casio group.

As part of these efforts, Casio continues to promote the following initiatives.

### Clarifying roles when hiring senior employees

Casio decided to clarify the procedure for re-hiring employees reaching retirement. The aim is further strengthen the potential of senior employees and to ensure job satisfaction after re-employment at a new compensation level. The company must now describe the skills and experience of each individual concerned, along with the corresponding job description, role, and expectations. These must be clearly documented and presented with the compensation conditions at time of re-employment.



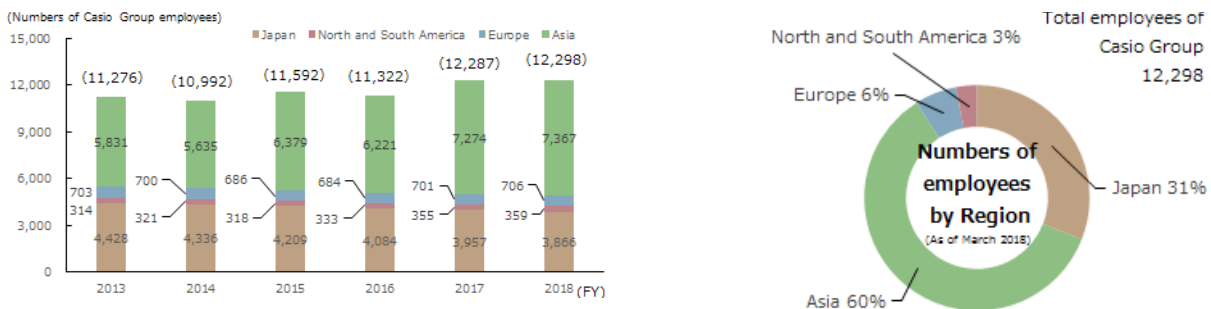
## Raising awareness of the need for career planning when looking ahead to retirement and re-employment

When employees reach mandatory retirement age and become eligible for re-employment as a senior employee, their roles and compensation levels will change. Therefore, Casio believes that it is necessary for employees to prepare in advance a forward-looking career plan, in order to continue working enthusiastically during the retirement transition from a regular position to re-employment as a senior employee. Life Plan Seminars are held each year for employees who have reached the ages of 53 and 58. At the seminars, an external instructor provides a lecture on personal finance planning covering things such as the pension system, post-retirement living expenses, taxes, and healthcare costs. Information on career development planning is also provided with a view to re-employment at Casio once the mandatory retirement age is reached. The seminars provide a good opportunity to raise awareness of retirement life planning at an early stage.

## Prioritizing Local Hiring and Promotion at Subsidiaries outside Japan

Along with the globalization of its operations, Casio is actively pursuing local hiring at its sites outside Japan. The aim is to promote management that is responsive to local conditions in each country, as a truly global company. This is being done not just in manufacturing, but also in various other fields.

### Number of Casio Group regular employees (global breakdown)



## Initiatives in Hiring

The Casio Group Code of Conduct states that "we will respect all fundamental human rights, and will not engage in any form of discrimination." Casio provides equal employment opportunities to anyone with the desire to work. Casio also endorses the Japan Business Federation's charter of hiring ethics. The company strives to avoid early hiring of undergraduate university students to minimize any impact on their studies. It also conducts voluntary explanation meetings at universities around the country, publishes video of company introduction seminars via online media, and participates in selection events for Japanese international students studying overseas. In this way, Casio is striving to provide opportunities to many students so as not to disadvantage students based on where they are from or their academic circumstances.

## Providing internships

As it becomes difficult for students to get time to think about work due to a shrinking job hunting period in Japan, Casio is providing workplace-hosted internships aimed at giving students an insight into what "work" is and what a "job" is.

## Policy for Fair Evaluation and Compensation

Based firmly on a foundation of fairness, Casio aims to continuously improve its human resource system in light of changes in the social environment. Within that system, the present basic human resources policy combines a role-based system that grades individual employees based on the extent of their roles with a performance-based approach to evaluation and compensation based mainly on outcomes of job performance within their roles.

Additionally, the company puts a premium on the following points of view:

- Respect of will: Grant significance to the individual's will and intentions
- Human resources development: Create opportunities for the acquisition of knowledge and skills needed in work
- Significance of abilities: Grant significance to abilities demonstrated through work
- Right person for the right job: Reflect individual wishes in job requests
- Priority distribution: Distribute limited management resources as efficiently as possible
- Stable employment: Strive to create workplaces where employees can work according to their abilities

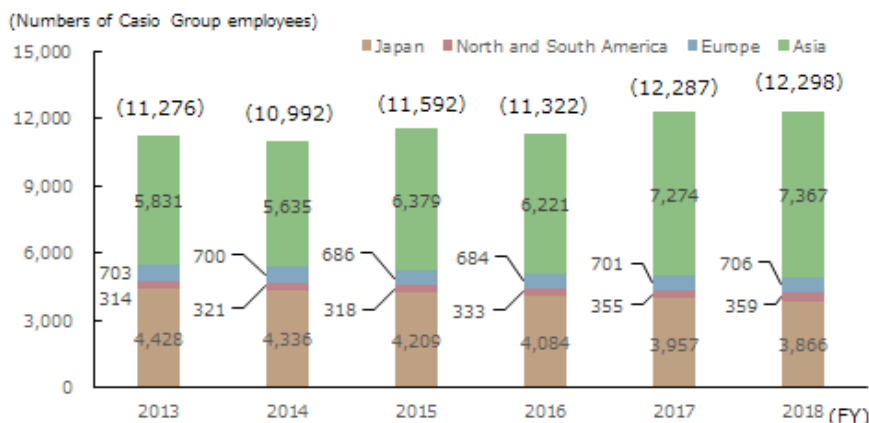
In addition to the above policy, Casio will place a premium on these points of view as it pushes ahead with innovative personnel measures. By taking this approach, Casio aims to strike the optimal balance between the growth and revitalization of society and the expansion and growth of the company.

Casio's design and application of an impartial personnel system ensures fair rating, evaluation, and compensation according to the level of duties, regardless of academic background, years of service, or gender.

Casio feels that goal management is important in its evaluation system and so it has supervisors and their subordinates share goal information via the intranet. Starting in fiscal 2015, goals are also being shared among colleagues in addition superiors and subordinates, which is useful for promoting innovation and synergy.

The company evaluates each employee at an interview twice a year. Casio uses evaluation sheets based on goal management to notify employees about the results of evaluations, a mechanism designed to improve transparency and ensure that evaluation of employees is highly credible.

### Human resources system overview



## Education for Fair Evaluation and Compensation

Casio requires managers to take evaluator training in an effort to improve their evaluation, leadership, and interviewing skills, in order to operate its human resources system fairly and appropriately.

Additionally, all managers are evaluated by their colleagues and subordinates about once every three years. The results are fed back to managers during training sessions to encourage continual improvement. An overview of the evaluation and compensation system is posted on the company intranet to keep all employees thoroughly informed about this system.

The company not only works with evaluators, but has also cooperated with the labor union to produce a Goal Setting and Evaluation Interview Handbook to help deepen understanding between supervisors and their subordinates and ensure fairness in operations.

### Human resources data

#### Number of employees hired in Japan (As of end of March 2018)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	2,451	750	3,201 (83%)
Female	452	208	660 (17%)
Total	2,903	958	3,861

(Reference)

Non-regular employees	525	689	1,214
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#### Number of employees hired in Japan (April 1, 2018)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	45 (75%)	7	52
Female	15 (25%)	0	15
Total	60	7	67

### Average years of service in Japan (As of end of March 2018)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	19.5	18.0	19.2
Female	14.5	21.5	16.7
Total	18.7	18.8	18.7

### Average employee age in Japan (As of end of March 2018)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	47.7	48.4	47.8
Female	41.3	45.9	42.5
Total	46.7	48.7	47.2

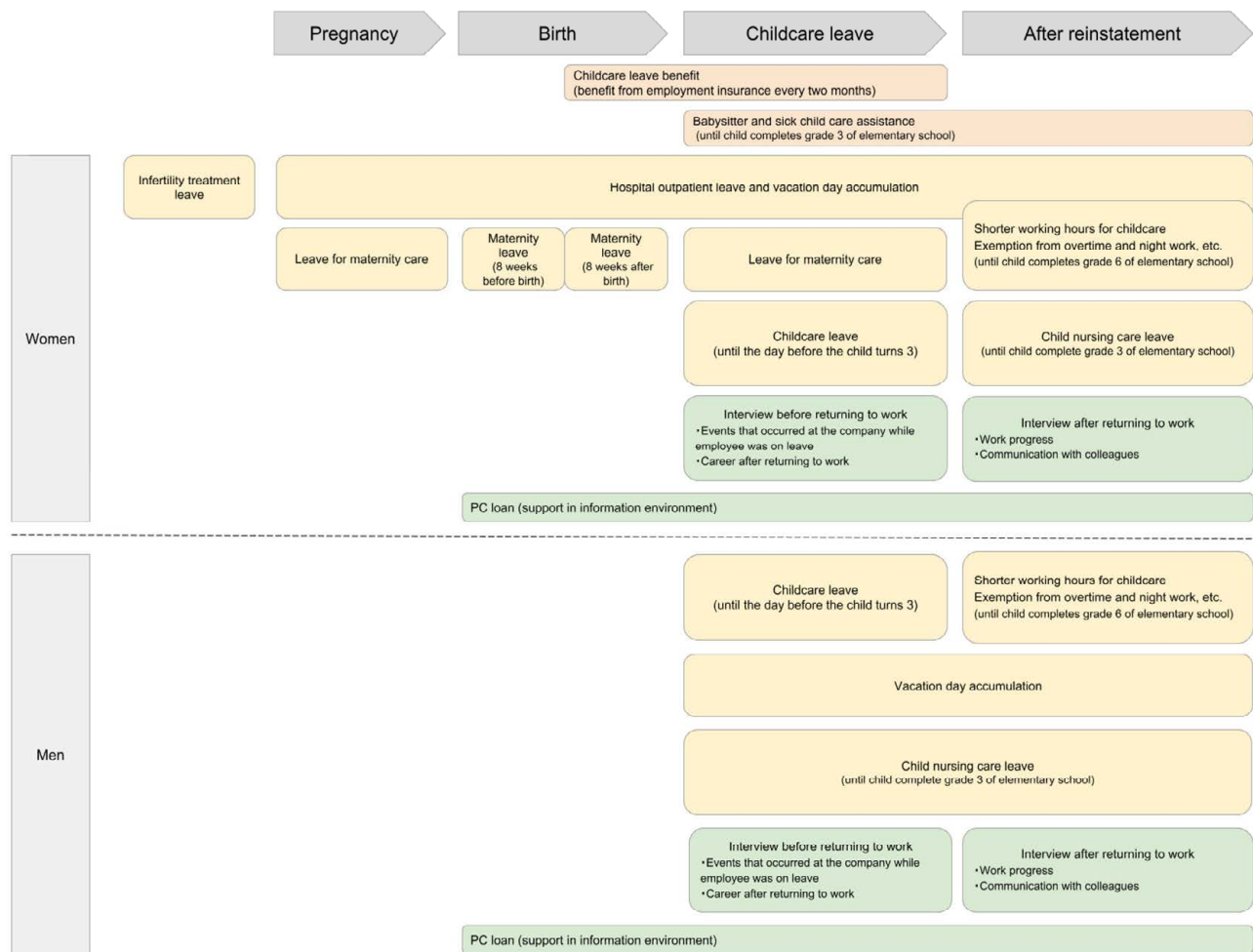
## Initiatives to Support Work-Life Balance

Casio appreciates the importance of work-life balance and is striving to create environments that accommodate diverse work-styles in a flexible manner. The company will continue to promote the establishment of systems and environments aimed at creating an environment where diverse human resources can work easily and display their maximum performance.

### Helping employees balance work and parenting

Casio has introduced programs that enable employees under restrictions caused by parenting to feel at ease and to demonstrate their full potential on the job. The company has developed programs that help employees balance work and parenting, such as a shorter working hours system for childcare.

## Childcare and leave programs (Casio Computer Co., Ltd.)

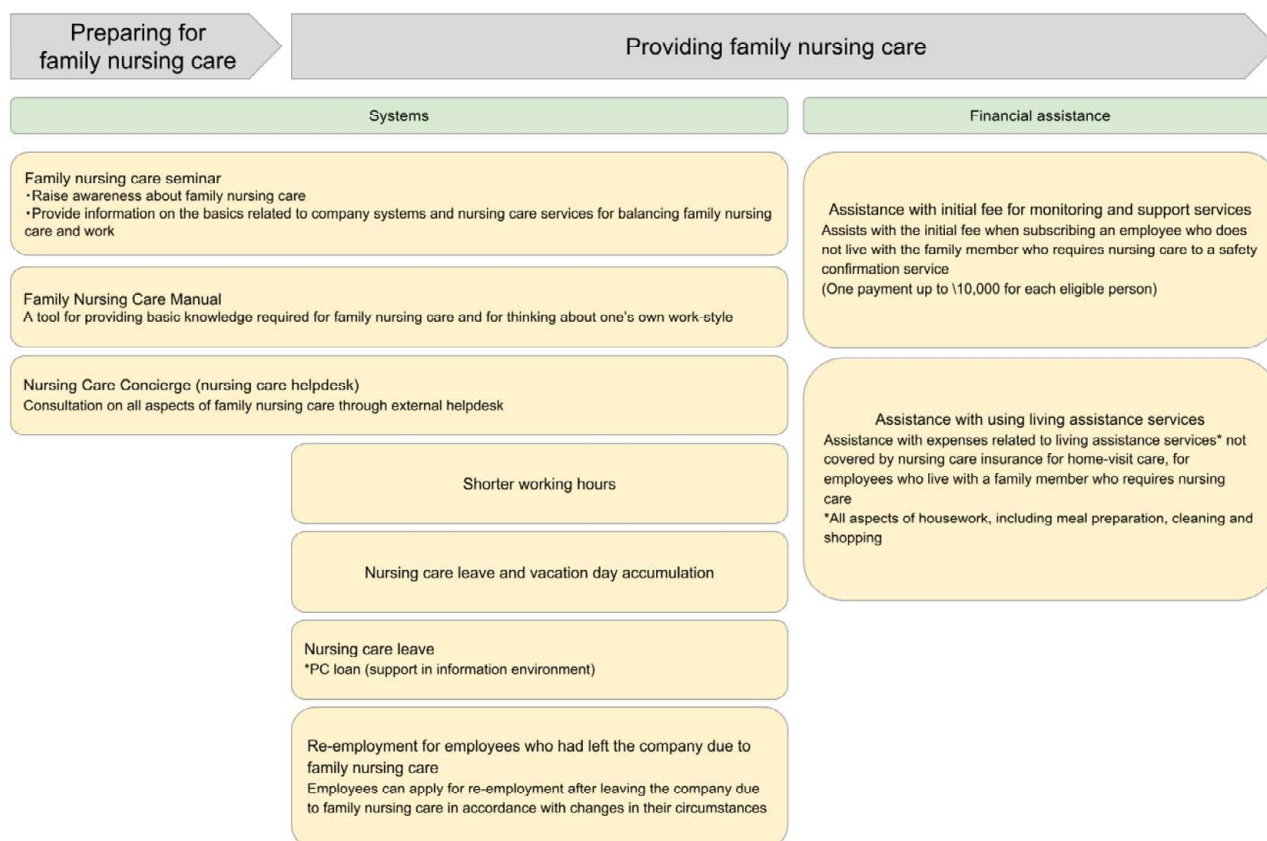


### Helping employees balance work and family nursing care

Problems with family nursing care can happen to anyone and come about unexpectedly. Casio has made efforts to enhance its systems to support family nursing care so that the company can provide as much help as possible to balance the needs of work and family nursing care and employees can provide family nursing care without their work performance suffering, thereby avoiding leaving the company due to family nursing care.

As one of its initiatives, Casio has been holding the Seminar on Helping Balance Work and Nursing Care every year since 2015 to provide employees with basic information on nursing care so that they have the knowledge to allow them to handle caregiving, the need for which often emerges abruptly. The seminar was held in November and December 2017 at the company's head office and the Hamura R&D Center, and it was streamed live to sales offices around Japan. More than 250 employees took part, and a sign-language interpreter was also on hand, allowing hearing-impaired employees to participate. The topic was "balancing work and family nursing care based on real life examples," a topic requested by many past participants. After reviewing the basics of the nursing care insurance system so that first-time participants could understand, the seminar provided information about the behavioral and psychological symptoms of dementia and concrete ways to prepare for it, based on real life examples. On a questionnaire given after the seminar, 97% of participants said that it was useful, and 37% responded that they themselves or someone near them were currently involved in caregiving. Caregiving is an immediate concern for employees, and Casio believes that it is important for them to get support from the people around them while balancing work with family nursing care.

## Family nursing care programs (Casio Computer Co., Ltd.)



## Number of employees taking leave related to childcare and family nursing care and uptake rates (Casio Computer Co., Ltd.)

	Number of employees taking leave (figure in parentheses is men)				
	FY2014	FY2015	FY2016	FY2017	FY2018
Childcare leave and return program	35(1)	45(1)	46(0)	55(0)	69(2)
Percentage of employees that return to work after taking childcare leave	100%	100%	100%	100%	100%
Childcare leave and return program	2(2)	2(2)	3(1)	3(2)	5(2)
Shorter working hours system for childcare and nursing care	68(3)	76(0)	77(0)	78(1)	85(0)
Child nursing care leave	9(2)	6(1)	13(1)	15(2)	23(4)
Nursing care leave	3(2)	3(2)	3(2)	4(4)	8(5)

\* Childcare leave return-to-work percentage does not include temporary workers

## Hourly paid leave system

In June 2010, Casio adopted a system that permits employees to take annual paid vacation in hourly increments. The system is available to all employees and can be combined with half-day leave so that it is used effectively and flexibly.

### Employee Comments

- Left an hour early for lunch to renew a driver's license  
"Previously, one had to take a half day off in order to attend to a personal matter during the work day. Now, one can take time off on an hourly basis, which is a more efficient way to use holiday time."
- Took hours off to take her two-year-old daughter for vaccinations and to meet with daycare staff  
"It is handy to take time off by the hour, since I also want to save my holiday time in case my daughter gets sick."
- Wanted to leave a couple of hours early to catch a ball game  
"A great way to break up my work routine. I felt very energized when I returned to work the next day."

### Rate of taking paid vacation (Casio Computer Co., Ltd.)

	FY2014 (H25.1~H25.12)	FY2015 (H26.4~H27.3)	FY2016 (H27.4~H28.3)	FY2017 (H28.4~H29.3)	FY2018 (H29.4~H30.3)
Rate of taking paid vacation	67.9%	65.5%	71.1%	72.2%	74.9%

\* Calculation period was changed in fiscal 2016

### Other vacation and leave programs

Program	Description
Vacation Day Accumulation	The annual paid vacation expires in two years. However, employees can accumulate a maximum of 30 unused vacation days to carry over up to four days per year. The leave days can be used if the employee gets sick or injured, in order to care for a family member, safe motherhood measures, or volunteering
Refresh Leave	This program grants five days of leave at the 10-year, 20-year, and 30-year milestones of work.
Leave to accommodate spouse's overseas assignment	This system allows employees to take a leave of up to three years when the individual will accompany his or her spouse on a posting outside Japan.
Infertility treatment leave	This system enables employees to take a one-year leave of absence in order to undergo infertility treatment.
Time off in lieu	In the case of overtime or holiday work, this system allows employees to reduce working hours in the days that follow, in 15 minute increments. Extra allowance, such as overtime pay, is also provided accordingly.



## Initiatives to Improve Productivity

Casio has been striving to reduce long working hours, starting with the Overtime Zero Campaign in 2007, which was later renamed “Smart Work Initiatives,” by creating an environment where all employees can work enthusiastically while maintaining work-life balance. In 2018, the company launched the joint labor-management Working Hours Management Committee and is working hard to further improve productivity.

### Average monthly overtime work (Casio Computer Co., Ltd., and group companies in Japan)

	FY2014	FY2015	FY2016	FY2017	FY2018
Overtime hours	16.2	16.1	15.7	14.7	13.4
Total annual working hours	1,952	1,950	1,931	1,917	1,905

## Communication between Labor and Management

Casio operates on a union-shop basis; as a rule, all employees except for managers are members of the union. Through regular communication between management and the labor union, Casio hopes to raise the awareness of employees about their participation in the management of the company. Casio values close communication between labor and management and maintains a good relationship.

At the core of this labor-management communication is the Group Workers' Labor-Management Conference, which is held four times a year (February, May, September, and November). At these conferences, management and labor, together representing the entire group, exchange opinions about current conditions at the company.

Casio is also working toward even smoother operation of human resource systems by holding various regular labor-management talks, including the Central Labor-Management Meeting, the Division Labor-Management Meeting, and the Sales Chapter Labor-Management Meeting.

The labor-management agreement stipulates that the revision or elimination of human resource labor related systems is carried out via labor-management discussions. This process is carried out over a sufficient period of time and involves the sharing of issues by both labor and management.

### Changes in the proportion of labor union members (Casio Computer Co., Ltd.)

	FY2014	FY2015	FY2016	FY2017	FY2018
Percentage of all employees	65%	64%	64%	64%	65%
Percentage excluding managerial positions	96%	97%	98%	98%	98%

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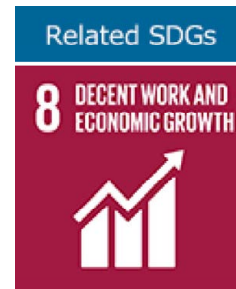
# Human Resource Development

## Approach

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### Social Background

Amid a rapidly changing business environment, Casio believes that for corporations to respond to these changes in a flexible manner, developing human resources with the ability to adapt to a range of roles, rather than human resources with specialized skills, will lead to reinforced organizational capabilities and increased productivity.



### Policy

Based on the above background, Casio arranges training for specific job grades so that each employee acquires the basic knowledge and skills required to fulfill their assigned role. The company also provides extensive opportunities to acquire knowledge on advanced technology and trends required at any given time in accordance with the changing times by offering training for specific jobs, training to provide skills, and in-house seminars. Casio has developed a system that allows each employee to take the initiative to acquire the necessary skills and will continue to support the growth of individual employees.

## Management Approach

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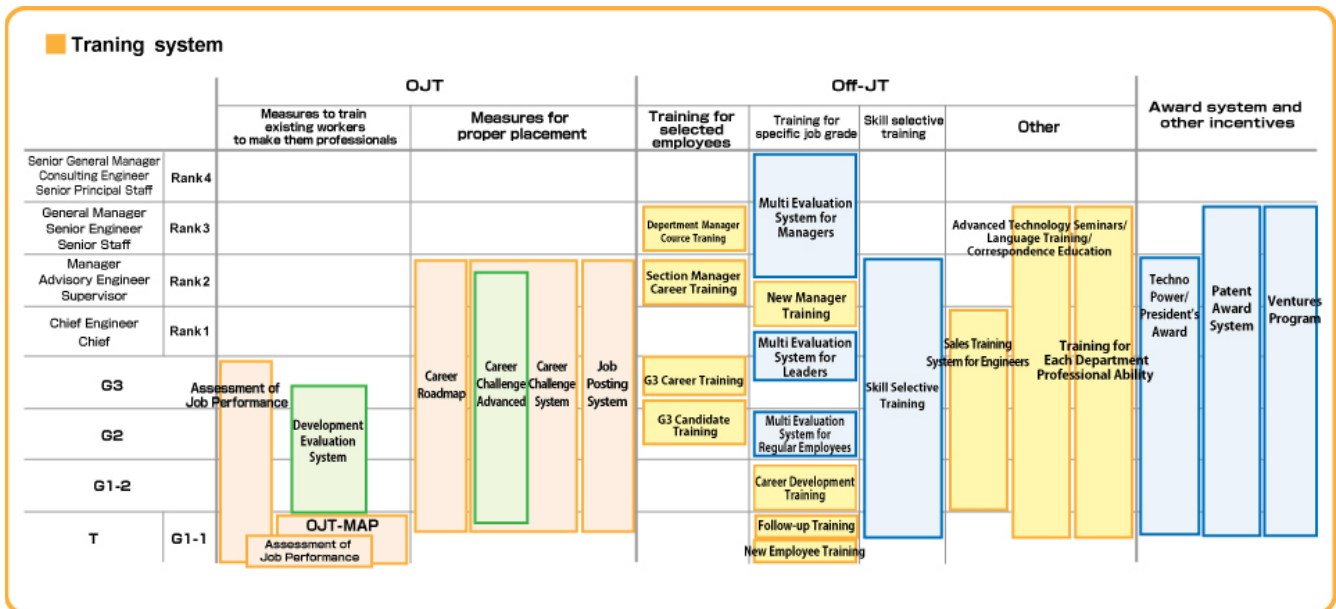
### System

The Human Resources Department considers group-wide strategy related to human resource development and plans and implements common, group-wide education. Individual departments and the Human Resources Department collaborate to plan and implement education for the specialist skills required by each department.

## Activity Results

### Overview of Human Resource Development

#### Training system



Casio has various human resource development programs designed to develop creative employees who are eager to take on challenges and to train professionals with early tracking into specialized fields.

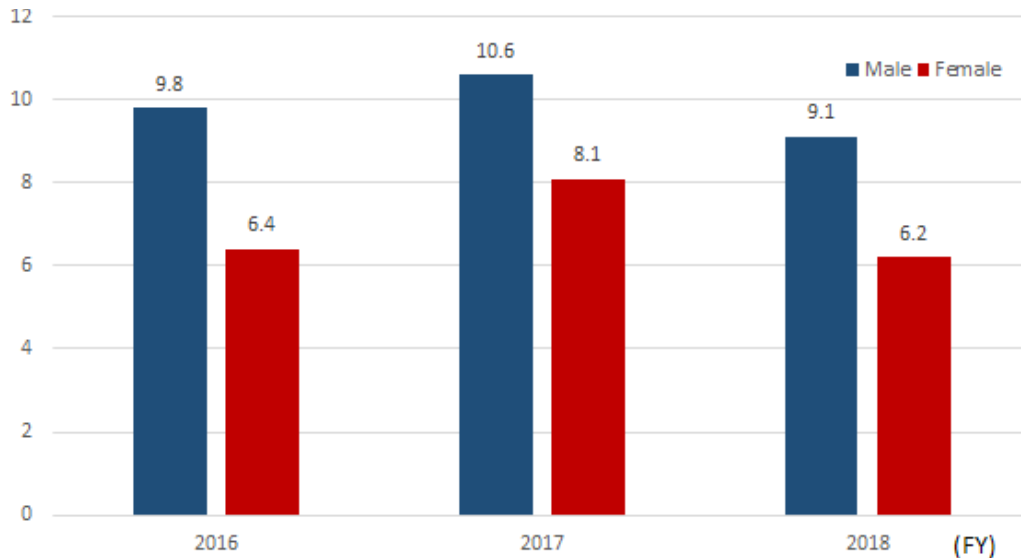
The company emphasizes on-the-job (OJT) training to improve practical skills, complemented by off-the-job (off-JT) training to provide theoretical knowledge.

Casio conducts the necessary training for all the job grades in its in-house ranking system, and the company is working constantly to upgrade and enhance its human resource development system. As part of this system, Casio offers measures to train existing workers to make them professionals and training for specific job grades to all eligible employees. The human resource training page on the company's intranet explains each system of training as well as showing comments from employees who have used the system. Casio endeavors to encourage utilization of the system and support employee education by presenting success stories and good news.

In addition to the system above, Casio holds Life Plan Seminars for all group company employees in Japan when they reach the ages of 53 and 58 (258 employees in fiscal 2018: 162 aged 53 and 96 aged 58). The seminars help employees plan their lives after the company retirement age of 60, with information on areas such as retirement career planning, skills development, retirement benefits, the pension system, the re-employment system and health management. Ninety percent of the participants responded that they were glad they took the seminar, and several indicated that it was a good opportunity to consider retirement life planning. Casio will continue to provide this support in the future.

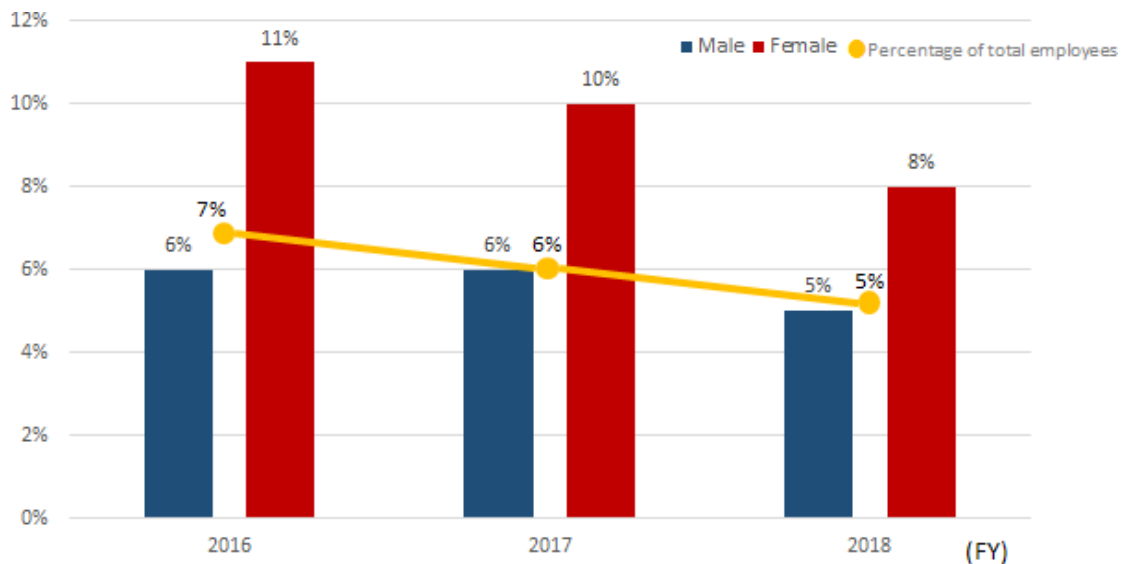
## Annual average number of hours of training (Casio Computer Co., Ltd.)

At present, Casio is engaged in an overall review of training strategy. The company is discontinuing training when the ideas have been absorbed and removing training with duplicate content and will progressively add training where reinforcement is needed going forward. (Due to the impact of the review, the average number of hours of training declined in fiscal 2018.)



\*Training for selected employees, Training for specific job grade, and Skill selective training

## Proportion of employees receiving regular assessment of their performance and career development progress



## Surveys and Verification Relating to Utilization and Development of Human Resources

In off-the-job training, questionnaires are given to employees every time they attend a training session, and their requests and opinions are used to help make improvements in the following fiscal year and beyond. In on-the-job training, when employees register for the Career Challenge System (described below), they can register their opinions about the system itself. Furthermore, when the company establishes new systems, it verifies the system through prior interviews and trial runs with the aim of achieving more effective operation.

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## Fiscal 2018 summary and future issues

In fiscal 2018, Casio introduced external extension courses into skill selective training, developing a system that allows extensive acquisition of required skills. In addition, the company renewed the content of Techno Power, a program held to stimulate engineers and foster the sharing and accumulation of technology, making it into an event in which all engineers are able to take part. In fiscal 2019, Casio plans a major review of the training system and hopes to renew education for managers and reinforce career development for employees and other areas.

## Main Human Resource Development Programs

### Career Challenge System

This system lets employees periodically register their careers, skills, and personal challenges with the company, and serves as an important reference for assisting managers to determine policies on developing their subordinates and future placement planning. Participants can also register challenges they would like to undertake in their current jobs. By allowing employees to share their goals with superiors, the system helps to create an energetic work environment.

#### Career Challenge: Advanced

This program preferentially places employees who have been in their current career position for a rather long time and hope to challenge themselves to pursue work environments and careers that require new skills, for the objective of self-improvement and making further contributions to the company, in their desired divisions, if their desires meet the needs of the new department.

This program has been gradually extended to group companies and the number of employees wishing to take the challenge is growing every year. Casio will continue to facilitate revitalization within the group through this system.

### Job Posting System

This system seeks to satisfy both the company's business needs and employees' career paths, and is a program for priority placement of suitable people, based on selection of candidates for jobs which the company offers. It is operated jointly with other Casio group companies.

### New Employee Training, Follow-up Training, Career Development Training

Training for young employees becomes a place for learning the basics of being a Casio employee, and offers opportunities for employees to consider their own career paths, with training for new entrants as well as first-year, second-year and third-year employees.

### Skill Selective Training

The training targets all regular employees, for the objective of effectively and efficiently acquiring diverse skills required for work operations, in a training program that allows employees to select from a large variety of training courses. The targeted skills are divided into three categories: specialized skills, strategic skills, and interpersonal skills. It also functions as an opportunity for network building within the company, as employees from different occupational categories attend the same training.

## Techno Power

This is an event held annually for the objectives of stimulating engineers, and sharing and accumulating technology.

In Techno Power, Casio solicits new technology and know-how created in-house and recognizes projects with outstanding levels of originality and technology. This encourages venturing into new technology by establishing a forum for announcing results and offering recognition. In the past, prizes in the technical paper review were determined by technology judges and company officers. However, this was changed to a method of judging by exhibition participants in fiscal 2018, and the content was renewed to make it an event in which all engineers are able to take part.

### Past accolades (number of awards)

	FY2014	FY2015	FY2016	FY2017
Outstanding Technology Award	3	4	7	5
Honorable Mention	7	9	8	7
Total	10	13	15	12

	FY2018
Award for Overall Excellence	3
Award for Technical Excellence	4
Special Award	1
Total	8

### In-house specialist seminars

These are lectures by outside trailblazers in advanced technology and innovators who were able to develop revolutionary new products and create new businesses.

Recent themes have been selected from multi-faceted perspectives, going beyond technology trends. They include leading-edge technology trends with high levels of originality and technology, and ways of thinking to create new products. Approximately 170 employees took part.

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## Language training

The purpose of these training programs is to increase employees' language skills. The company provides diverse language training suited to employee needs, such as online English conversation training that employees can take from home at any time and group lessons in English, Chinese, and other languages, as well as English conversation seminars. Over 80 employees take advantage of these training programs every year. The company periodically revises the training content, aiming to offer programs that are easier for employees to use.

## Intrapreneurship Program

Casio established its Intrapreneurship Program to identify and foster talented human resources who can motivate employees and develop businesses and to quickly launch new businesses by providing an opportunity for employees to make business proposals beyond organizational boundaries. The program allows individual employees to make their own business proposals directly to top management. Those employees whose proposals are approved as promising themes become the project leaders, and then work to realize the goals they proposed. So far 96 proposals have been made, some of which led to business development. Casio intends to make use of this program as an ongoing business proposal tool in the future.

## Right Person for the Right Job

The Career Challenge System, Career Challenge: Advanced System, and Job Posting System are offered every year, and the company strives to place the right people in the right jobs by valuing employees' intentions. Additionally, career interviews are conducted with those who desire one and support provided as appropriate when employees consider their career direction. Casio also makes its intranet and database available to the managers of each department to allow them to conduct comprehensive assessment of the human resource development information on their subordinates, which they then utilize for training within the department.

Additionally, in order to make it easier to reflect employees' wishes in the ordinary course of business, employees declare a task that they would like to attempt and this intention is shared with their supervisors and made use of in task assignment and rotation.

## Global Human Resources Strategy

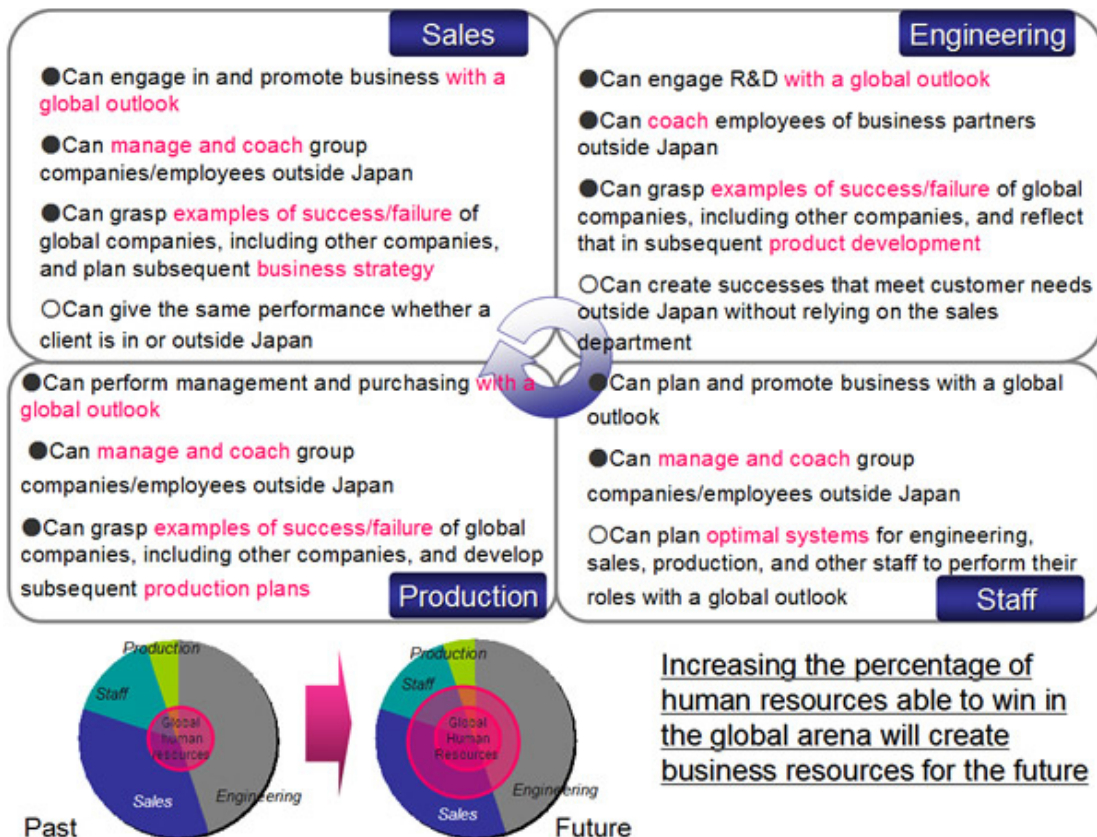
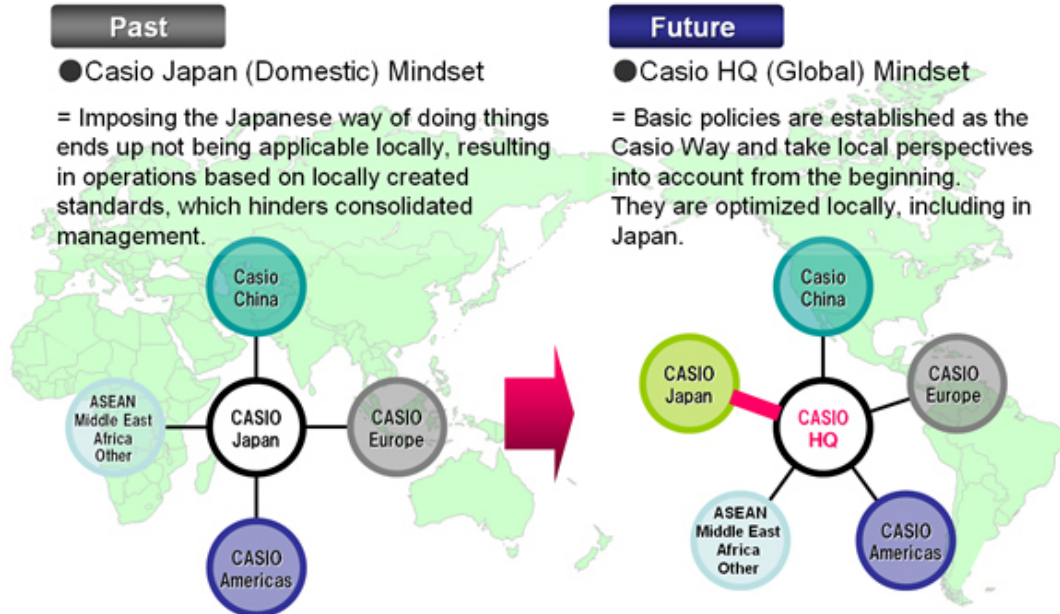
Casio is reinforcing its global expansion in all business fields, including existing and new businesses. In light of its continuing business expansion outside Japan, Casio has started creating a global human resources strategy. This project includes the enhancement of human resources functions at group companies outside Japan and the establishment of a system for developing human resources who are prepared to meet global standards.

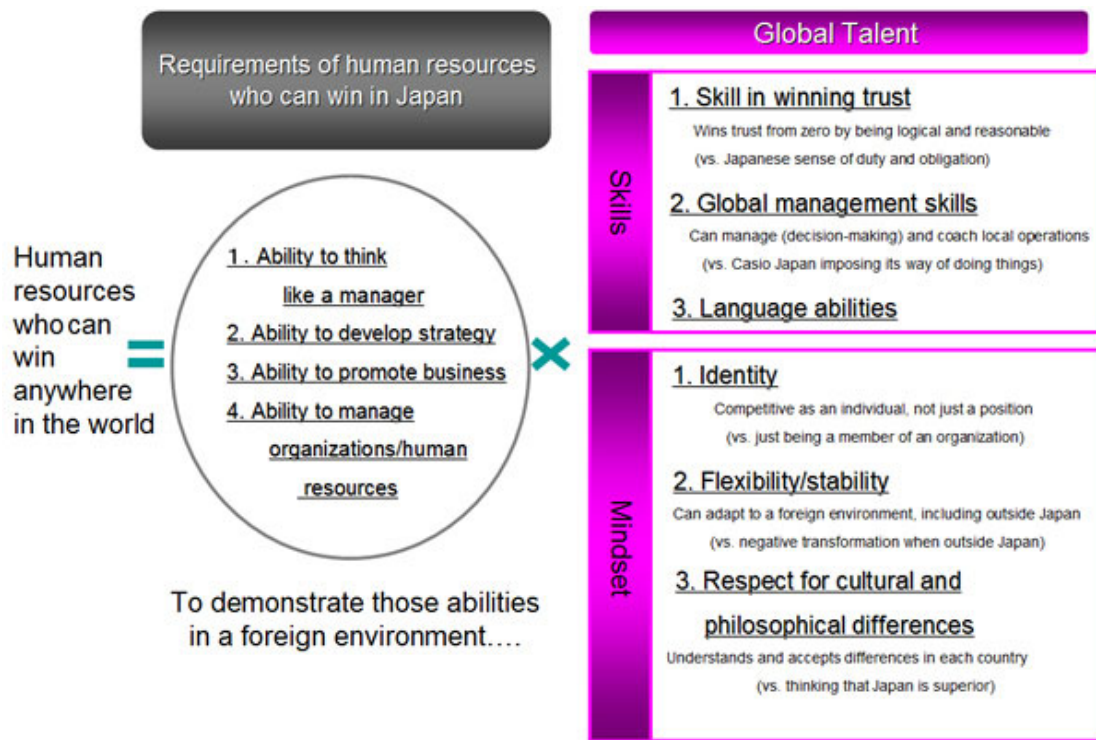


## Vision of global talent

Casio's employees around the world must always think from the headquarters' perspective in order to demonstrate leadership. The human resources department uses various opportunities and tools to convey and share with employees messages on the importance of thinking of Japan as just one area in the world and of changing one's mindset to work with a global outlook.

### Vision of global talent

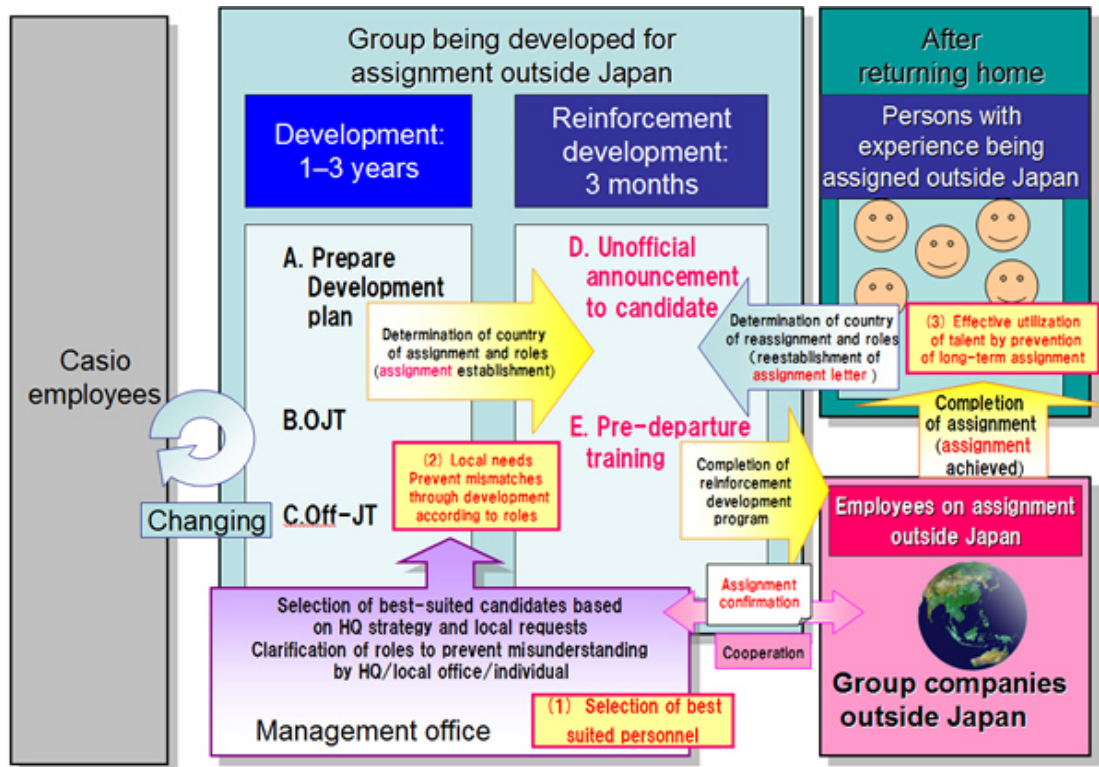




### Establishment of standards for the roles of persons sent on assignment outside Japan

It is important to increase the number of human resources with the aptitude for assignment outside Japan. At the same time, however, Casio is endeavoring to develop local employees and create more opportunities for their promotion. It does this by sending people on assignments outside Japan only to perform roles that cannot be done by local employees and by clarifying their division of roles with local employees. Casio will establish a table of standards and develop a check system to enable its employees around the world to shine by placing the right people in the right jobs.

Example: Image of the use of the table of standards for the roles of persons sent on assignment outside Japan

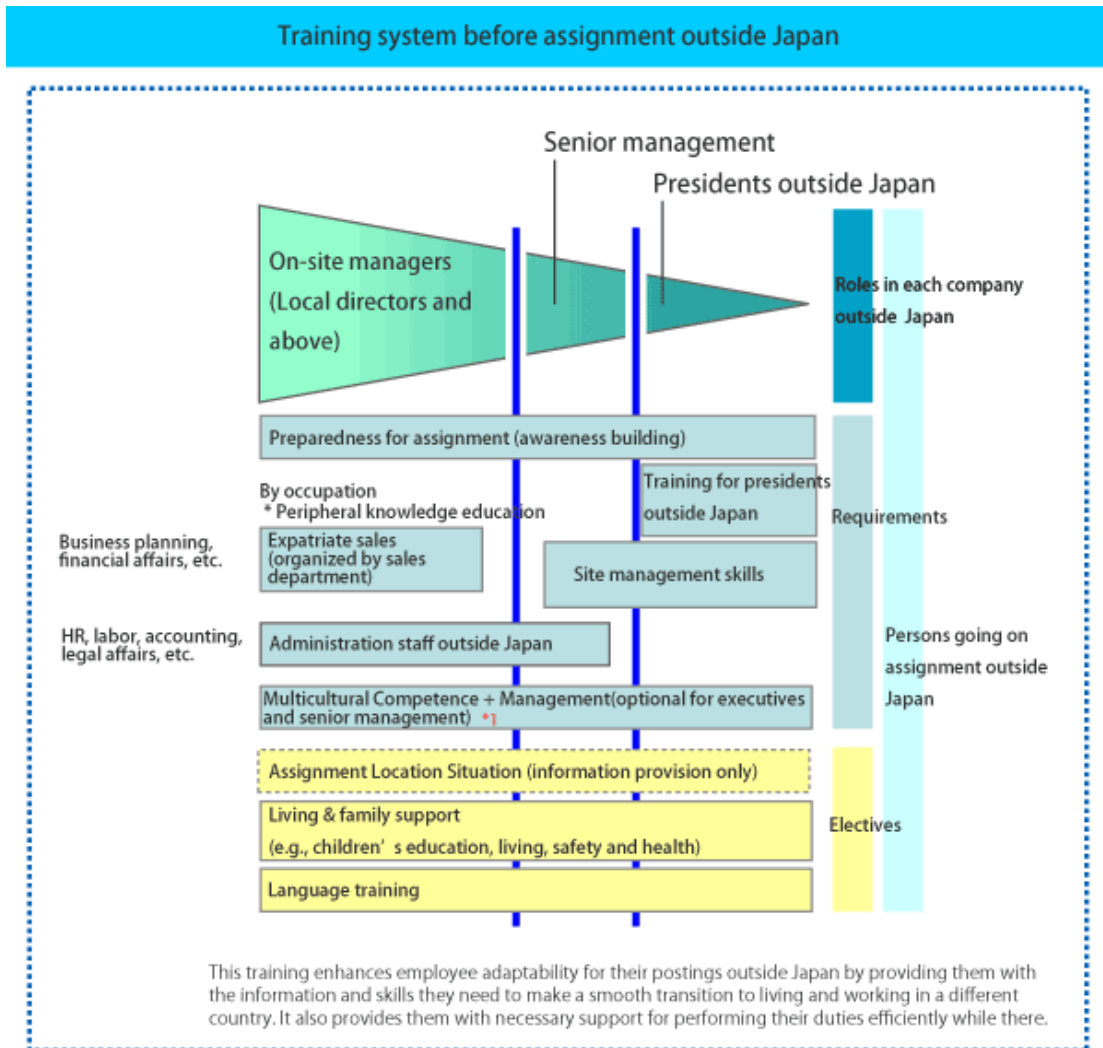


### Provision of local information to persons going on assignment outside Japan and development of multicultural management skills

Casio systematically provides grade-based training to persons going on assignment outside Japan according to their mission at the location of assignment.

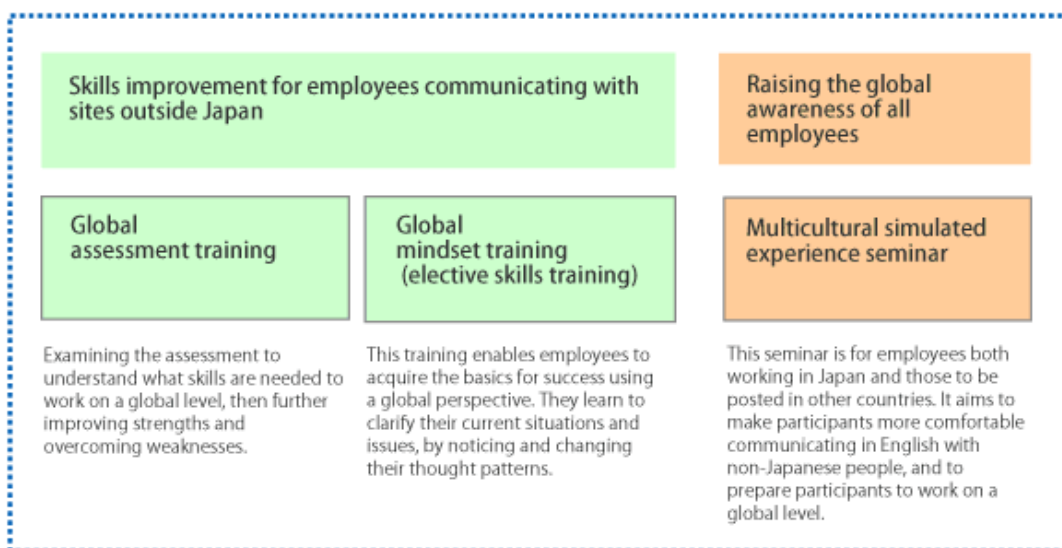
In fiscal 2014, it added Training for Presidents outside Japan for top management, Site Management Skills Training for senior management, and Multicultural Management Skills Training and Assignment Location Situation for all persons going on assignment outside Japan. Additionally, in 2014 Casio stepped up safety measures, the provision of educational information for accompanying children, and other efforts to strengthen on-location living support.

## Training system before assignment outside Japan



\*1 Learning multicultural communication skills and practical points for managing highly diverse teams

## Fostering a global mindset among employees in Japan

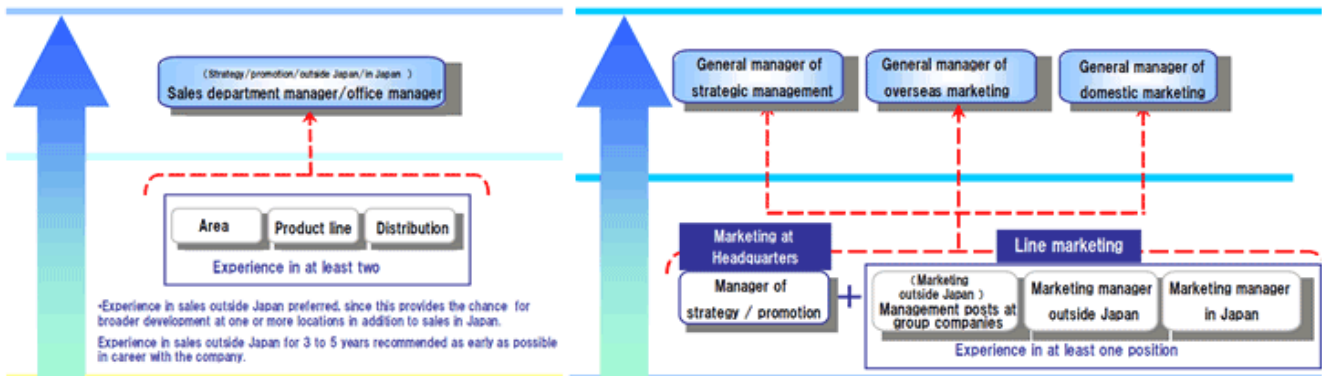




## Global career path

In order to continuously develop global human resources, it is not enough to use a direct approach from the human resources department to employees; people who can develop global human resources must be developed and promoted as managers so that employees can grow through their work in the field. Accordingly, Casio has developed its conventional career path into a global career path. So that employees in addition to those involved in sales outside Japan will have even a broader perspective, the company has enhanced personnel placement to give employees wide-ranging experience before they become section chiefs, department managers, and division managers. This approach will be used in future human resources development and placement planning.

### Global career path (sales)

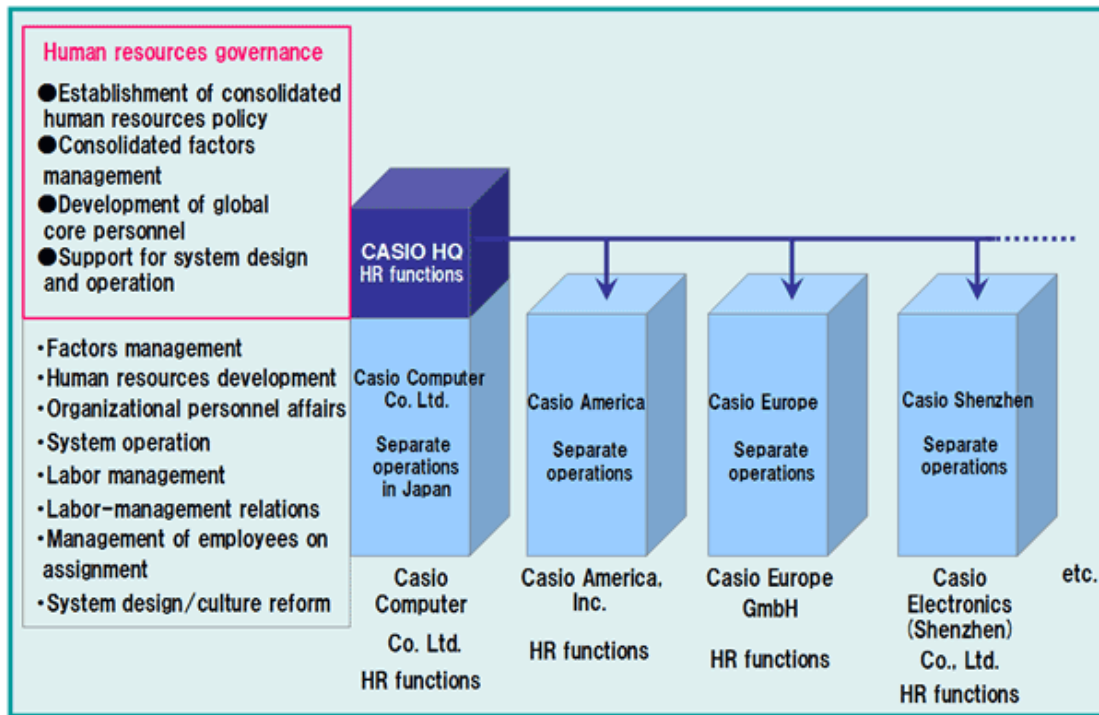


## Strengthening human resources functions at group companies outside Japan

The strengthening of human resources functions is becoming an increasingly important issue at group companies outside Japan, which are increasing in number and growing in size rapidly around the world with the continued expansion of Casio's business outside Japan. In this environment, Casio is working at enhancing human resources functions throughout the group, ensuring that they reflect the shared Casio corporate creed, by sharing its global human resources philosophy and know-how. This effort includes restructuring human resources systems to make them suitable to each company, taking into consideration each country's values, laws, and other characteristics.

## Global human resources governance system

Casio actively engages in exchanges of opinions on what the Casio Group perspective should be about local problems and circumstances. The headquarters human resource division also directly dialogues with and provides advice on system design to members of human resources departments at local companies.



# Occupational Safety and Health

## Approach

### Social Background

As damage to health as well as mental health issues due to excessive work have come to be regarded as a social problem in recent years, Casio recognizes that maintaining and promoting the physical and mental health of employees is important.



### Risks and Opportunities for the Casio Group

Each and every employee must be able to work safely and in good health in order to perform at his or her full potential. Based on various laws and work regulations such as Japan's Industrial Safety and Health Act, Casio makes group-wide efforts to create workplace environments where all employees can work with peace of mind in order to maintain and enhance the health of employees and prevent occupational injuries or their reoccurrence. Group companies outside Japan comply with their local laws and regulations and also implement similar measures.

### Policy

Section 4 of the Casio Group Code of Conduct calls on employees to proactively take part in initiatives to maintain and promote better health. Casio is promoting employee health throughout the entire group.

#### *Casio Group Basic Policy on Maintaining and Promoting Health*

We will proactively take part in initiatives to maintain and promote better health.  
We will be considerate of not only own health, but the health of those around us.

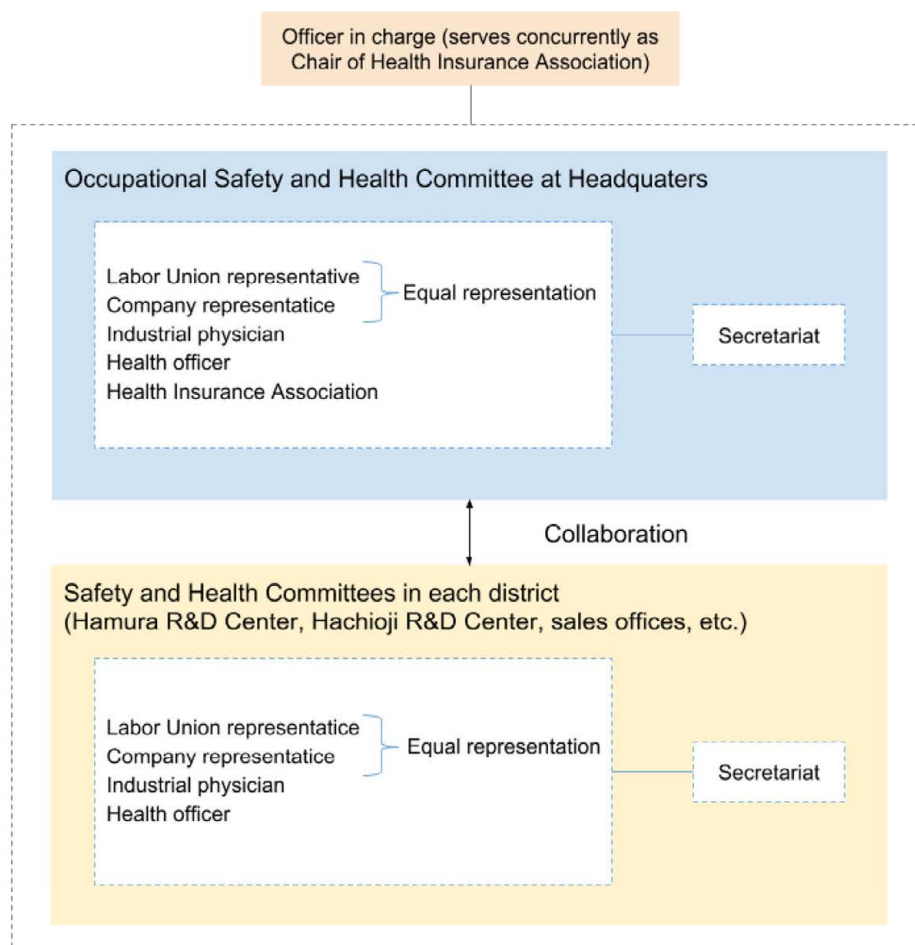
## Management Approach

### System

#### Systems for promoting occupational safety, health, and health management

The company's officer in charge serves concurrently as the Chair of its Health Insurance Association, which makes for smooth collaboration between them. Casio and its Health Insurance Association work together to promote employee safety, health, and health management. The Occupational Safety and Health Committees in each of its business locations are made up of people selected by the company and the Labor Union in equal proportions, and they deliberate on the following matters related to the safety and health of employees once a month.

1. Matters related to the basic measures to be taken to prevent hazards and health impairment for employees
2. Matters related to the basic measures to be taken in order to maintain and promote the health of employees
3. Matters related to the causes of occupational accidents and measures to prevent their reoccurrence
4. In addition to the matters listed in all three items above, matters related to important events concerning the prevention of health impairment for employees and the maintenance and promotion of health (Article 22, Industrial Safety and Health Act)





## KPI and Performance for Material Issues

Evaluation ◎: All targets met, ○ : Most targets met, △ : Remaining issues outweigh results, × : No progress made

FY2018 Targets and KPI	FY2018 Performance	Evaluation	FY2019 Targets and KPI
Achieve implementation rate of follow-up measures of 80% or more by urging employees to reserve re-check up	<ul style="list-style-type: none"> <li>Follow-up measure implementation rate: 46%</li> <li>Implemented a health promotion incentive program where employees who are healthy, who improve their checkup results, or who undergo further examination concerning health findings can earn points redeemable for health-related products</li> </ul>	△	<p>Follow-up measure implementation rate for annual checkups: 80% or more</p> <ul style="list-style-type: none"> <li>Strengthen measures to urge those who have not received checkups to get them</li> <li>Implement a health promotion incentive program where employees who are healthy, who improve their checkup results, or who undergo further examination concerning health findings can earn points redeemable for health-related products</li> </ul>
<p>Promote stress management</p> <ul style="list-style-type: none"> <li>Ascertain the actual mental illness rate</li> <li>Implement e-learning training for new employees and managers</li> <li>Implement stress management seminars for managers</li> <li>Implement work skill improvement training (including self-management) for young employees</li> </ul>	<ul style="list-style-type: none"> <li>Ascertained mental health problem rate for consolidated group (fiscal year end)</li> <li>Implemented e-learning for new recruits (including those who joined mid-career) and executives (in July and December)</li> <li>Implemented job-specific level-up training for young employees (including self-management) (June)</li> </ul> <p>* Stress management seminars for managers have not yet been implemented for integration into manager training</p>	○	<p>Promote stress management</p> <ul style="list-style-type: none"> <li>Ascertain the actual mental illness rate (analysis together with stress check results)</li> <li>Implement e-learning training for new employees and managers</li> <li>Implement work skill improvement training (including self-management) for young employees</li> </ul>

<p>Implement stress checks</p> <ul style="list-style-type: none"> <li>• Ascertain the rate of employees with high stress</li> <li>• Ascertain the health risk rate by department</li> <li>• Implement industrial physician consultations to interested employees with high stress</li> <li>• Implement workplace analysis and feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Ascertained the rate of employees with high stress (November)</li> <li>• Consultations provided by industrial physicians to interested employees (November to February)</li> <li>• Ascertained health risk rates by department (March)</li> <li>• Implemented workplace analysis and feedback (March)</li> </ul>	<p>○</p>	<p>Implement stress checks</p> <ul style="list-style-type: none"> <li>• Ascertain the rate of employees with high stress</li> <li>• Implement industrial physician consultations to interested employees with high stress</li> <li>• Ascertain the health risk rate by department</li> <li>• Implement workplace analysis and feedback</li> <li>• Implement workplace improvement using stress checks</li> </ul>
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## Activity Results

### Regular Health Checks

Regular health checks for employees at Casio are more thorough than legally mandated: they include many additional items intended to help employees maintain their health and to prevent lifestyle-related diseases. Nearly 100% of employees come for the health checks every year. In fiscal 2016, the mobile health check clinic will be replaced with a new vehicle equipped with digital high-resolution X-ray equipment. Employees 35 and older will have their regular health checks at a hospital rather than in the mobile clinic, and for the gastric examination, employees can choose between high-resolution X-ray and endoscope. Employees 40 and older can opt to receive a full medical checkup, partially paid by the employee. The rules for follow-up are also being standardized, and Casio aims to improve the follow-up implementation rate for those whose health check revealed any concerns. Employees on overseas assignments are also required to undergo a routine health check once a year, with an industrial physician offering guidance based on the results.

## Initiatives to Counter Lifestyle-Related Diseases



Healthy menu

In the effort to prevent lifestyle-related illnesses, Casio, together with the Casio Health Insurance Association, is promoting initiatives that focus on exercise and healthy eating. Employees who have been given special health recommendations for treatment for metabolic issues by a healthcare professional are offered support for lifestyle improvement. This is done by having the employee review their lifestyle habits and set personal goals for exercise and diet. The employee cafeterias provide healthy menu choices featuring a balance of calories and nutrition.

Additionally, Casio now conducts “Health Fairs,” a new program with the concept of helping employees to make effective use of the lunch break to get refreshed. The fairs include the provision of health information and events that allow employees to learn more about their own bodies, aiming to encourage them to take an interest in health and food so as to raise awareness of their health.

## Quit Smoking Campaigns

Casio is conducting quit smoking campaigns worldwide. Smoking is prohibited on the premises of all group companies in Japan and also prohibited during working hours, whether in or outside the company.

## Initiatives to Counter Infectious Diseases

Casio works to prevent infectious diseases as an initiative for employee health. The company provides information on influenza and norovirus and posts in-house bulletins to raise awareness and remind employees about prevention. Casio also collects information disseminated by Japan’s Ministry of Foreign Affairs and others on infectious disease epidemics overseas that could be relevant to people on overseas business trips and informs and alerts people posted in the countries concerned. The company provides information on vaccines and local infectious diseases (dengue fever, malaria, hepatitis, etc.) for employees who have been assigned to work overseas in the guidance carried out before a posting and works on preventative strategies.

## Initiative to Prevent Working Long Hours

Casio manages individual overtime results for all employees and overtime results for each department every month in order to manage employee health and comply with the overtime agreement under Article 36 of the Industrial Safety and Health Act.

Casio is also carrying out an initiative to prevent the damaging health effects to the brain or heart which can be caused by accumulated fatigue due to long working hours. In order to ensure proper work schedules, all employees that work 80 hours or more of overtime in a month must be interviewed by an industrial physician. The physician then checks the employee’s health condition, and provides the person with advice and guidance. In this way, Casio is working to prevent health problems from overwork, and to ensure employees observe appropriate working hours.

## Mental Health Care Initiatives

In addition to the stress check system that was enforced in December 2015, Casio has continuously maintained a mental health education and support system for some time to support the mental health of its employees.

As part of this system, Casio Computer Co., Ltd. has initiated an e-Learning Program, a Self-Checkup, and a Stress Test by Organization for all of its employees, seeking to raise awareness of mental health issues. Specifically for the purpose of reducing the rate of mental health problems among younger employees, a Stress Management Program has been created for employees in their second year. The program includes lectures and practice exercises for improving interaction with superiors and colleagues, and it also covers communication skills and mental health issues. A separate e-Learning Program and a Manual for Managers have also been created for those in leadership positions in an effort to ensure everyone understands the importance of stress management in organizations.

In addition, Casio has an in-house mental health physician and an external Mental Health and Life Hotline in place to offer employees counseling in and outside the company at all times. The external hotline has a system that allows the families of employees to get counseling as well. Further, in order to strengthen support for employees who are on leave, Casio distributes the *Guide to Mental Health* that can be read by employees and their families to make it easy to ascertain the processes and procedures for leave.

Similar support systems are in place at group companies in Japan, and they are providing support so that employees can work with energy and satisfaction.

## Certified in Health & Productivity Outstanding Organizations 2018 Large Enterprise Division (White 500)



Casio Computer Co., Ltd. has been recognized for its initiatives in striving to enhance various measures so that it can support the health of employees and was acknowledged in the Large Enterprise Division of the 2018 Certified Health & Productivity Outstanding Organizations Recognition Program (White 500) organized by Japan's Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. The Health & Productivity Outstanding Organizations Program is a program for recognizing corporations that practice particularly outstanding health management based on initiatives to address health issues and promote health, and incorporates expectations about leading society as a corporation that practices outstanding health management. Going forward, the company management, occupational physicians, the Health Insurance Association, and the Labor Union will work together to create environments that allow each and every employee to work with enthusiasm and to perform at his or her full potential.

## Preventing Occupational Accidents



Disaster prevention drill at the head office

Casio is committed to the goal of zero occupational injuries and operates regular safety programs with the aim of maintaining an accident-free record at all Casio work sites. In addition, each site and group company conducts fire and disaster prevention/evacuation drills.

## Occupational injuries at Casio Computer Co., Ltd. (in the last five years)

	Injury frequency rate <sup>*1</sup>		Injury severity rate <sup>*2</sup>		Number of work-related fatalities
	Casio	Manufacturers	Casio	Manufacturers	Casio
2014(Jan-Dec.2013)	0.4	0.94	0	0.1	0
2015(Jan-Dec.2014)	0.79	1.06	0.01	0.09	0
2016(Jan-Dec.2015)	0	1.06	0	0.06	0
2017(Jan-Dec.2016)	0.39	1.15	0	0.07	0
2018(Jan-Dec.2017)	0	1.02	0	0.08	0

<sup>\*1</sup> Number of deaths and injuries, per 1 million actual cumulative working hours, resulting from occupational accidents.

<sup>\*2</sup> Work days lost per 1,000 actual cumulative working hours; indicates accident severity

\* The term "occupational injuries" here includes injuries or illnesses (requiring at least 1 day off work) and deaths of workers in connection with the performance of their jobs.

## Number of incidents, by gender and department

	Number by gender				Number by department		
	Male	Female	Total	Of which, number of worker days off	Headquarters	Development department	Sales office
2013	7	0	7	2	0	3	4
2014	10	4	14	4	4	4	6
2015	5	5	10	0	0	0	10
2016	6	8	14	2	0	2	12
2017	3	10	13	0	2	1	10

## Initiatives for Lifesaving Activities by Employees



Example commendations

Casio has placed automated external defibrillators (AEDs), which are used in cardiopulmonary resuscitation (CPR) during a cardiac arrest, in all its facilities nationwide. Additionally, the company provides lifesaving classes and supports initiatives for lifesaving activities by employees, in order to be prepared for any eventuality.

So far, AEDs at Casio facilities have been used three times to save the lives of people who had a heart attack, and in each case the person fully recovered.

# Respect for Human Rights

## Approach

### Social Background

In recent years, human rights have become a major social issue. This includes the problem of conflict minerals in the supply chain, child labor, forced labor, and the occurrence of accidents due to poor working environments. In this situation, Casio recognizes that corporations are expected to address human rights issues in accordance with international standards such as the United Nations' Guiding Principles on Business and Human Rights.



### Risks and Opportunities for the Casio Group

An inadequate response to human rights issues can develop into serious management risks such as significant decline in corporate brand value, product boycotts, and suspension of business transactions by suppliers. Casio recognizes respect for human rights as an important CSR issues as it continues to expand its business globally and will continue to step up initiatives in this area based on international norms related to human rights.

### Policy

Since December 2010, Casio has been a signatory to and participated in the UN Global Compact, which consists of 10 principles related to human rights, labour, environment, and anti-corruption advocated by the United Nations. Moreover, Casio long ago spelled out its commitment to the prohibition of discrimination, the prohibition of child and forced labor, and the prohibition of harassment in the Casio Group Code of Conduct and put that commitment into practice. In June 2013, as part of an overall reconsideration of the content of the code, Casio revised its Code of Conduct, explicitly stating a commitment to uphold and respect international norms relating to human rights, such as the Universal Declaration of Human Rights, and to respect basic labor rights.

Recognizing the importance of ensuring effectively functioning global governance related to respect for human rights going forward, Casio held dialogues with group employees outside Japan and experts<sup>\*1</sup> in the process of drafting the Casio Group Basic Policy on Respect for Human Rights. The policy specifies, among other things, the group's commitment to supporting and respecting international codes of conduct for human rights, including the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenant on Economic, Social and Cultural Rights (ICESCR)), the International Covenant on Civil and Political Rights (ICCPR), and the Declaration on Fundamental Principles and Rights at Work from the International Labour Organization (ILO). It also specifies the group's commitment to carrying out initiatives related to respect for human rights based on the UN's Guiding Principles on Business and Human Rights and to continuously performing human rights due diligence<sup>\*2</sup> after the framework for that purpose is established. From here on, Casio will thoroughly communicate this policy throughout the group and carry out initiatives in accordance with it.

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Other than the above, Casio has identified the following as the current priority issues related to human rights in this policy.

#### Casio Group Priority Issues Related to Human Rights

(1) Elimination of discrimination, (2) prohibition of child labor and forced labor, (3) respect for basic labor rights, (4) appropriate payment of wages and management of working hours, (5) respect for diversity, (6) support for achieving work-life balance, (7) ensuring a safe workplace environment and support for promoting health

Casio's codes and policies are reviewed on a regular basis. On November 1, 2016, they were partially revised based on changes to international norms concerning human rights that affect the Casio Group, including enforcement of the UK's Modern Slavery Act in 2015. Going forward, Casio employees will be made thoroughly aware of these revised codes and policies and various initiatives will be taken.

Casio's codes and policies are reviewed on a regular basis. On November 1, 2016, they were partially revised based on changes to international norms concerning human rights that affect the Casio Group, including enforcement of the UK's Modern Slavery Act in 2015. Going forward, Casio employees will be made thoroughly aware of these revised codes and policies and various initiatives will be taken.

Casio also recognizes the importance of spreading the idea of respect for human rights outside its organization together with its entire supply chain. All suppliers have been made aware of Casio's Supplier Guidelines, which clearly mandate respect for human rights and prohibit discrimination. In addition to requesting compliance, Casio strives to verify implementation using questionnaires and other means.

\*1 See the feature story, "[Casio's Commitment to Human Rights](#)" in the 2013 Sustainability Report for details.

\*2 Human rights due diligence refers to the continuous process for recognizing, avoiding and mitigating any negative impacts Casio has on society using preventative means.

[>Casio Group Code of Conduct](#)

[>Casio Group Policy on Human Rights](#)  (PDF / 42.1KB)

[>Responsibilities to Suppliers](#)



## Management Approach

### System

Initiatives on respect for human rights are promoted led by the Sustainability Promotion Department, the Human Resources Department, and the Supply Chain Control Unit.

### KPI and Performance for Material Issues

Evaluation ◎: All targets met, ○: Most targets met, △: Remaining issues outweigh results, ×: No progress made

FY2018 Targets and KPI	FY2018 Performance	Evaluation	FY2019 Targets and KPI
Check human rights issue and implement feedback: All sales group companies (100%)	Checked human rights issue and implemented feedback: Implemented at all 29 sales companies (100% complete)	○	Check human rights issue and implement feedback: All production group companies (100%)
Implement human rights education for CSR leaders: Casio Group companies in Japan (100%)	Implemented human rights lecture and workshop by international human rights NGO, Amnesty International, on December 2017 at a leader meeting for group companies in Japan (94% completion from attendance rate)	○	Implement human rights education for CSR leaders: Casio Group companies in Japan, along with CSR leader replacement (100%)
Develop a grievance mechanism a) In Japan: Raise awareness b) Outside Japan: Ascertain current situations and create grievance handling mechanisms	Carried out education at all group companies, mainly through e-learning, in order to raise awareness of the whistleblower hotline in April 2017	○	Develop a grievance mechanism; establish the mechanism and put into full operation

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## Activity Results

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### Checking for Human Rights Issues

Casio has been taking stock of human rights issues since 2012, using ISO 26000 as a guide. In order to strengthen its due diligence, Casio sought the advice of experts and, in February 2014, created its own tool for checking the status of human rights, taking the Danish Institute for Human Rights' Human Rights Compliance Assessment Quick Check as a reference. Casio will use the new tool to make effective assessments and conduct education relating to human rights. Using the tool, Casio took stock of the status of initiatives addressing human rights issues at Casio Computer Co., Ltd. and at group companies in and outside Japan in fiscal 2015. The secretariat performed issue analysis based on the gathered data, and the results were provided as feedback to the group companies.

In fiscal 2017 and beyond, Casio will check for human rights issues at all group production companies, and then at Casio Computer Co., Ltd. and all group sales companies, alternating year by year. In fiscal 2018, a human rights checkup was conducted at 29 group sales companies and feedback was provided by the secretariat.

In the fiscal 2018 checkup, the total number of non-compliant items decreased from 180 in 2014 to 48 for the same assessment items, resulting in the assessment that 132 improvements had been made.

Going forward, each site will make improvements based on the feedback by applying the PDCA cycle, in order to enhance human rights due diligence throughout the group.

### Education and Awareness Raising

Casio provides internal education for Casio Computer Co., Ltd. and group companies inside and outside Japan in order to spread awareness about respect for human rights. In fiscal 2018, education was provided on the Casio Group Basic Policy on Respect for Human Rights and the human rights of the people around us, taking up "respecting human rights" as one of Casio's material issues (priority CSR issues) as part of the annual CSR learning program. The program also evaluated the employee comprehension of the material.

In addition, Casio Computer Co., Ltd. and group companies in Japan held the CSR Leaders Meeting, which was attended by 113 employees, in December 2017 and invited in Yoko Doi from Amnesty International Japan, an international human rights NGO. She gave a lecture entitled Considering the Connections between Business and Human Rights and conducted workshops on specific human rights issues such as the workplace and the supply chain. Following the workshops, the CSR leaders expressed opinions that included, "I felt that gaining awareness is important in respect for human rights," and "I was able to understand the points of view in thinking about respect for human rights" as well as "I realized that human rights are very immediate issues in the workplace and in business." The CSR leaders who participated in this CSR Leaders Meeting are feeding the content back to their respective departments in an effort to spread awareness and understanding of the issues.



Human rights lecture

In addition to this, as a member of the Human Rights Due Diligence Subcommittee of Global Compact Network Japan (GCNJ), Casio promoted understanding of respect for human rights and human rights due diligence in fiscal 2018.

## Preventing Sexual Harassment and Power Harassment

Casio has stipulated in the Casio Group Code of Conduct that it will not engage in any acts that ignore individuality, and will not countenance sexual harassment and power harassment. The company has issued Guidelines to Prevent Sexual Harassment and established a hotline. A full-time hotline officer is available to respond to issues raised by telephone, fax, e-mail and postal mail, demonstrating Casio's determination to prevent harassment and quickly address any issues which arise. Moreover, in its employment regulations, Casio has specified that persons who commit sexual harassment or power harassment will be subject to discipline. Awareness of preventing harassment is especially stressed in training sessions for managers.

## Establishment of Employee Hotline

Casio has established a special hotline on the company's intranet for employee concerns and inquiries on corporate culture, human relations, pay and working conditions. Additionally, the Whistleblower Hotline provides consultation about and responds to reports of human rights infringements.

[> Whistleblower Hotline](#)

# Social Contribution Activities

## Approach

### Social Background

Casio recognizes that companies with major social influence are expected by society to keep expanding their social contribution efforts, especially with the recent increase in the sophistication and complexity of social issues.



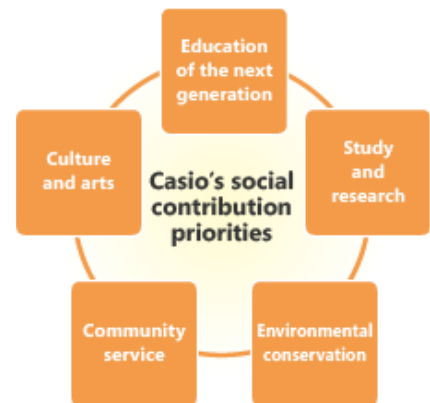
### Risks and Opportunities for the Casio Group

In this environment, Casio will continue to pursue social contribution activities and help to resolve social issues as a good corporate citizen in accordance with its basic policy, in order to maintain the trust of its stakeholders.

### Policy

Casio's social contribution initiatives aim to help build a healthy, spiritually rich society. The five priority areas are education of the next generation, study and research, environmental conservation, community service, and culture and arts.

Casio takes a proactive approach to these initiatives, seeking to communicate with various stakeholders in order to determine how it can be most helpful as a good corporate citizen. In this process, Casio seeks to make innovative social contributions, leveraging its unique expertise and management resources as well as the broad range of knowledge and experience possessed by its employees.



## Management Approach

### System

Casio promotes community-based social contribution activities focused on the Sustainability Promotion Department while collaborating with related departments and group companies inside and outside Japan in accordance with the company's policy on social contribution activities.

### Social Initiatives: Action Plans and Performance

Evaluation ◎: All targets met, ◦: Most targets met, △: Remaining issues outweigh results, ×: No progress made

FY2018 Targets & Plans	FY2018 Performance	Evaluation	FY2019 Targets & Plans
Enhance activities for educating the next generation.	Established new programs and continually implemented existing activities	△	Enhance activities for educating the next generation.
Continue to support cutting-edge science and technology research.	Provided 41 research grants, totaling 64.87 million yen, through the Casio Science Promotion Foundation.	◦	Continue to support cutting-edge science and technology research.

## Activity Results

### Raising up the next generation

#### Contributing to education through the core business

A typical example of GAKUHAN activities involves scientific calculators. Casio's strength lies in a high level of product customization to match the language and mathematics curriculum in each country, as well as product development based on feedback from classrooms. Since Casio's scientific calculators are developed for global deployment from the start, a major feature of the products is software that can be localized at the overseas factory level at the time of shipping.

Moreover, the special feature of GAKUHAN activities is that they do not end once a product has been sold. Instead, a whole range of activities are also promoted for users. Merely selling scientific calculators does not ensure they can be utilized effectively in classes and examinations. Teachers and students need further support, such as showing teachers how the calculators can be utilized, and providing easy-to-understand teaching materials.

Therefore, Casio begins by creating collaborative relationships with educational institutions in each country, cooperating with supportive mathematics teachers. Through these relationships, various activities are undertaken, including training teachers so they can instruct other teachers on how to use scientific calculators and introduce them in their classes. Other activities include the development of teaching materials according to the education level and system in the specific country, as well as the holding of trial classes using scientific calculators and verification of the benefits.

GAKUHAN activities have so far been conducted through cooperation with the education ministries and teachers in each country concerned. However, Casio is now planning also to promote initiatives in collaboration with university research institutions and NPOs.



GAKUHAN conference with invited participants from the education ministries of various countries and key persons from education circles

[Working to improve the math skills of children in developing countries](#)  
[Partnership with the GAKUHAN program](#)

## Invention Ideas Workshop Helps Elementary School Students to Think Up Useful Inventions

Since 2017, developers at Casio Computer Co., Ltd. have been serving as instructors for the Invention Ideas Workshop for elementary school children to have fun while thinking up an invention that is useful for someone.

The Kashio Toshio Memorial Foundation launched the workshop in 2017, the 60th anniversary of the establishment of Casio Computer Co., Ltd., in order to convey the commitment to contribute to society by creating inventions of Toshio Kashio, one of Casio Computer's founders who came up with numerous inventions. A team of developers from Casio Computer, including G-SHOCK developer Kikuo Ibe, served as instructors and got children to think up ideas for "watches that are useful for someone." After introducing the G-SHOCK development story and doing some mental exercises as preparation for thinking outside the box, the instructors and staff got children to come up with ideas while chatting with them. The children came up with fun ideas at each of the workshops, including a watch that does housework instead of your mom, a watch that chats with you when you are alone, a watch that grows arms and helps with caregiving, and a watch with a drink that comes out to quench your thirst.

In fiscal 2018, the touring workshop visited 10 elementary schools across Japan from Hokkaido to Kyushu, and a total of 435 pupils from grade one through grade six took part. All of the participants received a Hatsumeika no Tamago ("Inventor of the Future") certificate from the staff to take home together with their work.



Workshop



Presentation of ideas



## Calculator Disassembly and Reassembly Workshops at Kids' Events

With a desire to convey the excitement of product creation to children, the leaders of tomorrow, Casio Computer Co., Ltd. has been involved in kids' events since 2014. These events are sponsored by the Mainichi Shimbun, Mainichi Media Cafe, and Mainichi Elementary School Newspaper. At the recent events held in August 2017 and April 2018, a Casio employee held a calculator disassembly and reassembly workshop under the theme of "Secrets of the Calculator." About 120 children participated.

In this workshop, the children took apart actual calculators with their own hands. Then they learned to how to reassemble them, how a calculator works, and what kind of environmentally friendly features it has.



## Supporting Key Person 21

Key Person 21 is a certified non-profit organization for youth career education. It promotes activities to bring out the potential in each child and nurture their ability to choose a future that suits them. As a company that focuses on educating the next generation and promoting educational initiatives, Casio shares the mission of Key Person 21, and so began supporting the organization.

In fiscal 2018, Casio participated in the organization's career education program conducted at three elementary and junior high schools in Shibuya, Tokyo, near the head office of Casio Computer Co., Ltd. Total 40 employees visited classrooms and engaged with the students.



## My Dream Backpack Program

Casio (China) Co., Ltd. began a charitable activity called “My Dream Backpack” in order to support the education of impoverished children in rural areas in September 2014.

The activity involves providing each child with a school backpack they can use every day, filled with stationery and learning materials. Useful educational equipment is also donated to each school, according to its needs. These classroom tools include Casio digital pianos, calculators, electronic dictionaries, printers, short-focus data projectors, and digital cameras.

Donations in fiscal 2018

- Xie Zi Chang Red Army Elementary School, Zichang, Yanan City
- Xiaoshan Elementary School, Juyuan, Harbin City, Heilongjiang Province

Casio (China) intends to continue supporting the growth and education of children through programs like My Dream Backpack, while demonstrating the corporate creed of “Creativity and Contribution.”



## CASIO Education Scholarship Foundation

Casio (China) Co., Ltd. established the CASIO Education Scholarship Foundation at Tianjin Foreign Studies University in 2007 with the objective of providing support with a long-term perspective for the universities involved, which play a key role as institutions in the development of human resources. Between fiscal 2008 and fiscal 2018, the Foundation has awarded Casio scholarships to 54 Japanese language teachers and 140 students.



Scholarship award ceremony

## Study and Research

### Support for the Casio Science Promotion Foundation

Casio is contributing to the development of science and technology by supporting the Casio Science Promotion Foundation.

#### About the Foundation

The Casio Science Promotion Foundation was established in 1982 by the four Kashio brothers and the former chairman, Shigeru Kashio.

The Foundation provides research grants with the principle objective of fostering pioneering and creative research in the early stages by young researchers who are persevering with challenging research on limited funding. This is based on the philosophy that advanced R&D should be promoted in various fields, in order to fulfill the Foundation's mission of helping Japan contribute to the world as a nation of advanced technology.

The Foundation provides grants in a wide range of scientific fields—from electronic and mechanical engineering, to natural sciences related to health, to energy saving—as well as in the cultural sciences including human resources development and human behavior.

Over the last 35 years, the Foundation has provided a total of about ¥1,715.96 million in 1,326 grants.





The 35th grant presentation ceremony (fiscal 2018)

### Grants in fiscal 2018

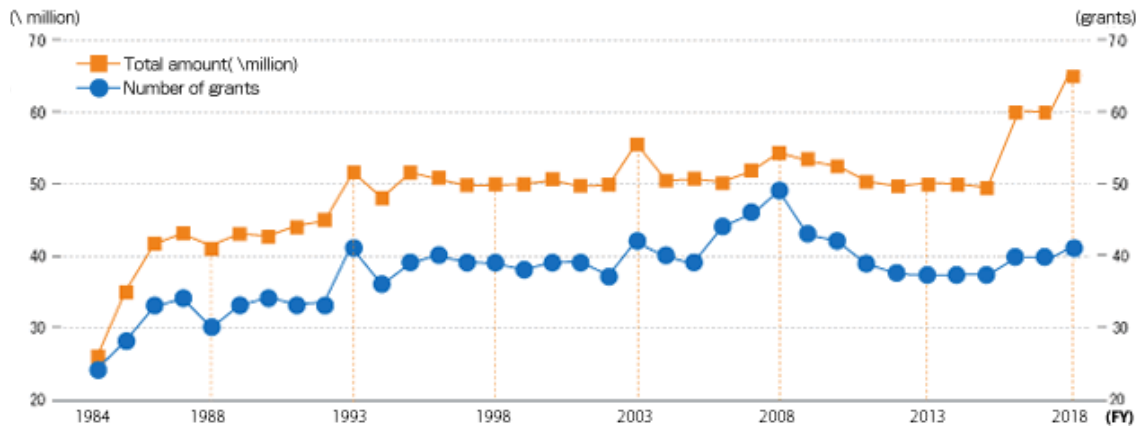
Adding to its existing 21 basic categories in five fields, the Foundation established a special topic (research aimed at problem-solving on the subject of the global environment) considered to be important based on changes in the global environment over the past few years.

After asking 237 universities to submit research topic proposals, 288 proposals were received from 91 universities. Based on a rigorous selection process, a total of 64.87 billion yen in grants was awarded to 41 different proposals.

Most of the grant recipients are in their thirties or forties, and many young researchers representing the promise of the next generation attended the grant presentation ceremony held in December 2017.

Special topic	6 grants	2,987 million yen
Group A (Electronics and Mechanical Engineering)	22 grants	2,200 million yen
Group B (Medicine and Physiology)	9 grants	900 million yen
Group C (Humanities)	4 grants	400 million yen

## Grants from the Casio Science Promotion Foundation



### Message from a grant recipient

Our research loosely falls into the category of geology. We are also studying climate change that took place in the past rather than themes with direct economic connections such as earthquake prediction or resource exploration. As it is the study of the climate in the past, it does not immediately indicate any scenarios for the future climate. There are not always abundant research funds for such a field. It was both a surprising and inspiring experience to receive such handsome support from a private-sector foundation. I would like to once again express my heartfelt appreciation for the Casio Science Promotion Foundation's bold decision.

I believe that basic research such as ours is vital for thinking about the future of the earth "accurately" from an impartial position, ensuring that the facts that form the foundation are taken into consideration individually, rather than taking the future hostage and pointlessly feeling a sense of crisis. All the members of our research team will continue working together and do our best to have a discussion that gets to the bottom of the true nature of climate change so that the grant will be considered a success. Thank you very much.

Takeshi Nakagawa, Professor  
 Director, Research Centre for Palaeoclimatology, Ritsumeikan University



## Environmental Conservation

### Leveraging products for environmental conservation

Casio supports the activities of environmental conservation groups by collaborating with them to develop and sell special-themed product models.



ICERC Japan



Earthwatch Japan



Aqua Planet



The Nature Conservation Society of Japan

For more information, see the Living in [>Harmony with Nature section.](#)



## Adopting tulips and Ohga lotus plants

Hamura City, located in Tokyo, is promoting cultivation of tulips and other plants as an effort to preserve fallow rice fields and to make effective use of rice fields after their crops have been harvested. As part of its social contribution, Casio has been a foster-sponsor for the tulips and for Ohga lotus plants since 2004.

A number of varieties bloom in the greatest tulip field in the Kanto region, which is planted with approximately 400,000 bulbs in roughly 23,000m<sup>2</sup> of rice fields, and many tourists visit the tulip festival held in April each year.

Casio became the owner of about 500m<sup>2</sup> of one 1,000m<sup>2</sup> paddy field and helps to cultivate the Ohga lotus. The descendants of local farmers in Hamura city cultivate the Ohga lotus in fallow rice fields, and the flowers bloom from mid-July through to mid-August. A lotus viewing event was held early in the morning on August 1, and a large number of people visited from early in the morning to appreciate the lotus. The Ohga lotus plant is an ancient form of lotus from the Yayoi Period (about 2,000 years ago) discovered in the Kemigawa ruins in Chiba Prefecture under the guidance of the late Dr. Ichiro Oga in 1951.



## Community Service

### Support for Cherry Marathon in Higashine City

Yamagata Casio has been supporting the Cherry Marathon in Higashine City since 2004. The company's intention is to become an enterprise that is appreciated by the local residents not only for its corporate activities, but also for its contribution to the local community and Higashine City.

At the 16th annual marathon held in 2017, many Casio employee runners and about 30 water station volunteers participated in the event.

In order to forge even deeper relationships of cooperation and trust with local residents, the company will continue to actively promote this kind of community contribution activity.



Casio employees volunteering at a water station

## Culture and the Arts

By sponsoring symphony orchestras and cultural facilities, Casio provides people with opportunities to feel delight and deep emotion and promotes the development of culture and the arts.

- Sponsorship of the NHK Symphony Orchestra
- Sponsorship of the Tokyo Philharmonic Orchestra

## Other

### Helping to resolve social issues with Ittan Partner

Ittan Partner is a project in Japan organized by the Agriculture and Welfare National Council of the ShizensaibaiParty that encourages corporations to support rice cultivation at a welfare center for one season. The project converts abandoned farming land into rice paddies, allowing the welfare centers to work with people with disabilities on the land to grow rice using natural cultivation (shizensaibai) without agricultural chemicals and chemical fertilizers. Then, corporations buy the rice harvested from one tenth of a hectare (ittan) for a set price regardless of the yield. The aims are to combine job satisfaction and high income for people with disabilities, revitalize abandoned farming land, and provide safe food.

Endorsing the aims of the project, Casio started support for two tenths of a hectare's worth of rice in 2017. The company also recruited volunteers to work with people using the welfare center to carry out rice planting in spring and harvesting in autumn. A total of 88 employees and family members took part. The employees who took part had impactful experiences as they actually communicated with people with disabilities. This is expected to lead to new perspectives and learning that cannot be obtained through everyday life and work.



Along with Ittan Partner, in addition to contributing to solving the social issue that is the aim of the project, Casio hopes that the awareness and learning of these employees will promote understanding of people with disabilities and lead to new projects, products and services designed to solve social issues.



Planting rice



Harvesting rice in a team with everyone from the welfare center



Harvested rice provided in employee cafeterias

### Supporting and participating in Respite Trip organized by Oyako Haneyasume

The non-profit organization Oyako Haneyasume provides support for children with serious diseases or disabilities and their families in Japan. It runs a program (Respite Trip) to support family travel under which a third party provides temporary substitute care so that families who are usually swamped providing nursing care can take a short break. Casio began volunteer participation in Respite Trip with employee volunteers in fiscal 2017, and the company provided full-scale support, including a donation, as the first corporate sponsor in fiscal 2018.

Three families were invited to the Respite Trip held in August 2017, and nine employee volunteers took part. Casio will continue to provide support for the program, which creates time and space to completely relax for children and families who need to recuperate.



## Product disassembly and separation work contracted to a welfare workspace

Aiming to be a company that is good for people and environmentally friendly, Casio Business Service Co., Ltd., has contracted disassembly and separation work of Casio products to a welfare workspace operated by a social welfare corporation as part of its recycling initiatives in product disposal since 2000. Recently, the workspace has been disassembling and separating mainly used tape cartridges and ink ribbon cassettes collected at Casio Eco Stations. At the welfare workspace, which enrolls persons with disabilities, most of the work is light work such as making bags and presentation boxes and folding leaflets.

Work such as disassembly and separation increases their concentration and ability to keep going on a task, which also gives the workers a high sense of fulfillment on the job. This initiative is considered to support the independence of workers through social education and the acquisition of morals and rules. As part of its CSR initiatives, Casio Business Service will continue contracting out this work to help support the independence of workers.



Disassembly and separation of tape cartridges and ink ribbon cassettes

## Supporting bread and cakes sales by Hope Employment Center Shibuya's Shibuya Marufuku

Since October 2014, staff from Hope Employment Center Shibuya's Shibuya Marufuku, which is located in Shibuya-ku Tokyo, have been visiting the headquarters of Casio Computer Co., Ltd., to sell bread and cakes once or twice each month. The proceeds help support the independence of people with disabilities.

Hope Employment Center Shibuya's Shibuya Marufuku is a support site for steady employment run by the non-profit Hope Worldwide Japan, which provides vocational training opportunities and employment to people with disabilities. Under the philosophy of "happy workers create happy customers," the center makes and sells delicious and heartwarming traditional Japanese snacks (imagawayaki), as well as handmade breads and cakes. The people participating at the center are working towards their respective goals.

The visiting bake sales are very popular with Casio employees, and the company plans to keep supporting the center.





Bake sale table

### **Support for People's Hope Japan**

People's Hope Japan is an NGO involved in international cooperation. It provides support for activities focused on educating people in developing Asian countries about insurance and healthcare. As a company that supports the organization's mission, Casio has been corporate sponsor since 2006.

### **Assistance for disaster victims**

#### **●Supporting victims of the Great East Japan Earthquake**

#### **Donation to Tsunami Orphans**

In order to assist orphans who lost their parents in the 2011 Great East Japan Earthquake, Casio has been donating to the Ashinaga Great East Japan Earthquake & Tsunami Orphans Fundraising Campaign since fiscal 2012. In fiscal 2017, Casio donated 2 million yen, as it did the previous year (accumulated total: 12 million yen). Casio will continue to donate to the campaign in the future.

## Supporting the Sanriku Volunteer Divers

Yamagata Casio Co., Ltd. supported the activities of the Sanriku Volunteer Divers, providing four sets of Logosease underwater communication equipment and one set of terrestrial equipment to enable communication between the land and water.

Sanriku Volunteer Divers is a non-profit organization that conducts activities aimed at restoring the Sanriku coast, which was damaged by the Great East Japan Earthquake. The group strives for restoration in the true sense, ranging from work to remove debris such as ropes from aquaculture facilities damaged by the tsunami through the release of abalone spats, surveys of rocky shore denudation and creating mechanisms to restore delivery of seafood to consumers.

Hiroshi Sato, the group's representative, commented, "When we do underwater work to clean up and support fisheries, oftentimes sand and mud floats around, reducing visibility. In these conditions, we can't read hand signals or underwater slates, but Logosease makes it easy to communicate with each other. It is also really handy when your hands are occupied or when giving quick instructions."



Logosease



Logosease supports the underwater work of Sanriku Volunteer Divers

## ●Providing support for the torrential rain disaster in northern Kyushu

Casio donated ¥5 million in aid to Japan Platform to support relief for the victims of the torrential rain disaster that occurred in northern Kyushu in July 2017 and to help with the reconstruction of the affected areas.

# Environmental Report



> **Environmental Executive Message**

> **Environmental Management**

> **Environmental Action Plan (Targets and Performance)**

> **Realizing a Low-Carbon Society**

> **Building a Recycling Society**

> **Living in Harmony with Nature**

> **Environmental Data**

> **Environmental Compliance**

> **Environmental FAQ**

# Environmental Executive Message

## Increasing Corporate Value by Integrating Environmental and Business Activities

### Addressing Global Environmental Issues with a Medium- to Long-term Perspective

Under the Casio Environmental Vision 2050, a long-term environmental management policy with a target year of 2050, Casio has identified three material environmental goals—realizing a low carbon society, building a recycling society, and living in harmony with nature—through which it is aiming to contribute to a sustainable global society. Under this long-term vision, we have also established medium-term goals for fiscal 2031 and are carrying out environmental activities based on annual action goals.

Recently, the international community has been accelerating environmental measures as transnational global issues. The year 2015 witnessed several epoch-making events: adoption of the Sustainable Development Goals (SDGs) at the United Nations and a consensus on the Paris Agreement, which seeks to keep a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels. In response, international initiatives such as Science Based Targets (SBTs) for setting corporate goals in line with the Paris Agreement's target of 2 degrees Celsius and Renewable Energy 100% (RE100) for running business operations on 100% renewable energy are attracting more and more attention. Even in Japan, which got a late start, the winds are shifting, and the number of companies committing to these initiatives is increasing rapidly.

The public today expects for companies to incorporate environmental initiatives into their business operations while keeping a close watch on global trends. At present, Casio is exploring how to link each of its businesses with the SDGs. Our three material environmental goals—realizing a low carbon society, building a recycling society, and living in harmony with nature—are closely related to SDGs 6, 7, 12, 13, 14, and 15: namely, clean water and sanitation, affordable and clean energy, responsible consumption and production, climate action, life below water, and life on land, respectively. These will be important keys for us to take into account in our future business planning.



Makoto Kobayashi

Executive Officer  
General Manager  
Sustainability Promotion Department



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Moreover, in February 2017, we revised our goal for the reduction of greenhouse gas emissions, which requires an ultra-long-term perspective. Our new and higher goal is an 80% emissions reduction by fiscal 2051, compared with fiscal 2014. We also adjusted our medium-term goal. Aligning with the Japanese government's goal adopted in response to the Paris Agreement, our new goal is a 26% emissions reduction by fiscal 2031, compared with fiscal 2014. This is an extremely challenging goal. To achieve it, Casio is reviewing all of its businesses on a company-wide basis and is working hard to strengthen environmental measures. I am confident that Casio—which has a long track-record of “creating something from nothing”—will leverage creativity to contribute to the environment with original initiatives, and that this will, in turn, also drive up Casio's corporate value.

## **Pursuing Three Material Environmental Goals Company-Wide**

In order to pursue its three material environmental goals in a company-wide framework, Casio has reformed its environmental management system (EMS) and has been operating under the new system since April 2017. During that time, we integrated the individual ISO 14001 certifications for three main sites—Hatsudai Headquarters, Hamura R&D Center, and Hachioji R&D Center—and acquired certification under the latest 2015 revised standards. We also established three committees tied to each of our three material environmental goals and are strengthening our initiatives from a macro perspective that drives shared goals and objectives company-wide and across departments.

For our goal of realizing a low carbon society, we conducted energy-saving assessments of business sites, in order to get an accurate understanding of our greenhouse gas emissions from the manufacturing and distribution processes and tie that into formulation of a reduction roadmap. In Japan, among our three main sites, buildings and equipment are aging, especially at the Hamura R&D Center, which opened in 1979. There are big issues with energy efficiency for the Center as a whole. It needs to be rebuilt, and so we are now examining how to incorporate environmental measures into a new facility.

While our long-term goal of an 80% emissions reduction by fiscal 2051, compared with fiscal 2014, includes making reductions in scope 1 and scope 2 (activities at production sites and offices in and outside Japan) emissions, in fact approximately 80% of emissions due to our business are scope 3 emissions (resulting from activities in the supply chain, including suppliers' manufacturing sites). How we face up to this challenge will be a major key to our future success.

It is also vital that we reduce energy used by products. We will continue to focus on developing energy-saving products, which we have done for a long time. Meanwhile, we will turn our attention to greenhouse gas emissions that can be reduced by using Casio' products. For example, in March 2018, Casio started selling a 2.5D printing system, which is able to recreate fine irregularities and hues of materials such as wood, cloth, stone, and metal on special sheets without making a die. Making various kinds of design prototyping drastically more efficient will likely contribute to a reduction in energy consumption in the manufacturing process. Going forward, we will redefine our contribution through products and technologies, taking this new way of thinking into account.

For our goal of building a recycling society, we have continued to develop environmentally friendly products in every aspect of planning and design, in order to minimize the environmental impact of our products. Casio Green Star Products and Casio Super Green Star Products, which have met certain standards, accounted for 69% of our total sales in fiscal 2018. Going forward, we will keep working aggressively on new development in this area.

In goal setting, on the other hand, the two classifications of “recycling through products” and “recycling at plants/sites” are ill defined and, in terms of products, initiatives follow convention. This has shed light on the issue of ambiguity in progress management. We must therefore reconsider our KPIs based on a proper understanding of the present condition.



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As for our goal of living in harmony with nature, in fiscal 2018, we completed biodiversity surveys at each of our business sites based on our Biodiversity Guidelines. At present, we are exploring the possibility of linking our projects in this area with marketing and sales based on the analysis of the surveys. Casio has demonstrated a presence as a brand that makes outdoor activities more fulfilling, such as with our outdoor watches. We will keep seeking ways to help people live in harmony with nature by making distinctively Casio contributions.

We have also continued to work at expanding utilization of FSC®-certified paper in our product catalogues and packaging. While the switchover in the use rate has moved ahead to the point that 65% of the paper in our product catalogues for the Japanese market is FSC® certified, it is not enough to just have “using FSC®-certified paper” as the goal. It is important to deepen awareness that using paper based on Casio’s Paper Procurement Policy leads to protection of forest resources and conservation of biodiversity and to then tie that into enhancement of our corporate value and disseminate that message appropriately in and outside the company.

## **Future Issues Brought to Light by Our New EMS System**

After the initial year of efforts under our new EMS system, my sense is that we have laid out a course for achieving our medium-term goals in fiscal 2031 and realizing the Casio Environmental Vision 2050. Then again, issues have emerged in some areas, such as where we are not producing the envisioned performance. One issue is the difficulty of changing the conventional system, which involved department-based initiatives, as we move to the new committee system. While establishing the three committees gave us a viewpoint for thinking about company-wide environmental activities along the axis of material goals, the committees are still very much lacking the organizational power to strongly lead each department. We plan to address this by establishing a setup that enables the committees to exercise leadership.

Additionally, it has been three years since we identified our material goals, and now changes in the external environment have revealed aspects where the goals themselves do not exactly fit the current situation. For example, although we set the goal of realizing a low carbon society, the world is already moving beyond “low carbon” to “decarbonization.” We recognize that we must scrutinize the validity of our material goals and establish measures that allow us to implement our EMS at a higher level based on revised goals and KPIs.

We also understand how important it is to think about impact throughout the supply chain. Due to its business characteristics, Casio has never had sites or business processes with extremely large environmental impacts. Given that fact, if we are to keep reducing greenhouse gas emissions, increasing recycling, and conserving biodiversity, cooperating with the suppliers that provide products to Casio is critical. In the past, we have given Responsible Business Alliance (formerly EICC) questionnaires to our primary suppliers to foster CSR procurement, but the question now is how to influence those suppliers based on a grasp of the current situation.

In my view, what is needed to obtain the understanding of diverse suppliers and ensure we share the same goals is not to cast the significance of initiatives as a “request from Casio,” but rather to make the appeal that they are “unsurprising demands within the broad framework of society.” Even in reducing greenhouse gas emissions, it is crucial to clearly establish the point that it is obvious that today’s global current demands this. We want suppliers to work on that issue together with us as a matter of course.

Toward that end, we must first of all demonstrate Casio’s commitment to environmental friendliness. Committing to international initiatives like RE100 and SBTs should be powerful expressions of our determination to promote company-wide efforts. We will fully participate in these initiatives on the way to a more strategic environmental contribution under global standards.

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## Pursuing Further Evolution in Our Environmental Management

In recent years, I have sensed the rising interest in environmental friendliness even in dialogues with institutional investors. Then again, we are often asked regarding Casio's various measures, "How is what you are doing any different from mere risk management?" I realize that it is not enough for individual initiatives to just prevent risks that could occur if those initiatives were not taken and that what we are being asked to do is to create positive value that is distinctive of Casio.

I also recognize that we need to articulate, not only for the world outside the company but also for members of the company, how environmental contributions are tied to Casio's corporate value, and to promote understanding of their significance. It is essential to tell the story in terms of daily business activities so that all employees can embrace these matters as their own concern and take action.

The SDGs set out as common goals by the international community express Casio's aims, laid on top of global currents, and they will hopefully be of great use in aligning awareness throughout the company. At present, we are identifying what kinds of opportunities and risks for Casio's sustainable growth will be caused by social issues related to the SDGs. We will finish that first, and then attempt to coordinate the SDGs with our business. The protagonists of our initiatives are none other than each and every employee, and we will examine systems to encourage behavioral transformation tied to the SDGs and our material goals.

In the company-wide organizational reforms we made in April 2018, we changed the name of the CSR Promotion Division, which had led our environmental activities thus far, to the Sustainability Promotion Division, and merged it with the Governance Department, which had been in the General Affairs Division, and the Human Resources Division. As the ESG Headquarters, these organizations will make use of environmental, social, and governance (ESG) factors in their role of strategically enhancing Casio's corporate value.

Under the new organization, we will organize and analyze the progress of and issues with our past initiatives and further increase our capacity to respond to global challenges. Going forward, we will maximize the functions of our EMS across the entire company to advance our environmental management in steady pursuit of the Casio Environmental Vision 2050.

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# Environmental Management

## Casio Environmental Vision 2050

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In 2012, Casio established the Casio Environmental Vision 2050, a long-term environmental management policy with a target year of 2050.

At the same time, the company also formulated the Casio Environmental Declaration 2020, its medium-term action guideline, but this was discontinued when the medium- and long-term target for greenhouse gases was revised in 2017.

Casio's determination to become a leading environmental company is demonstrated by its commitment to visionary global initiatives to help build a more sustainable world, driven by the Casio Environmental Vision 2050.

### Casio Environmental Vision 2050

With a target year of 2050, the Casio Group will create and implement its own visionary initiatives to promote the sustainable use of energy and resources and facilitate the healthy coexistence of all living things, the planet's greatest assets.

Casio's aim is to become a leading environmental company that contributes not only to a sound and sustainable global environment but also to the spiritual richness of people's lives. Casio's unique way of achieving this is by creating new value and lifestyle possibilities that give rise to markets and cultural phenomena never seen before.

To become a leading environmental company, Casio will apply its spirit of going from "0" to "1," or creating "something" from "nothing," to develop unique environmental initiatives and create products and services that make the most of its innovative ideas and leading technologies, focusing in particular on the following areas:

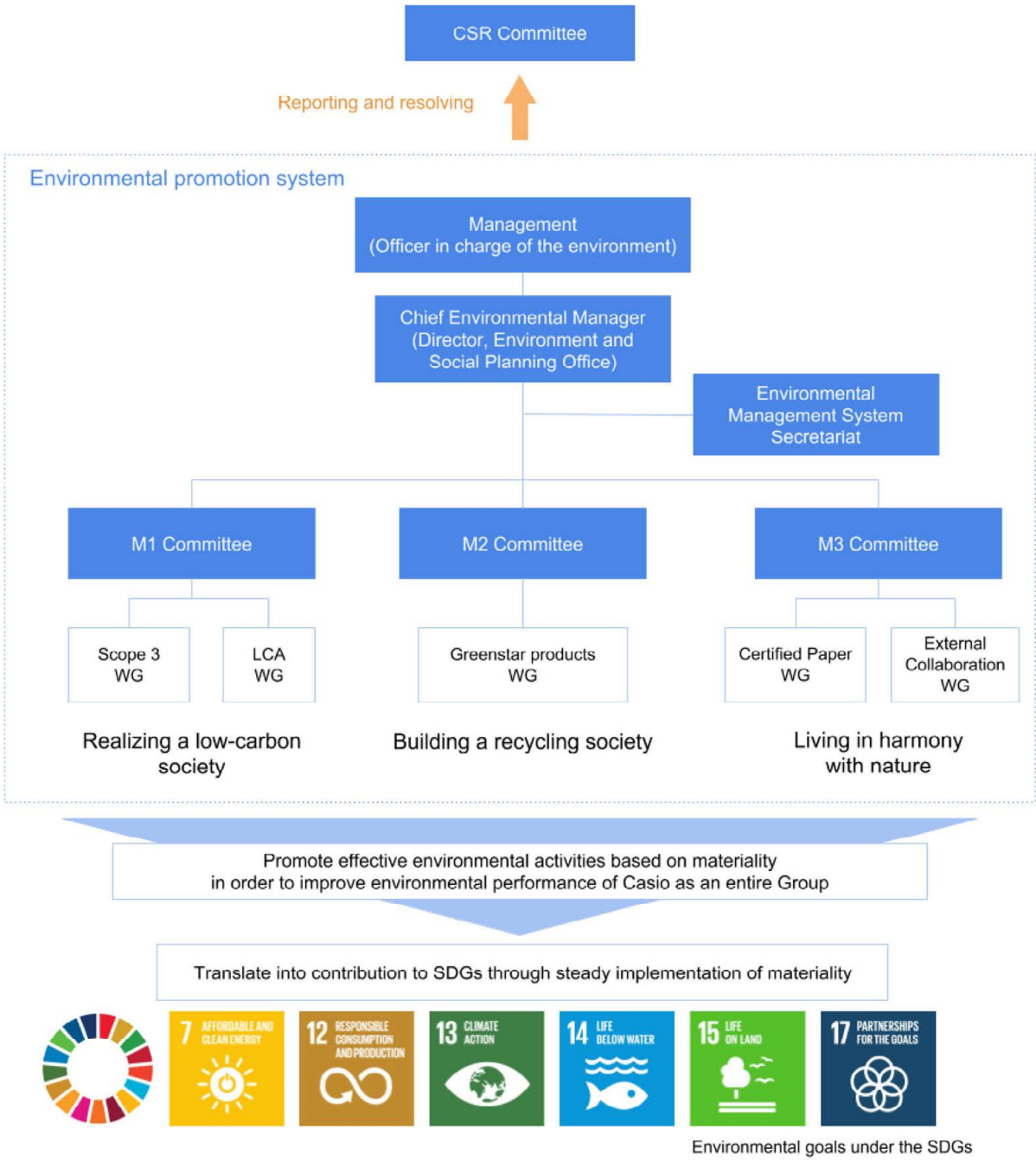
- Realizing a low-carbon society
- Building a recycling society
- Living in harmony with nature

## Implementation System

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In 2016, Casio started to integrate its environmental management system into a group-wide system. First, the three main sites at headquarters, the Hamura R&D Center, and the Hachioji R&D Center of Casio Computer Co., Ltd. were integrated under ISO 14001: 2015 certification. In addition, the company established committees to handle the three areas of environmental material goals and set up working groups underneath them. The system was changed to a materiality-based, top-down structure rather than the previous structure, which was based on individual departments and bottom-up. Casio will continue to manage environmental activities effectively as an entire Group using ISO 14001.

In the new system, there is a concern that variations will appear between departments in the level of involvement in and awareness of the environmental management system. This is why Casio has clarified the relationship between "committee activities" and "the core business of departments." Casio will continue working to improve the environmental performance of the entire Group while remaining aware of issues related to implementing a Group-wide environmental management system.



## List of ISO 14001 Certified Sites

Certified and registered site	Date acquired	Remarks
Yamagata Casio Co., Ltd.	November 1997	
Casio Business Service Co., Ltd.	January 2000	Compliance with 2015 certification
Hamura R&D Center, Casio Computer Co., Ltd.	December 2000 ( Registered name: Casio Computer Co., Ltd. )	In April 2017, Casio integrated ISO 14001 certifications for these 3 sites
Hachioji R&D Center, Casio Computer Co., Ltd.		
Headquarters, Casio Computer Co., Ltd. (including seven sales sites)		
Casio Human Systems Co., Ltd.	December 2001	Compliance with 2015 certification
Casio Techno Co., Ltd.	May 2002	
Casio Computer (Hong Kong) Ltd.	December 1999	Compliance with 2015 certification
Casio (Thailand) Co., Ltd.	July 2012	Compliance with 2015 certification
Casio Taiwan Co., Ltd.	December 2001	
Casio Electronics (Shenzhen) Co., Ltd.	February 2002	Compliance with 2015 certification
Casio Electronic Technology (Zhongshan) Co., Ltd.	April 2002	
Casio Electronics (Shaoguan) Co., LTD.	January 2018	Compliance with 2015 certification

\*The percentage of Group employees at sites with ISO certification has reached 87.4%.

## Environmental Education

Casio provides employees with environmental education in order to promote environmental activities smoothly. In addition to general education to raise awareness and promote understanding of the environment, each committee and working group identifies the competencies required for each activity at the beginning of the fiscal year and provides specific education in accordance with an annual plan for those who need to upgrade their competency following an evaluation of the competency of each committee member.

# Environmental Action Plan (Targets and Performance)

Under its Environmental Vision 2050, Casio has established Environmental Action Plan targets from a global perspective, and is carrying out environmental activities accordingly. Here are the targets and performance for fiscal 2018, along with the targets for fiscal 2019 based on the current results.

Evaluation ◎: All targets met, ○: Most targets met, △: Remaining issues outweigh results, ×: No progress made

Theme	Medium and Long-term Targets	FY2018 Targets and KPI	FY2018 Performance	Evaluation	FY2019 Targets
Realizing a low-carbon society	Long-term target: To reduce the total volume of the Casio Group's greenhouse gas emissions (scope 1 and 2) by 80% compared to FY2014 by FY2051	Reduce the FY2018 CO <sub>2</sub> emissions for the entire Casio Group by 8.25% compared with FY2014	Achieved a 6.0% reduction	△	Reduce the FY2018 CO <sub>2</sub> emissions for the entire Casio Group by 7.95% compared with FY2014
	Medium-term target: To reduce the total volume of the Casio Group's greenhouse gas emissions (scope 1 and 2) by 26% compared to FY2014 by FY2031	Implement energy conservation diagnosis at major sites in Japan to clarify the energy savings potential, then create an energy reduction roadmap	Conducted energy conservation diagnosis at major sites in Japan and clarified the energy savings potential at the sites concerned, but an energy reduction roadmap has not yet been created	△	Create scenarios to reduce CO <sub>2</sub> emissions and achieve medium and long-term targets
Building a recycling society	To increase the percentage of sales accounted for by Green Star products to 90% by FY2026	Maintain the Casio Green Star product sales ratio at 60% or more	Casio Green Star Product sales ratio: 69%	◎	Maintain the Casio Green Star product sales ratio at 70% or more
		Promote the development of new Casio Super Green Star Products	No new certified models in FY2018 (35 certified models to date)	△	* Without performing target management, continue to promote the development of Casio Super Green Star products

	Archive 100% recycling rate for business site waste by fiscal 2031	To investigate the actual status of recycling	Investigated the actual status at five sites in the South China region Casio Computer (Hong Kong) Ltd. Casio Electronics (Shenzhen) Co., Ltd. Casio Electronic Technology (Zhongshan) Co., Casio Timepiece (Dongguan) Co., Ltd. Casio Electronics (Shaoguan) Co., LTD.	○	Achieve a recycling rate for business site waste of at least 92%
Living in harmony with nature	To increase the use of sustainable paper to 100% by FY2031	Ensure that 40% of product catalog paper used in Japan is FSC® certified paper	Ratio of certified paper in catalogs in FY2018: 65%	◎	Ensure that 65% of product catalog paper used in Japan is FSC® certified paper  Develop scenarios for achieving medium-term targets relating to usage ratios for sustainable paper
	-	Set specific activity initiatives for biodiversity preservation based on the results of the biodiversity surveys at major sites in Japan, and launch activities	The Hamura R&D Center formed a team of employee volunteers to carry out observation and conservation activities for endangered species such as Golden Orchid and Silver Orchid that are native to Japan	○	* Without using target management, continue the employee volunteer activities
Water resources	-	Japan production sites: Use no more than 56,000m3 of water in FY2018	42,000 m3	◎	Use no more than 500,000m3 of water
		Production sites outside Japan: Use no more than 421,000m3 of water in FY2018	371,000 m3	◎	



# Realizing a Low-Carbon Society

## Approach

### Social Background

Recent times have seen the emergence of global scale problems, including global population growth and an increase in average temperatures around the world. In 2015, the United Nations Sustainable Development Goals (SDGs) and the COP21 Paris Agreement were adopted as stepping stones in solving these problems.

Companies exist in a social context, so it is vital that they face these issues resolutely and take specific steps to help solve them, not only for the present but also to ensure a sustainable life for future generations.

This is why Casio has made “realizing a low-carbon society” one of its material issues and will continue to work to achieve this goal.



### Risks and Opportunities for the Casio Group

As a result of the March 2011 Great East Japan Earthquake and the ensuing accident at the Fukushima nuclear power station, virtually all nuclear power stations across Japan have suspended operations. Japan is faced with such risks as rising electricity tariffs and power shortages in summer and winter. Moreover, the greenhouse gas emission coefficient for electricity has risen as a result of the decline in the utilization of nuclear power generation, resulting in an increase in real CO<sub>2</sub> emissions, which is a challenge when it comes to realizing a low-carbon society. This translates into greater risk of incurring emissions trading costs under the Ordinance on Environmental Preservation to Secure the Health and Safety of the Tokyo Metropolitan Area (Environmental Preservation Ordinance). Also in 2011, there was major flooding in Thailand, which may be partially attributable to global warming and upstream deforestation. Consequently, global risks have become apparent including threats to the value chain for production and parts.

In order to avoid these risks, Casio plans to expand the introduction of renewable energy, and secure alternatives in the value chain.

On the other hand, the greenhouse gas reduction effect at time of product usage offered by Casio products which promote paperless lifestyles, such as data projectors and electronic dictionaries, has been identified as a significant opportunity to address climate change over the product life cycle. Casio will work to further expand its business in these products.

In order to minimize the various risks mentioned above, and expand opportunities, Casio must contribute to the sustainability of the planet and its human societies. Casio recognizes that this is an extremely important issue for further strengthening its business foundation, and will make even more strenuous efforts in the fight against climate change.

## Policy

Casio has set medium and long-term targets for achievement by 2030 and 2050. Casio will put the highest priority on realizing a low-carbon society.

The Casio Group will provide products and services that make an even greater contribution to the reduction and absorption of CO<sub>2</sub> emissions. In addition to expanding products and services that use energy sources that are friendly to people and the planet, including solar, wind, and hydro power, Casio will incorporate these renewable energy sources into its own business operations.

Moreover, the committee working on the material issue of realizing a low carbon society will implement an energy conservation diagnosis at the company's main business sites to identify the potential for CO<sub>2</sub> reductions and formulate a roadmap aimed at carbon reduction as well as share the roadmap with every relevant department to promote all possible measures.

## Management Approach

### Environmental Action Plans and Performance

Evaluation ◎: All targets met, ○: Most targets met, △: Remaining issues outweigh results, ×: No progress made

Medium and long-term targets	FY2018 Target	FY2018 Performance	Evaluation	FY2019 Targets and KPI
<p>Long-term target: Reduce the FY2051 CO<sub>2</sub> emissions (Scope 1 and 2) for the entire Casio Group by 80% compared with FY2014</p> <p>Medium-term target: Reduce the FY2031 CO<sub>2</sub> emissions (Scope 1 and 2) for the entire Casio Group by 26% compared with FY2014</p>	Reduce the FY2018 CO <sub>2</sub> emissions (Scope 1 and 2) for the entire Casio Group by 8.25% compared with FY2014	Achieved a 6.0% reduction	△	Reduce the FY2019 CO <sub>2</sub> emissions (Scope 1 and 2) for the entire Casio Group by 7.95% compared with FY2014

## Activity Results

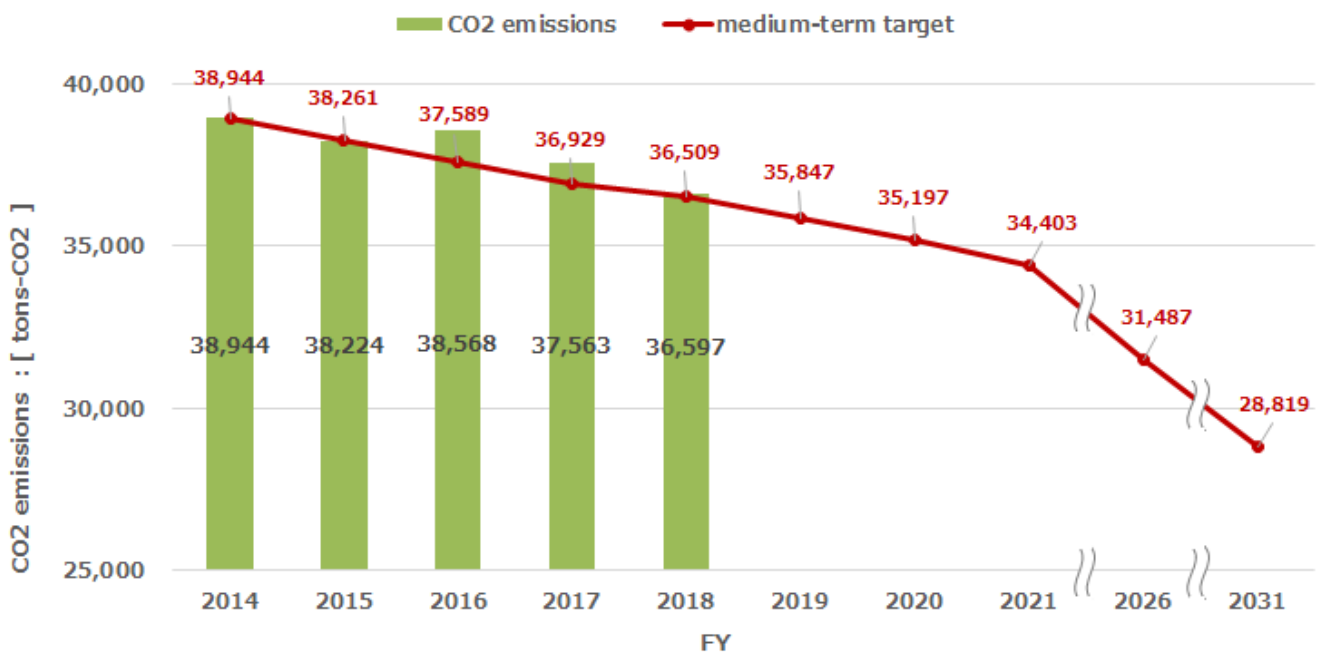
In fiscal 2018, Casio reconsidered its medium- and long-term reduction targets for Scope 1 and 2 greenhouse gas emissions.

In conjunction with this, the company brought the following sites that were not included in the scope of calculations at the time of base year into line with the GHG Protocol and added each of their past GHG emissions to each fiscal year since the base year.

- Casio Electronics (Shaoguan) (a production site purchased from another company in fiscal 2017)
- Small-scale sales office in Japan (not included in scope of calculations up to fiscal 2017, but included in scope from fiscal 2018)

The targets established at the beginning of fiscal 2018 were not achieved, which is partly attributable to the recalculation of base-year greenhouse gas emissions. Compared with the medium-term reduction targets for each fiscal year based on the recalculated base-year emissions, the fiscal 2018 results were close to the medium-term reduction targets. Going forward, Casio will continue to formulate and implement reduction scenarios aimed at achieving the 2030 targets while examining cost effectiveness based on more objective analysis of reduction potential and making the appropriate investment decisions.

### Changes in greenhouse gas emissions (Scope 1 and Scope 2)



(t-CO<sub>2</sub>)

FY		2014 (Base year)	2015	2016	2017	2018	2019	2020	2021	2026	2031
CO <sub>2</sub> emissions		38,944	38,224	38,568	37,563	36,597	-	-	-	-	-
medium-term target	CO <sub>2</sub> emissions	-	38,261	37,589	36,929	36,509	35,847	35,197	34,403	31,487	28,819
	Reduction rate	-	1.76%	3.48%	5.17%	6.25%	7.95%	9.62%	11.66%	19.15%	26.00%

➤ [CO<sub>2</sub> Emissions throughout the Entire Value Chain](#)

## Life Cycle Assessment

In the past, Casio implemented unscheduled life cycle assessment (LCA) for products, but there was no systematic framework for conducting LCA for newly developed products.

In fiscal 2018, Casio brought together members of development departments, distribution departments, IT departments and others for each product to establish an in-house LCA Working Group and commenced studies in order to implement constant product LCA. In the initial fiscal year, the CO<sub>2</sub> impact of the component and material stage in representative models for each item were calculated using the intensity in IDEA version.2.

- Watches: 2.86kg-CO<sub>2</sub>
- Musical instruments: 20.3kg-CO<sub>2</sub>
- Projectors: 12kg-CO<sub>2</sub>
- Digital cameras: 13.4kg-CO<sub>2</sub>
- Electronic dictionaries: 11.1kg-CO<sub>2</sub>

Going forward, Casio will identify issues and formulate a roadmap for the constant implementation of LCAs with the aim of building a system that can perform LCAs for 100% of new models by fiscal 2026.

# Realizing a Low-Carbon Society

## Business Sites Initiatives

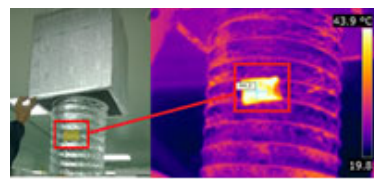
### Initiatives at Casio (Thailand) Co., Ltd.

#### Using insulation to reduce energy use

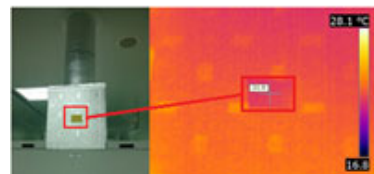
The company reduced the air-conditioning cooling load by installing insulation around the exhaust ports of the reflow system and dryer to block heat conduction. This reduced energy use by 4,651 Kwh per year.



Reflow systems insulation



Before installation  
(surface temperature 44.2°C)



After installation  
(surface temperature 21.9°C)

Surface temperature decreased from 44.2°C to 21.9°C.

## Introducing buses to reduce CO<sub>2</sub> emissions

The company has 40 buses that it provides for employees to use for their daily commute. Around 2,000 employees use these commuting buses. This measure accounts for an annual reduction of CO<sub>2</sub> emissions of 1,567 tons.

Item		Consumption rate (km/L) <sup>*1</sup>	Distance (km) <sup>*2</sup>	Emission coefficient (kg-CO <sub>2</sub> /L) <sup>*3</sup>	Amount <sup>*4</sup>	Days/year	GHG emission (kg-CO <sub>2</sub> /year)	Special notes
Before introduction	Motor cycle (gasoline)	50	60	2.32166	1600 people	268	1,194,633	
	Car (gasoline)	14,763	60	2.32166	400 people	268	1,011,510	
	Total						2,206,143	
After introduction	Bus (diesel)	2.6	60	2.58496	40 units	268	639,479	
Total							1,566,664	Reduction

\*1 Value published by the Ministry of Science and Technology of the Kingdom of Thailand

\*2 Employees' average commuting distance (round trip)

\*3 Based on the Casio Group's calculation standard (emission coefficient from Japan's Act on Promotion of Global Warming Countermeasures)

\*4 The number of people before introduction was calculated as 80% of all employees commuting by motorcycle and 20% commuting by car.



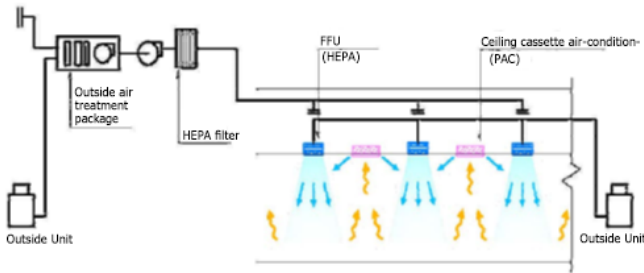
Commuting buses at Casio (Thailand)

## Initiatives at Yamagata Casio Co., Ltd.

### Introducing the latest energy-saving air-conditioning systems

A new watch plant that started operations in May 2018 uses the latest energy-saving air-conditioning systems, such as an air-conditioning system with several air-conditioners with FFUs\*<sup>1</sup> and ceiling cassettes, zoning and separate air-conditioning for clean rooms. These systems enable efficient operation according to the production situation.

\*<sup>1</sup> FFU: Fan-filter unit. A system that passes air sucked in by the fan through a filter to purify it before sending it out as clean air.



Air-conditioning system at Yamagata Casio



Clean room with latest air-conditioning system

## Initiatives at Casio America

Casio America has been carrying out energy-saving measures for many years.

In 2017, it won an ENERGY STAR Award from the U.S. Environmental Protection Agency (EPA).

The award recognized Casio America's efforts to ascertain data on and efficiently manage electricity usage at its data center, and its initiatives to use a building management system to more effectively use cooling and heating. This ENERGY STAR Award was the fourth the company has received, following 2012, 2013 and 2016. Going forward, it will continue to carry out environmentally friendly initiatives to help achieve a sustainable society.



Casio America, Inc.



ENERGY STAR plaque



## Initiatives at Hachioji R&D Center

The Hachioji R&D Center has installed automatic blinds and grows a green wall of vegetation at its facility to reduce CO<sub>2</sub> emissions. The automatic blinds calculate the location of the sun, use sensors to detect the strength of the sunlight, and open and close automatically, thereby reducing the cooling and heating load. Since 2012, the Center has also grown a green wall of vegetation as a summertime energy-saving measure in an effort to reduce the cooling load even more. Through a process of trial and error to balance watering, fertilization, and sunlight, in the summer of 2017, the green wall (planted with two kinds of morning glories) grew splendidly to a size of 8.5 meters wide by 10 meters tall. Local residents even stopped by to take photos of it. This initiative to grow a green wall of vegetation won the first place award out of 36 entries in the “organization grouping” in the “green wall of vegetation category” in the “energy-saving contest” of the Environmental Lecture Presentation and Energy-Saving Contest, which was an event held in December 2017 to commemorate the 100th anniversary of the incorporation of Hachioji as a city.



Green wall of vegetation at the Hachioji R&D Center



Award certificate and first place gift

## Installation of LED Lighting

Casio is installing LED lighting at its business sites to reduce electricity consumption. By March 2018, it had installed LED lighting at the Hatsudai Head Office, Hamura R&D Center, Hachioji R&D Center, Yamagata Casio, Casio Electronics (Shenzhen) Co., Ltd., Casio (Thailand) Co., Ltd., Casio America, Inc., Casio Mexico Marketing, S. de R. L. de C.V., and Casio Electronics (Shaoguan) Co., Ltd., and other sites. The installed LED lighting has brought about substantial CO<sub>2</sub> emissions reductions.



LED lighting in Casio Electronics (Shenzhen)'s lobby



LED lighting in Casio (Thailand)'s plant

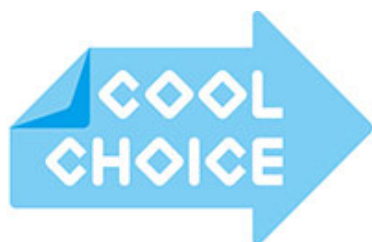


LED lighting in Yamagata Casio's plant

## Participation in Light Down Campaign

Casio supports COOL CHOICE, a national movement promoted by the Japanese government, and the Fun to Share climate change campaign implemented by the Ministry of the Environment. The Group has also been taking part in the Light Down campaign since fiscal 2011.

In fiscal 2019, nine sites at four companies (Casio Computer Co., Ltd. [headquarters, Hamura R&D Center, Hachioji R&D Center, Fukuoka Sales Office, and Higashi-fussa Dormitory], Yamagata Casio [headquarters and Yamanashi Office], Casio Electronics Manufacturing and Casio Techno [Akihabara and Inadaira]) took part in the campaign.



## Reducing Power Consumption through Server Integration

Casio has vastly reduced its energy consumption by integrating the servers that had once been disparately located across the group.

Server integration results: A total of 1,200 servers had been integrated by March 2018.

Effects of reducing power consumption through server integration : A total reduction in power consumption of 1,800,000 kWh, yielding a reduction in CO<sub>2</sub> emissions of 992 tons.

	Through Mar.2017	Apr. 2017 - Mar. 2018	Cumulative total
Number of servers integrated (machines)	1,140	60	1,200
Power consumption reduction (kWh) <sup>*1</sup>	1,710,000	90,000	1,800,000
CO <sub>2</sub> reduction (tons -CO <sub>2</sub> ) <sup>*2</sup>	942.2	49.6	991.8
Number of Japanese cedar trees needed to absorb this amount <sup>*3</sup>	67,301	3,542	70,843

<sup>\*1</sup> Calculated based on a 1,500 kWh reduction per server per year.

<sup>\*2</sup> Calculated based on CO<sub>2</sub> emissions of 0.551kg kg/kWh.

Figures for past fiscal years have been recalculated using the GHG Protocol Calculation Tools.

<sup>\*3</sup> Based on a document published by the Forest Agency of Japan's Ministry of the Environment, "Absorption Source Countermeasures for Greenery to Prevent Global Warming," indicating that a single Japanese cedar tree absorbs about 14 kg of CO<sub>2</sub> annually.

# Realizing a Low-Carbon Society

## Logistics process initiatives

Casio is actively reducing its environmental impact by striving to reduce CO<sub>2</sub> and waste emissions arising from logistics. In order to reduce CO<sub>2</sub> emissions in the logistics process, Casio is promoting the following three action plans.

- *Shortening transport distances* : Promoting direct shipping to customers from logistics centers in and outside Japan
- *Promoting a modal shift* : Actively using modes of transport with low environmental impact such as rail for transport between sites
- *Improving loading efficiency and reducing transport volume* : Improving the packaging design of electronic dictionaries, musical instruments electronic cash registers, and other products, and reducing the volume of packaging

### Relocation and Consolidation of Logistics Centers in Japan

Casio's logistics center in Mie Prefecture was moved to Saitama Prefecture, and then its distribution center in Tokyo was ultimately consolidated with the logistics center, a transition that was achieved in stages.

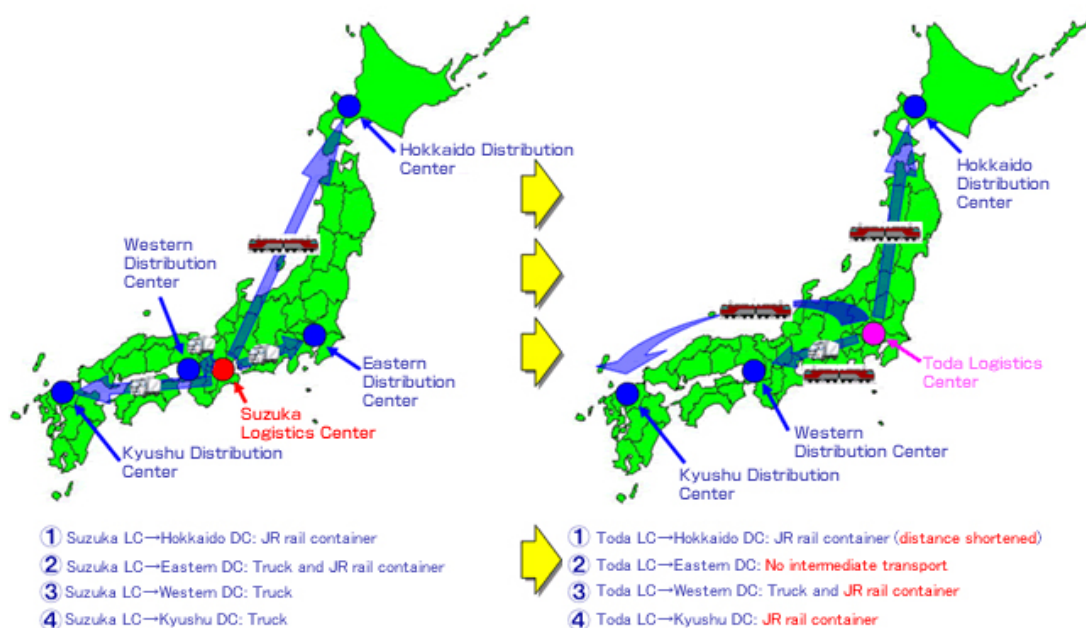
In August 2011, the logistics center was moved from Suzuka City, Mie Prefecture, to Toda City, Saitama Prefecture.

Then in January 2012, the company's Eastern Distribution Center in Koto-ku, Tokyo, was consolidated with the logistics center.

With this change, Casio reduced the number of consumer product distribution sites in Japan from five to four. This transition not only shortened transport distances, but also promoted a significant shift from truck to rail shipment, and has contributed greatly to CO<sub>2</sub> emissions reduction.

### Promoting Modal Shift and Reducing Intermediate Transport

#### ◎ Promoting Modal Shift and Reducing Intermediate Transport



## Results of the Transfer and Consolidation

### 1. Elimination of intermediate transport

Shortened the distance from the logistics center to the Hokkaido Distribution Center in Sapporo

Intermediate transport no longer required from the logistics center to the Eastern Distribution Center in Tokyo

### 2. Promotion of modal shift

Partial shift to rail between the logistics center and the Western Distribution Center in Osaka

Switch to rail between the logistics center and the Kyushu Distribution Center in Fukuoka

### 3. Transport distance shortened

Shortened the transport distance in the Kanto (Tokyo) region which accounts for about 46% of direct shipments from the logistics center (delivery direct to customers without going through a distribution center)

\* As a result of the efforts above, annual CO<sub>2</sub> emissions were reduced by about 216 tons.

In fiscal 2013, Casio began an initiative to send products manufactured outside Japan directly to the Western Distribution Center in Osaka.

This allows transport distances to be shortened significantly by cutting out transit through the Toda Logistics Center.

## Introduction of reusable shipping cartons in Asian distribution

Introduction of reusable shipping cartons in Asian distribution

In an effort to switch to plastic reusable shipping cartons in its air freight shipments between Japan, Hong Kong, and Thailand, Casio launched the use of new cartons in September 2009.

These cartons can be used to ship parts made in Japan to Hong Kong for use at Chinese production sites, and to ship timepiece parts from vendors in China, from Hong Kong to Thailand. By then transporting finished timepieces or timepiece parts from Thailand to Japan, the cartons never have to travel empty between the three countries.

Unlike traditional cardboard boxes, these cartons do not have to be discarded, and instead can be used many times over, thereby reducing environmental impact.



A reusable shipping carton employed for distribution in Asia

Casio has now begun to introduce even larger shipping cartons. The large shipping cartons are mainly used for ocean transport. Packaging damage can be avoided through the use of LCL shipping (freight from different companies in one ocean shipping container), which also eliminates the need to use air transport when the shipping volume is small. Casio has been using these large shipping cartons to ship products since fiscal 2012, and in fiscal 2014 new shipping cartons with even greater strength were added to the lineup of shipping supplies.



Shipping carton receives Chairman of Japan External Trade Organization (JETRO) Award

On October 4, 2012, the large shipping carton shown here received the Chairman of Japan External Trade Organization (JETRO) Award at the Japan Packaging Contest 2012, one of Japan's biggest packaging competitions, which is organized by Japan Packaging Institute.

#### Four products obtain Eco Rail Mark certification

On February 28, 2013, Casio obtained Eco Rail Mark certification from the Railway Freight Association for four products: clocks, digital pianos, electronic keyboards and electronic cash registers.

The Eco Rail Mark indicates that a product or company is proactively addressing global environmental issues by using rail freight transport. Rail transport produces about one sixth of the CO<sub>2</sub> emissions of commercial trucking, making it an environmentally friendly method of transport with a low environmental impact.

The criteria for certification are utilization of rail for at least 30% of land freight transport for distances of 500km or more for a product, and utilization of rail for at least 15% of land freight transport for distances of 500km or more for a company.

Casio obtained Eco Rail Mark certification as a company in October 2009 and successfully obtained product certification as a result of further expanding rail transport due to the relocation, amalgamation and closure of business sites.

Casio now actively uses rail for transport from its logistics center in Saitama Prefecture to distribution centers in Hokkaido, Osaka and Fukuoka. Going forward, Casio will make active efforts to reduce environmental impact by pursuing environmentally friendly transport.



Eco Rail Mark



Promoting a modal shift to rail transport



Environmentally friendly rail containers



# Building a Recycling Society

## Approach

### Social Background

Rapid economic growth brings with it problems such as the depletion of natural resources, the destruction of nature due to extraction of resources, and pressure on landfill sites for waste and pollution around them, accompanying the increase in resources consumed. In this situation, the 3Rs (Reduce and Reuse waste and Recycle resources) have become increasingly important in order to utilize the world's finite resources effectively. Moreover, efforts from a life-cycle perspective must go beyond the range of a single company's business activities to include suppliers and users.



### Risks and Opportunities for the Casio Group

When the depletion of resources becomes more serious, the cost of raw materials increases, and there are concerns that this will have a major impact on production. Moreover, as a manufacturer, it is essential to develop eco products that help to build a sustainable world, and the expectations and demands of customers are also increasing. In this situation, delays in the development of eco products could lead to the loss of support from and selection by customers. Waste produced in business activities could also cause environmental pollution due to landfill disposal and other issues.

In order to prepare for these risks, Casio will improve product design, including the selection of materials and development of new structures that are easy to recycle during product development. This is expected to translate into cost reductions by helping to create new technologies and increasing resource efficiency. Furthermore, Casio will aim to achieve zero landfill for the waste produced by its business activities.

### Policy

Casio aims to help build a recycling-oriented society and is pursuing conservation of resources and resource recycling throughout the entire value chain.

In product initiatives, the company creates eco products by focusing on environmental performance from the development and design stage through recycling after use. These eco products are compact, lightweight, have a long life, and feature a recyclable design. Products that meet Casio's own standards are certified as Casio Green Star Products and Casio Super Green Star Products.

Casio strives to reduce waste and improve the recycling rate at each business site, aiming for zero landfill disposal.

## Management Approach

### Environmental Action Plans and Performance

Evaluation ◎: All targets met, ◦ : Most targets met, △ : Remaining issues outweigh results, × : No progress made

Medium and long-term targets	FY2018 Target	FY2018 Performance	Evaluation	FY2019 Targets and KPI
Increase Casio Green Star product sales ratio to 90% by fiscal 2026	Maintain the Casio Green Star product sales ratio at 60% or more	Casio Green Star Product sales ratio: 69%	◎	Maintain the Casio Green Star product sales ratio at 70% or more
	Promote the development of new Casio Super Green Star Products	No new certified models in FY2018 (35 certified models to date)	△	— * Without performing target management, continue to promote the development of Casio Super Green Star products
Achieve 100% recycling rate for business site waste by fiscal 2031	Investigate actual status of recycling processing	Investigate actual status at 5 sites in south China region • Casio Computer (Hong Kong), Casio Electronics (Shenzhen), Casio Electronic Technology (Zhongshan), Casio Timepiece (Dongguan), Casio Electronics (Shaoguan)	◦	Achieve a recycling rate for business site waste of at least 92%



# Building a Recycling Society

## Developing Eco-products (Casio Green Star Products)

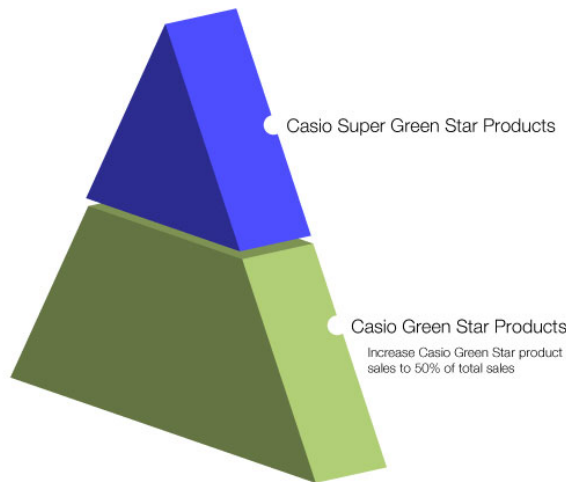
In order to minimize the environmental impact of its products, Casio is promoting the development of environmentally friendly products in every aspect of planning and design.

In 1993, Casio began product assessment in order to systematize and promote its development of eco products. New products had to undergo a preliminary assessment for their environmental impact and meet certain criteria in order to be certified as Casio Green Products. Casio has been working to increase the ratio to total sales of these products.

Since fiscal 2010, Casio has offered products that achieved outstanding evaluations under more rigorous assessments of environmental performance as Casio Green Star Products.

Then, in fiscal 2017, the Group established and started offering Casio Super Green Star Products, which have even greater environmental performance.

### Assessment categories of Casio Green Star Products and Casio Super Green Star Products



#### Assessment criteria for products

Product environmental assessment
1.Promotes recycling
2.Designed for recycling
3.Components of products can be separated,disassembled
4.Improved recycling
5.Improved energy efficiency
6.Regulated use of chemical substances
7.Recyclability of batteries
8.Recycling label on batteries
9.Regulatory compliance
10.Components of packaging can be separated, disassembled
11.Regulated use of packaging materials
12.Preserves the natural environment

\*80 points or more, out of a total 100 points possible

Assessment criteria for Casio Green Star Product
1.Improved energy efficiency G
2. Effective utilization of resources G
3.Contains no specific hazardous chemical substances
4.LCA environmental assessment G
5.Special criterion G

\*Fulfill one of the above criteria

Assessment criteria for Casio Super Green Star Product
1.Improved energy efficiency S
2. Effective utilization of resources S
3.LCA environmental assessment S
4.Special criterion S

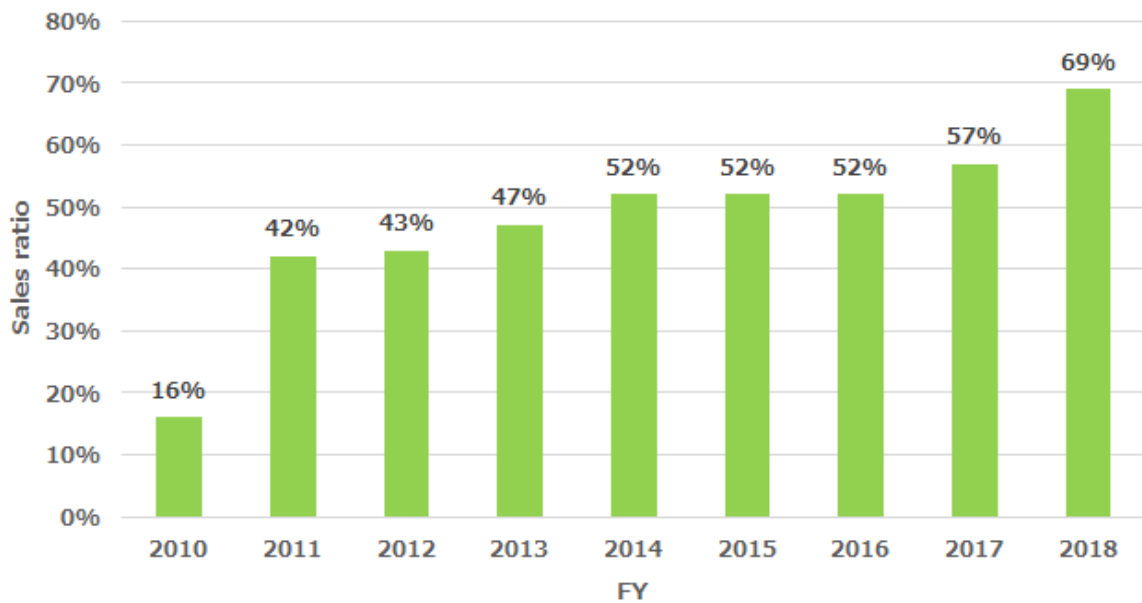
\*Fulfill one of the above criteria

## Casio Green Star Product Sales Ratio

Casio has set targets for the Green Star Product sales ratio and has worked to achieve them. In fiscal 2017, Casio established a medium-term target to “increase the Casio Green Star product sales ratio to 70% of total sales by fiscal 2021.” However, the result for fiscal 2018 was 69%, and it was expected that the company would be able to achieve the target ahead of schedule. Therefore, Casio established a new medium-term target to “increase the Casio Green Star product sales ratio to 90% by fiscal 2026” in order to set an even higher target.

Casio will also continue to increase certification of Casio Super Green Star Products, which it established in fiscal 2017 as the ranking for the highest standard of its eco products.

### Casio Green Products and Casio Green Star Products



## Casio Super Green Star Products

So far, 35 product models have been certified as Casio Super Green Star Products. Some of the certified products (product series) are featured here.

### Calculator \*Contains at least 70% recycled plastic (percentage of gross weight of plastic)



SL-760ECO, SL-760GT



SL-305ECO, SL-300AECO



JF-120ECO



DF-120ECO



DS-2DB

**Projector \*Light flux of at least 12 lm/w**



XJ-F10X, F100W, F20XN, XJ-F210WN



XJ-UT351W, UT351WN



XJ-V1, XJ-V10X, V100W, V110W

**Casio Green Star Products**



See the product lineups that were certified as Casio Green Star Products (photos show product examples).

This mark shows that a product was developed based on the Green Star concept.

**Calculator JS-20WK-N**



*Environmental Features*

- Solar battery powered
- Contains at least 40% recycled plastic (gross weight ratio of plastic)

**Electronic dictionary XD-Z4800**



*Environmental Features*

- Transport efficiency increased by 102% by reduced packaging (compared to Casio's XD-SP6600)

**Scientific Calculator FX-JP900**



*Environmental Features*

- Solar battery powered
- Transport efficiency increased by 34% by reduced packaging (compared to Casio's FX-375ES)

**Label printer KL-V460**



*Environmental Features*

- Energy consumption during use reduced by 28% (compared to Casio's KL-V450)

### Data projector XJ-F210WN



#### *Environmental Features*

- We do not use a mercury light source

### Electronic musical instrument GP-500



#### *Environmental Features*

- Energy consumption during use reduced by 24% (compared to Casio's AP-500)

### Watch OCW-S4000C/SHW-5000LTD



#### *Environmental Features*

- Solar battery powered

### Handheld terminal IT-G50



#### *Environmental Features*

- Energy consumption during use reduced by 24%
- Transport efficiency increased by 53% by reduced packaging (compared to Casio's DT-5300)

### Smart Outdoor Watch WSD-F20



#### *Environmental Features*

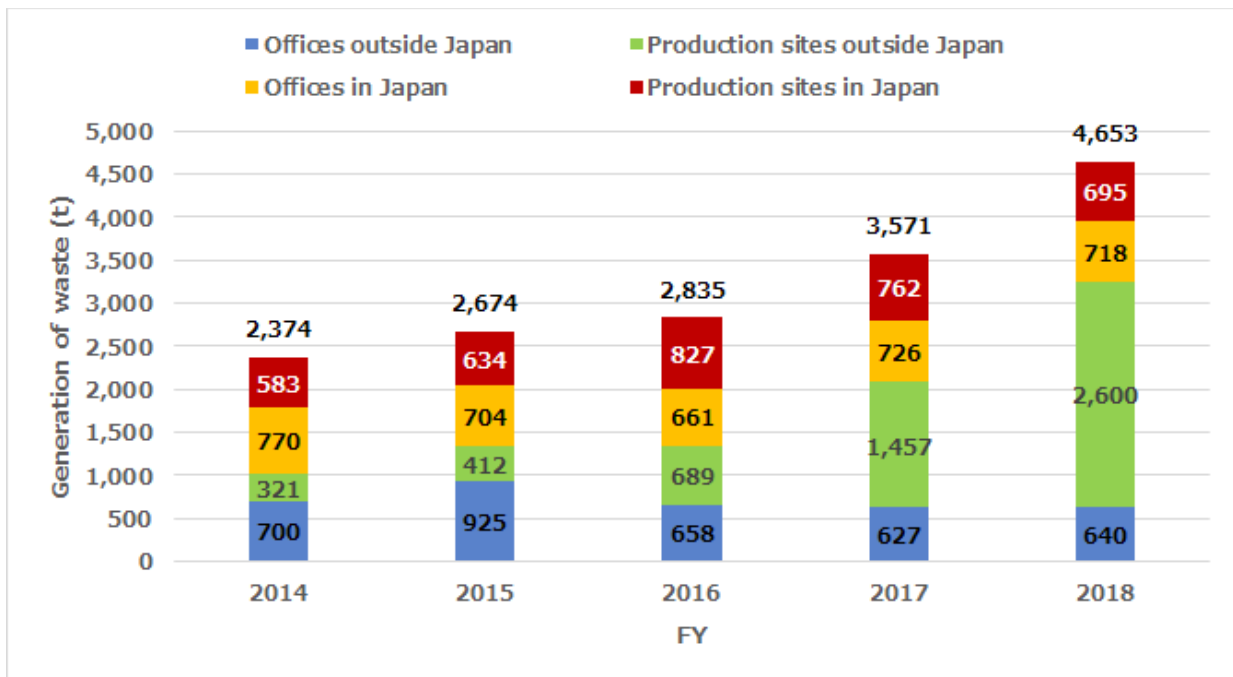
- Saves energy by using two LCDs for different purposes

# Building a Recycling Society

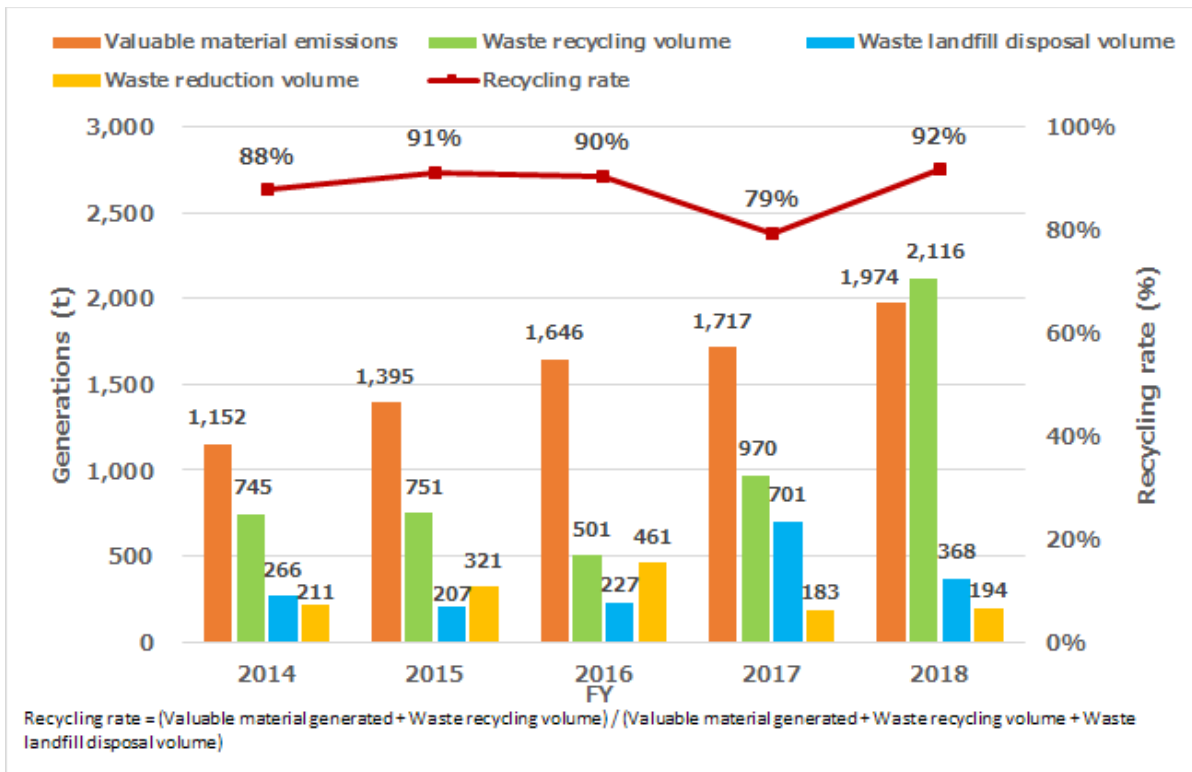
## Reducing and Recycling Waste

Casio is working to reduce and recycle the waste generated in its business activities. Generation of waste, etc. (total of waste and valuable material) has been on the rise since fiscal 2017, but the main reason for this is the increasing number of production sites outside Japan. In addition, Casio has set a target recycling rate of 100%, aiming for zero landfill disposal. However, as the company’s understanding about the status of waste disposal at each site was inadequate, Casio investigated the actual status at overseas production sites in fiscal 2018. Going forward, Casio will focus on reducing waste at overseas production sites and strengthen its initiatives to increase the recycling rate.

### Generation of waste



Disposal breakdown and recycling rate for generation of waste, etc.



# Building a Recycling Society

## Collection and Recycling

This section describes Casio's initiatives in the area of product collection and recycling.

### Product recycling efforts

The collection of used products includes activities that are performed to comply with relevant laws, and activities that are performed by companies voluntarily. This section introduces Casio's voluntary used-product recycling activities.

### Recycling with No Waste Disposal

Casio is recovering and dismantling used tape cartridges and ink ribbon cassettes, and utilizing the materials to make the same products again. Casio actively requests the cooperation of product users in this effort.



### Product Recycling in Europe

European recycling regulations include the Waste Electrical and Electronic Equipment (WEEE) Directive, the Battery Directive and the Packaging Directive.

These regulations provide a framework under which manufacturers collect and recycle end-of-life products and are obliged to bear the costs of doing so.

Casio fulfills its obligations by participating in collection and recycling organizations with government authorization.



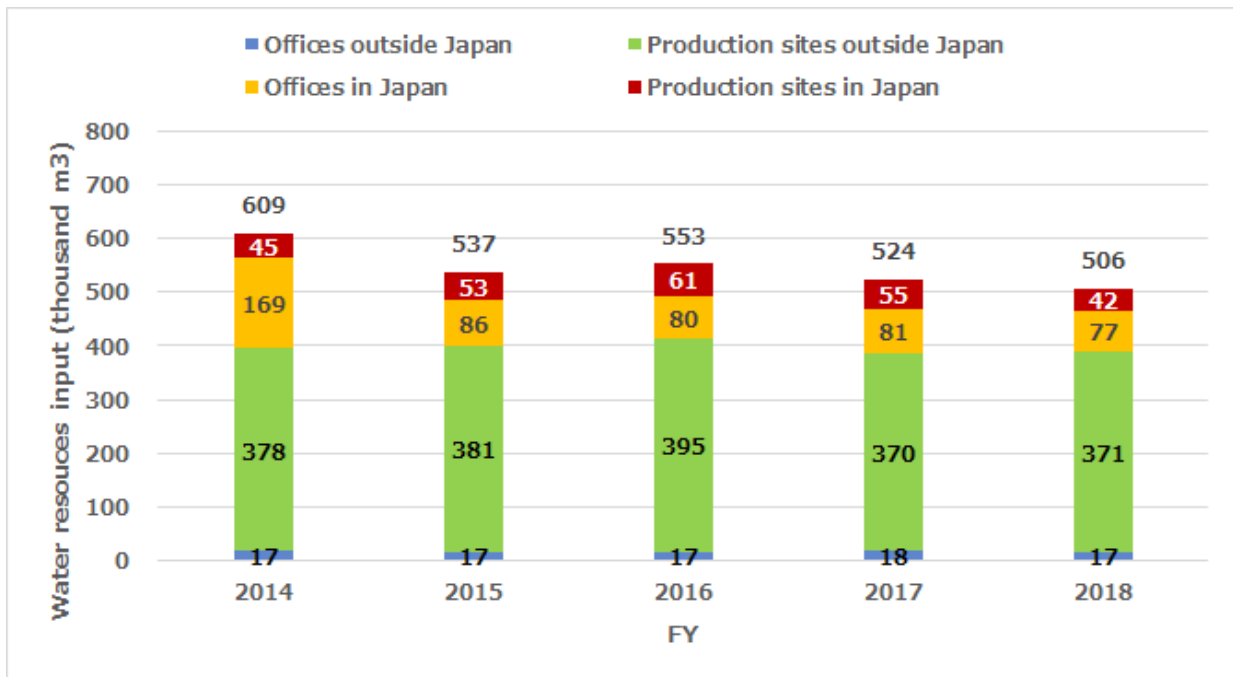
# Building a Recycling Society

## Reducing water usage

Casio has set and managed absolute volume goals for water usage. Based on the characteristics of Casio's business, the majority of water usage in its business activities is used by employees, with water usage for production activities limited to such things as washing a few components.

For this reason, minimization of water usage at the main sites that have continued to operate an environmental management system for many years has advanced to a certain level. Casio has therefore reached the situation where there are big fluctuations only in years with circumstances that differ from usual business activities, such as the discontinuation or new establishment of sites. Casio will work to reduce water usage by managing targets for water usage at production sites.

### Changes in input of water resources



# Living in Harmony with Nature

## Approach

### Social Background

As set out in SDGs 14 and 15, “living in harmony with nature” is a shared global issue. Realizing a sustainable society requires corporations to implement initiatives through their core business, regardless of the impact of their business activities. Casio has positioned “living in harmony with nature” as one of its material issues, and the company will promote not only initiatives of its own but also working through the value chain and in collaboration with stakeholders, such as NGOs, NPOs, and governments, while raising the awareness of employees.



### Risks and Opportunities for the Casio Group

Operations in Casio product manufacturing processes mainly consist of assembly, so the company’s business has little direct impact on biodiversity. Nevertheless, complacency creates a risk of being inadvertently complicit in the negative impact on biodiversity through the production activities of component suppliers or negative impact from the use and disposal of Casio products by users. As a result, circumstances may arise in which suppliers face social criticism, making procurement of components difficult, and causing the company to be shunned by consumers. In conducting business activities, it is important to consider the entire value chain, including the impact that suppliers have on the environment and environmental impact at the time of product use and disposal.

Meanwhile, Casio has introduced numerous products that make activities in nature more enriching, such as outdoor watches. Increasing the social momentum for biodiversity preservation and protecting and restoring nature has the potential to increase the population of nature-lovers and expand sales. Moreover, collaboration with NGOs and NPOs aimed at solving social issues and contributing through the company’s core business by providing collaboration product models has the potential simultaneously to achieve preservation of biodiversity and enhance customer acquisition.

## Policy

Casio formulated the Casio Group Biodiversity Guidelines in March 2011. Subsequently, the company established the Paper Procurement Policy in June 2015 as a response to indirect impact at suppliers.

### Casio Group Biodiversity Guidelines

#### Basic Policy

The Casio Group recognizes that its existence and business activities depend on the benefits afforded by biodiversity, and that these activities also have an impact on biodiversity. Casio emphasizes biodiversity preservation activities as well as efforts to fight climate change. By including biodiversity preservation in environmental management and creating a system for implementation, the Casio Group is working to build a more sustainable world.

#### Specific Initiatives

##### 1. Business Activities:

Casio will help to build a more sustainable world by creating and providing products and services that encourage consumers to care more about the environment. This will be done by learning from nature and developing technologies that utilize this wisdom.

- Facilitating a paperless society
- Contributing to resource saving by developing original technology
- Developing products with care for nature

##### 2. Impact Assessment:

Casio will survey and analyze its impact on biodiversity through activities including R&D, design, procurement, manufacturing, logistics, sales, product use, disposal, and recycling, and at its office and plant locations. It will establish improvement measures and implement them starting with areas of highest environmental impact and benefit.

- Actively taking initiatives for proper procurement of parts (leather, wood, paper, etc.) and materials (mineral resources, etc.) that depend on ecosystem services.
- Conducting questionnaire surveys across the supply chain in order to check ecosystem protection efforts for parts and materials that make up products.
- Establishing impact assessment methods (checklists and indices) for the Casio Group

##### 3. Information Disclosure:

Casio will strive to improve social awareness of biodiversity, by actively disclosing the results of its environmental activities.

##### 4. Community Involvement:

Casio will actively support activities that contribute to biodiversity preservation by NPOs and NGOs, government agencies, and local citizens.

##### 5. Full Employee Participation:

Casio is aiming for activities that involve the participation of all employees, by increasing understanding of biodiversity preservation, and training employees to act on their own initiative.

## Social partnership through products

Casio aims to contribute to activities undertaken by nature conservation groups seeking to protect endangered species through its core business by providing related products (collaboration product models) to those groups and others. In addition, Casio seeks to create systems that facilitate employee participation in protection activities organized by nature conservation groups.

## Full employee participation: Employee awareness raising

As part of employee education and awareness-raising about biodiversity related to the protection of endangered species, Casio commenced employee volunteer activities to conserve rare plants found on the premises of its sites. In addition, Casio recognizes the need to promote better understanding of the problem of plastic pollution in the oceans, which has been attracting more and more attention in recent years as a social issue, and to explore ways to contribute through its core business. To address this, Casio takes steps to allow employees to take part in onsite activities for social issues, such as the problem of plastic garbage in areas with which they are relatively familiar, to raise their awareness.

## Management Approach

### Environmental Action Plans and Performance

Evaluation ◎: All targets met ○: Most targets met △: Remaining issues outweigh results ×: No progress made

Theme	Medium and long-term targets	FY2018 Target	FY2018 Performance	Evaluation	FY2019 Targets and KPI
Living in harmony with nature	Use only sustainable paper by fiscal 2031	Ensure that 40% of product catalog paper used in Japan is FSC® certified paper	Ratio of certified paper in catalogs in FY2018: 65%	◎	<p>Ensure that 65% of product catalog paper used in Japan is FSC® certified paper</p> <p>Formulate scenarios for achieving medium-term targets related to usage rate for sustainable paper</p>
	—	Set specific activity initiatives for biodiversity preservation based on the results of the biodiversity	The Hamura R&D Center formed a team of employee volunteers to carry out observation and conservation activities for endangered species such as Golden Orchid and Silver Orchid that are native to Japan	○	<p>—</p> <p>* Without using target management, continue the employee volunteer activities</p>

# Living in Harmony with Nature

## Using Sustainable Paper

Casio takes initiatives from the two perspectives of procurement and use to foster the sustainable use of forest resources.

### Paper Procurement

Forests have multi-faceted functions, including the preservation of ecosystems on land, the absorption and fixation of CO<sub>2</sub>, and the protection of watersheds, in addition to the supply of nutrients from decomposing forest matter to the marine ecosystem.

Casio has established the Paper Procurement Policy to prevent a negative impact on the sustainability of forest resources from the procurement and use of paper in its business, and the company procures its paper based on this policy.

### Paper Procurement Policy

#### Casio Group Paper Procurement Policy

*Purpose:* To preserve biodiversity by protecting and sustainably using the forest resources which provide the raw material for paper.

*Scope:* All paper products procured by the Casio Group worldwide

*Policy:* Casio will procure paper for use in its business activities according to the following standards:

1. Paper must be made from trees harvested in accordance with the laws and regulations governing the logging area concerned.
2. Products must not come from companies that are destroying any forest with high conservation value or that are a source of serious environmental or social issues.
3. Priority must be given to reliable certified paper or recycled paper.

### Promoting Use of Certified Paper

Since fiscal 2017, Casio has established targets for the percentage of FSC®-certified paper used for product catalogues and has been working hard to increase the percentage used based on environmental management systems.

In fiscal 2017, the result was 15% compared with the target of 30%, but in fiscal 2018 the result was 65% compared with the target of 40%, which was partly attributable to an increase in the FSC®-certified paper lineup.

Casio periodically conducts surveys of manufacturers of the paper products used in its business activities and continually engages in activities to maintain the use of paper products in business activities that comply with the procurement policy.



The mark of  
responsible forestry  
FSC® N002433

## Participation in the Consortium for Sustainable Paper Use

In June 2014, Casio joined the Consortium for Sustainable Paper Use, which was established to promote the use of paper in a way that is both environmentally and socially responsible throughout society. Casio has been working hard as a dedicated member of the Consortium. The Consortium was established in November 2013 by five companies that are making progressive efforts related to their use of paper, the WWF Japan, and Response Ability, Inc, which promotes corporate sustainability. By enabling each member to promote uses of paper that are environmentally and socially responsible from their various perspectives, the Consortium hopes to expand the sustainable use of paper throughout the broader society.

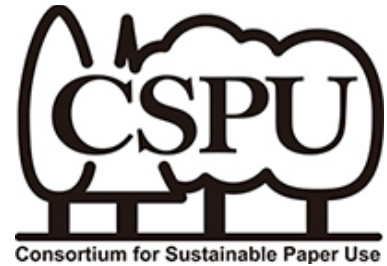
The Casio Group Paper Procurement Policy, formulated in 2015, was also based on exchange of information with member companies and other such external input.

### Activities of the Consortium

From fiscal 2015 through fiscal 2016, the Consortium engaged in dialogue with suppliers of paper products, and in July 2016 it organized a symposium entitled “Corporate Collaboration in the Supply Chain: Toward Expanding Sustainable Use of Paper.”



Over 100 participants attended the symposium



### Participating Companies (as of March 2017 in Japanese phonetic order)

Ajinomoto Co., Inc. AEON Co., Ltd. Kao Corporation Casio Computer Co., Ltd. Kirin Holdings Co., Ltd. JSR Corporation Sony Corporation Nikon Corporation Sumitomo Mitsui Trust Bank, Ltd. Operations Advisor: Response Ability, Inc

Details regarding the consortium can be found on the WWF Japan website below.

[▶“Consortium for Sustainable Paper Use” WWF Japan website](#)



Member of Consortium

Going forward, Casio will contribute to the sustainable use of forest resources through initiatives mentioned above while seeking to develop forest conservation activities that enable employees to understand the social issues around the forests more deeply as issues that affect them personally.



# Living in Harmony with Nature

## Biodiversity Preservation at Business Sites

In 2017, Casio conducted a biodiversity study at the Group's main sites in Japan. As shown in Table 1, the results found that, even at the Headquarters in Shibuya Ward, Tokyo, over 50 species of insects and around 70 species of plants find their home. Most notably, Golden Orchid (*Cephalanthera falcata*), which is included on the Ministry of the Environment's species red list, was found at the Hamura R&D Center in Hamura, Tokyo. Rare plants and insects including the plant *Lespedeza tomentosa* Sieb. ex Maxim. and the insect *Canthophorus niveimarginatus* (Scott), which are included on the prefectural species red list in Yamanashi Prefecture, were found at the Yamanashi Office in the city of Fuefuki.



Photographs of the Golden Orchid and the Silver Orchid taken by the protection team

Based on the results of this study, the Casio Group commenced biodiversity preservation activities with advice from experts, including conservation of the rare species discovered.

### Examples of Hamura and Hachioji

In 2018, a protection team of employee volunteers recorded in daily photos the Golden Orchid and Silver Orchid, which were confirmed to be growing at Hamura R&D Center, from the time they were seedlings in early April until they flowered. These records were disseminated via an internal website to raise employee awareness about biodiversity preservation.



Installing signs for protected plants at Hamura R&D Center

The *Ophioglossum petiolatum* at Hachioji R&D Center is not a particularly spectacular plant, but site employees recognized that it is a rare species and set up a protection zone, increasing its numbers from 30 to around 50 in 2018.



*Ophioglossum petiolatum* at Hachioji



## Yamanashi case study

Casio requested Ryokusei Research Institute Inc., which was commissioned for a biodiversity study at the business site, to place markers for protected species, including *Lespedeza tomentosa*, *Potentilla chinensis*, Siberian *Lespedeza juncea*, and *Thesium chinense*, which is the larval food plant for *Canthophorus niveimarginatus*. Going forward, Casio will call on employees to launch a protection team for the Yamanashi Office with plans to continue promoting protection activities.



Placing markers in Yamanashi



Placing markers

## Results of business site biodiversity study

site	Number of species		Remarkable insects and plants
	Insects	Plants	
Casio Computer Co., Ltd.			
Headquarters	55	82	
Hamura R&D Center	105	187	Plants: Golden Orchid, Silver Orchid, <i>ophioglossum petiolatum</i>
Hachioji R&D Center	51	110	Plant: <i>Ophioglossum petiolatum</i>
Yamagata Casio Co., Ltd.			
Headquarters	82	173	
Yamanashi	91	150	Insect: <i>Canthophorus niveimarginatus</i> Plant: <i>Lespedeza tomentosa</i>
Casio Electronic Manufacturing Co., Ltd.	58	108	
Casio Business Service Co., Ltd. (Kofu)	82	160	Plant: <i>Rorippa cantoniensis</i>

➤ [List of plants at the Casio Group's main sites in 2017\(PDF\)](#) (PDF / 372KB)

➤ [List of insects at the Casio Group's main sites in 2017\(PDF\)](#) (PDF / 331KB)

# Living in Harmony with Nature

## Collaboration with Stakeholders

### Preserving Biodiversity through Collaboration with Environmental Protection Groups

Casio Computer Co., Ltd. has developed many brands of watches. In addition to offering the value of enjoying time in nature in diverse usage situations by providing a wide range of functions and designs, the company engages in biodiversity preservation activities in collaboration with environmental protection groups with the aim of protecting a wide range of ecosystems from the land to the oceans.

### G-SHOCK and BABY-G Collaboration Models with the International Cetacean Education Research Centre (ICERC Japan) and Earthwatch Japan

Based on a theme of “Love the Sea and the Earth,” the G-SHOCK and BABY-G brands support the activities of two environmental protection groups, the International Cetacean Education Research Centre (ICERC Japan) and Earthwatch Japan, with collaboration models that promote these groups.



ICERC Japan collaboration model



Earthwatch Japan collaboration model

### BABY-G Collaboration Model with International Year of the Reef (IYOR) and Aqua Planet

In 2018, the third International Year of the Reef (IYPR), Casio Computer became an official supporter of IYOR with the objective of protecting the bounty and beauty of the seas.

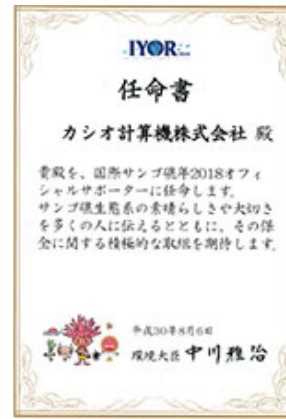
In 2018, a new BABY-G collaboration model for Aqua Planet was released to support [reef conservation activities](#).



Aqua Planet collaboration model



Presenting Casio initiatives at an IYOR official supporters' meeting



Official supporter letter of appointment

### PRO TREK Collaboration Model with The Nature Conservation Society of Japan (NACS-J)

In 2018, PRO TREK began providing support for The Nature Conservation Society of Japan (NACS-J), which engages in ongoing activities to study, protect and utilize nature all around Japan.

PRO TREK also released a collaboration model with the motif of a golden eagle, an endangered species for which preservation activities are being conducted in Akatani no Mori, Minakami-machi in Gunma Prefecture and Minami Sanriku-cho in Miyagi Prefecture.



The Nature Conservation Society of Japan collaboration model

### Participating in The Nature Conservation Society of Japan studies

Prompted by the launch of The Nature Conservation Society of Japan collaboration model, members of Casio's Sustainability Promotion Department participated in study and protection activities for the *Shijimiaeoides divina*, an endangered species, planned by The Nature Conservation Society of Japan in Nagano Prefecture in May 2018. The study recorded the number of shoots on *Sophora flavescens* (a larval food plant) and how many eggs had been laid on each shoot.

Although it is simple and unexciting work, the data obtained through the study forms the scientific basis for how far apart the *Sophora flavescens* can be planted and will be useful for the protection of the *Shijimiaeoides divina* in the future.



Counting *Shijimiaeoides divina* eggs



*Shijimiaeoides divina* eggs



*Shijimiaeoides divina*

# Living in Harmony with Nature

## Reef Conservation Activities

### Casio Coral Field

In collaboration with various environmental protection groups, Casio has been promoting its “Love The Sea And The Earth” project to support the activities of the groups. In 2018, Casio began providing support for Aqua Planet, an NPO that preserves coral, which is chaired by actress Ritsuko Tanaka. In January, the Casio coral field was established in the seas of Ishigaki, Okinawa Prefecture, and 200 coral “seedlings” were planted with the objective for them to reproduce in three years’ time. Casio carried out this activity as an official supporter of the International Year of the Reef 2018 appointed by the Ministry of the Environment.



The Casio coral field lies to the south of Ishigakijima island, Okinawa Prefecture in shallow seas about 4 meters deep at high tide. The coral coexists with a phytoplankton called *zooxanthella*, and 200 coral seedlings from more than seven resilient varieties, including *Acropora Copiosa Nemenzo* in the genus *Acropora* of the family *Acroporidae*, were planted.

These coral seedlings were ones that had been newly collected with permission and divided seedlings cultivated in other coral fields.



## Progress report on coral field

January 21, 2018: coral planting started



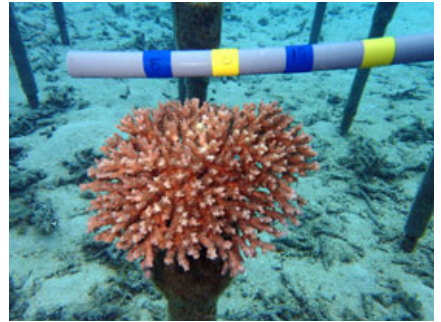
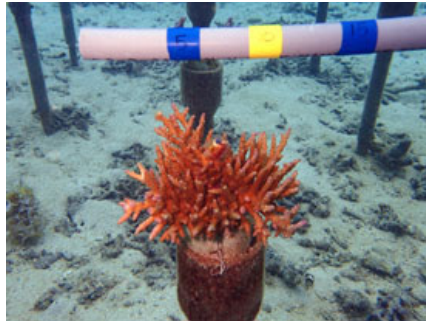
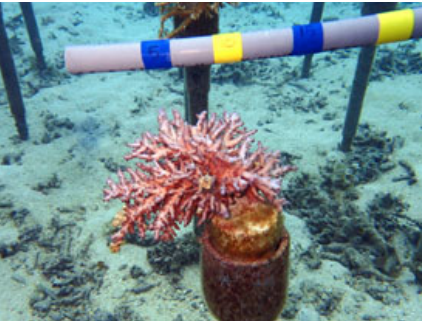
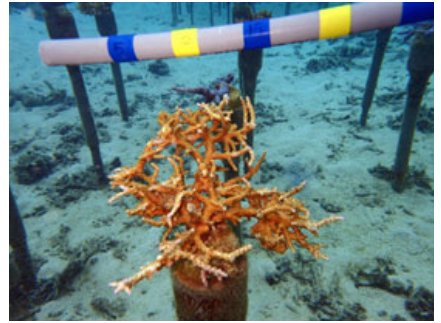
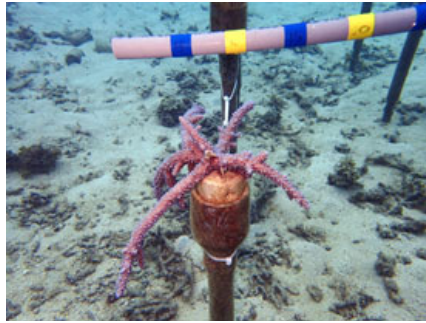
Coral seedlings are secured with stainless steel wire to Magwhite foundations. Compared to gypsum and cement, Magwhite is slightly alkaline, so seems suited to growing coral.

January 28, 2018: coral planting completed



The Casio coral field was completed by attaching the 200 coral seedlings to posts standing about 35cm apart.

**February 18, 2018 status**



With a water temperature of 22.6°C, no significant changes has been observed in the coral.

**March 7, 2018 status**



With a water temperature of 23.6°C, no major changes compared with February could be observed in the coral at a glance, but, looking carefully, the soft body of the coral had begun to cover the stainless steel wire. It was confirmed that the coral was steadily becoming established.





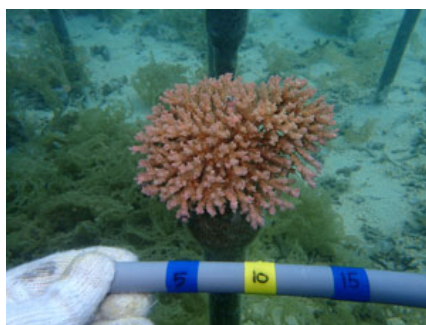
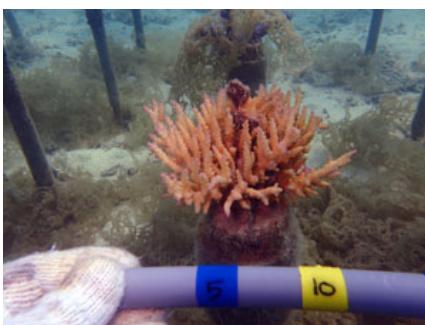
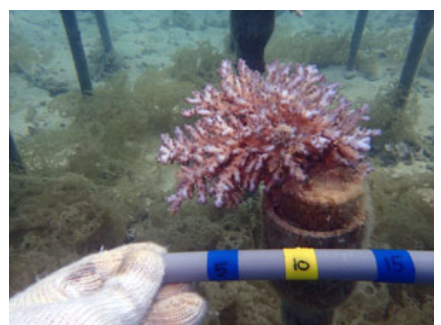
April 14, 2018 status



Water temperature of 25.4°C. Around this time, an extremely large amount of seaweed was present, so removal of seaweed was carried out. The left photograph shows before removal of seaweed and the right photograph shows after removal of seaweed.



The wire has been completely assimilated and can no longer be seen. It was also confirmed that the coral had adhered to the Magwhite foundation.



Photographs supplied by Aqua Planet



# Living in Harmony with Nature

## Education

### Arakawa River Clean-aid

Over the past few years, the focus on the problem of plastic pollution in the oceans has been rapidly growing. In order to deepen awareness of this social issue from the perspective of biodiversity, Casio held an investigational clean up (collecting garbage while counting each type of garbage) in the lower basin of the Arakawa River on July 12, 2018 in conjunction with classroom learning commissioned from Arakawa Clean-aid Forum (ACF), an NPO that has been working the problem of garbage in the rivers and seas for over 20 years.

In intense heat, 12 employees collected garbage washed ashore for an hour over an 85m stretch with the objective of personalizing social issues through onsite experience and exploring contributions through core business. The employees collected 34 bags (45 liters) of garbage, mainly food trays and plastic bottles. From this initiative, each participant learned the serious reality that large volumes of plastic flow into the sea via the river. Much of this garbage is used containers and packaging. As Casio uses plastic in its products and packaging materials, the company cannot claim that it is not involved in the problem of marine pollution. Spurred by this experience, Casio will continue to examine initiatives.

The results of the investigational clean up were included in some of the data compiled by Japan Environmental Action Network (JEAN) via ACF and will be used as reference materials for the policies of government agencies, including the Ministry of the Environment and the Ministry of Land, Infrastructure, Transport and Tourism.



Before



After



Working up a sweat picking up and counting garbage



Tough but rewarding work

# Living in Harmony with Nature

## The Biodiversity Working Group, The 4 Electrical and Electronic industry Associations

In fiscal 2017, Casio started taking part in The Biodiversity Working Group, The 4 Electrical and Electronic industry Associations (JEMA: The Japan Electrical Manufacturers' Association, JEITA: Japan Electronics and Information Technology Industries Association, CIAJ: Communications and Information Network Association of Japan, JBMIA: Japan Business Machine and Information System Industries Association). Through the working group's activities, Casio will contribute to biodiversity conservation in addition to continuing to expand the scope of its own biodiversity initiatives, taking into consideration the efforts of the pioneering companies that are taking part in the working group.

In March 2018, the working group published "Let's Try Biodiversity! (LTB)" for enterprises wishing to commence biodiversity conservation initiatives in the future.

Details regarding the working group can be found on the JEMA website below.

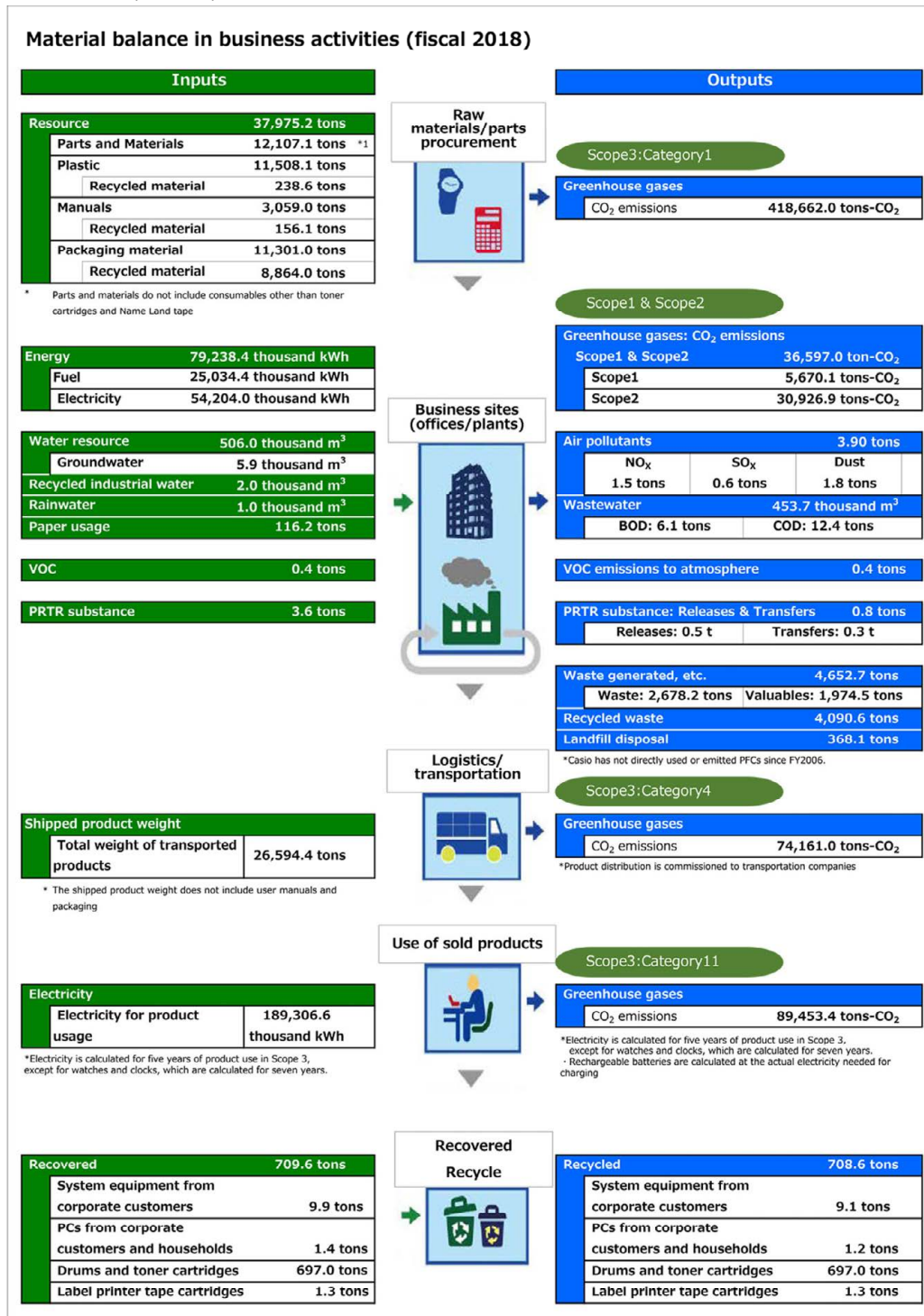
[> The Biodiversity Working Group, The 4 Electrical and Electronic industry Associations](#)



# Material Balance

## What is a material balance?

The material balance shows the overall picture for energy and resources used in the process of Casio's business activities including R&D, design, parts procurement, manufacturing, distribution, recovery and recycling, and the energy used in the process of product use by customers (inputs) plus the environmental impacts that are produced in each of those processes (outputs).



[View as PDF \(678KB\)](#)

Environmental Performance Data of Each Site

[Group Companies in Japan \(238KB\)](#)

[Overseas Group Companies \(238KB\)](#)



# CO2 Emissions Throughout the Entire Value Chain

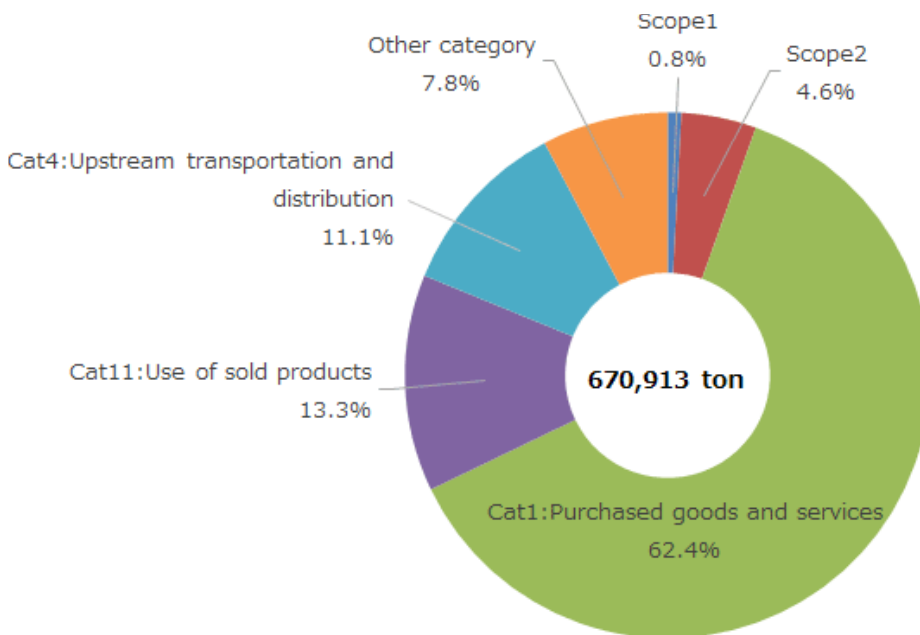
## CO<sub>2</sub> Emissions throughout the Entire Value Chain

Casio has identified and calculated greenhouse gas emissions produced by its own business activities (Scope 1 and Scope 2) and emissions located upstream and downstream in the overall value chain (Scope 3). Casio has calculated CO<sub>2</sub> emissions for 11 out of 15 categories of Scope 3 CO<sub>2</sub> emissions, excluding four categories with little impact, with reference to the GHG Protocol, which is the international standard. Scope 3 emissions accounted for approximately 95% of all emissions in fiscal 2018, which is similar to the previous fiscal year. Within Scope 3, purchased goods and services accounted for the greatest share, about 62%.

Going forward, Casio will focus on the three themes below in relation to Scope 3 emissions.

- Enhance accuracy in the calculation of each category
- Draft and implement measures to reduce emissions in each Scope 3 category
- Promote emissions reduction upstream and downstream in the value chain

### CO<sub>2</sub> Emissions throughout the Entire Value Chain



Category	CO <sub>2</sub> emissions in fiscal 2018	
	t-CO <sub>2</sub>	rasio
Scope 1	5,670	0.85%
Scope 2	30,927	4.61%
Scope 3	634,316	94.55%
1 Purchased goods and services	418,662	62.40%
2 Capital goods	23,920	3.57%
3 Fuel- and energy-related activities not included in Scope 1 or Scope 2	2,353	0.35%
4 Upstream transportation and distribution	74,161	11.05%
5 Waste generated in operations	1,308	0.19%
6 Business travel	1,599	0.24%
7 Employee commuting	1,074	0.16%
8 Upstream leased assets	2,124	0.32%
9 Downstream transportation and distribution	-	-
10 Processing of sold products	-	-
11 Use of sold products	89,453	13.33%
12 End of life treatment of sold products	12,553	1.87%
13 Downstream leased assets	-	-
14 Franchises	-	-
15 Investments	7,109	1.06%
Total	670,913	100.00%

The breakdown of Category 4 (Unit: t-CO<sub>2</sub>)

Japan) Truck: 738, Railway: 47

Overseas) Railway: 1,048, Airplane: 54,822, Ship: 17,506



# Environmental Data

## Environmental Data

### Greenhouse gas emissions(Scope1 and Scope2)

(t-CO<sub>2</sub>)

	FY2014	FY2015	FY2016	FY2017	FY2018
Scope1	6,043.2	5,729.3	5,483.1	5,619.2	5,670.1
Scope2	32,901.2	32,494.4	33,084.5	31,944.0	30,926.9
Total	38,944.3	38,223.7	38,567.6	37,563.2	36,597.0

(Breakdown by type of site)

	FY2014	FY2015	FY2016	FY2017	FY2018
Production sites in Japan	8,431.8	8,472.4	8,984.6	7,941.0	6,953.6
Office sites in Japan	10,150.5	9,613.6	8,854.6	8,951.1	9,108.9
Production sites outside Japan	14,220.3	14,031.7	14,461.8	14,199.9	14,178.3
Office sites outside Japan	6,141.6	6,106.0	6,266.7	6,471.2	6,356.3

## Waste related data

### Emissions of waste, etc. by type of site

(t)

	FY2014	FY2015	FY2016	FY2017	FY2018
Production sites in Japan	582.9	634.4	827.3	761.6	694.6
Office sites in Japan	769.9	703.6	661.1	725.5	718.0
Production sites outside Japan	320.6	411.6	689.1	1,456.9	2,599.6
Office sites outside Japan	700.2	924.7	657.6	626.8	640.5
Total	2,373.5	2,674.3	2,835.1	3,570.8	4,652.7

### Disposal breakdown and recycling rate for generation of waste, etc.

(t)

		FY2014	FY2015	FY2016	FY2017	FY2018
Generation	Valuables	1,151.8	1,394.6	1,645.8	1,716.7	1,974.5
	Waste	1,221.7	1,279.7	1,189.3	1,854.1	2,678.2
Disposal	Recycled	1,897.0	2,146.1	2,146.9	2,686.6	4,090.6
	Landfill disposal	265.5	207.2	227.0	701.3	368.1
	Reduction	211.0	321.0	461.2	182.8	194.0
Recycling rate		88%	91%	90%	79%	92%

Recycling rate = Recycled waste / (Recycled waste + Landfill disposal)

## Water resources

(thousand m3)

	FY2014	FY2015	FY2016	FY2017	FY2018
Production sites in Japan	44.9	52.9	60.9	55.1	41.5
Office sites in Japan	168.6	85.9	79.7	81.5	76.7
Production sites outside Japan	377.7	381.5	394.8	369.7	371.1
Office sites outside Japan	17.4	17.2	17.2	17.7	16.7
Total	608.7	537.4	552.6	524.0	506.0

## Usage of parts, materials, instruction manuals, packaging materials and recycle materials

(t)

		FY2014	FY2015	FY2016	FY2017	FY2018
Usage of parts and materials		25,669.0	26,209.0	24,676.0	13,985.0	11,508.1
	recycle materials	1,239.0	877.0	439.0	244.0	238.6
	recycle rate	4.8%	3.3%	1.8%	1.7%	2.1%
Usage of instruction manuals		3,235.0	3,790.0	3,683.0	3,122.0	3,059.0
	recycle materials	77.0	221.0	88.0	149.0	156.1
	recycle rate	2.4%	5.8%	2.4%	4.8%	5.1%
Usage of packaging materials		12,308.0	12,148.0	11,720.0	11,821.0	11,301.0
	recycle materials	9,732.0	9,457.0	9,061.0	9,173.0	8,864.0
	recycle rate	79.1%	77.8%	77.3%	77.6%	78.4%

## Third-party verification

In order to ensure the reliability of its environmental data reporting, in fiscal 2011 Casio began requesting third-party verification.

Casio commissioned SGS Japan Co., Ltd. to conduct the audit in fiscal 2018. The audit covered greenhouse gas emissions (Scope 1, 2 and Categories 1, 4 and 11 of Scope 3), water intake, waste and emissions of atmospheric pollutants.

Of the sites covered, on-site surveys were conducted at the Casio (Thailand) Co., Ltd., and the Casio Electronic Technology (Zhongshan) Co., Ltd.

Leased-office sites are not included in the scope of calculation because water usage and waste was difficult to ascertain.

[See the third-party verification statement](#) (PDF / 137KB)

## Scope of Data

The scope of the environmental performance data for fiscal 2018 is shown below.

Period covered: April 1, 2017 – March 31, 2018

Sites covered: 73 Casio Group sites (covering 99.6% of employees)

Numerical data on environmental performance for each site is listed separately.

Production sites in Japan(3 sites)	<ul style="list-style-type: none"> <li>• Yamagata Casio Co., Ltd.</li> <li>• Yamagata Casio Co., Ltd. (Yamanashi)</li> <li>• Casio Electronic Manufacturing Co., Ltd.</li> </ul>
Office sites in Japan(44 sites)	<ul style="list-style-type: none"> <li>• Casio Computer Co., Ltd. (Headquarters)</li> <li>• Casio Computer Co., Ltd. (Hamura R&amp;D Center)</li> <li>• Casio Computer Co., Ltd. (Hachioji R&amp;D Center)</li> <li>• Casio Computer Co., Ltd. (33 sales sites)</li> <li>(Kudan, Osaka, Sendai, Saitama, Nagoya, Hiroshima, Fukuoka and other sites)</li> <li>• Casio Techno Co., Ltd. (Headquarters)</li> <li>• Casio Techno Co., Ltd. (Technical Center)</li> <li>• Casio Marketing Advance Co., Ltd.</li> <li>• Casio Business Service Co., Ltd. (Headquarters)</li> <li>• Casio Business Service Co., Ltd. (Kofu)</li> <li>• Casio Information Service Co., Ltd</li> <li>• CXD Next Co., Ltd.</li> <li>• Hatsudai Estate Building</li> <li>• Replex Inc.</li> </ul> <p>* Data for Casio Human Systems Co., Ltd., and Casio Communication Brains Co., Ltd. have been included in the data for the sites where they are located.</p>

<p>Production sites outside Japan (4 sites)</p>	<p>Asia (4 sites)</p> <ul style="list-style-type: none"> <li>• Casio (Thailand) Co., Ltd.</li> <li>• Casio Electronic Technology (Zhongshan) Co., Ltd.</li> <li>• Casio Timepiece (Dongguan) Co., Ltd.</li> <li>• Casio Electronics (Shaoguan) Co.,Ltd.</li> </ul>
<p>Office sites outside Japan(22 sites)</p>	<p>Asia (9 sites)</p> <ul style="list-style-type: none"> <li>• Casio Electronics (Shenzhen) Co., Ltd.</li> <li>• Casio Computer (Hong Kong) Ltd.</li> <li>• Casio (Guangzhou) Co., Ltd.</li> <li>• Casio India Co., Pvt. Ltd.</li> <li>• Casio (China) Co., Ltd.</li> <li>• Casio Taiwan Co., Ltd.</li> <li>• Casio Soft (Shanghai) Co., Ltd.</li> <li>• Casio Singapore Pte., Ltd.</li> <li>• Guangzhou Casio Techno Co., Ltd.</li> </ul>
	<p>Europe (8 sites)</p> <ul style="list-style-type: none"> <li>• Casio Europe GmbH</li> <li>• Casio Electronics Co., Ltd.</li> <li>• Casio France S.A.</li> <li>• Casio Espana S.L.</li> <li>• Casio Scandinavia AS</li> <li>• Casio Benelux B.V.</li> <li>• Casio Italia S.r.l.</li> <li>• Limited Liability Company Casio</li> </ul>
	<p>Middle East (1 site)</p> <ul style="list-style-type: none"> <li>• Casio Middle East FZE</li> </ul>
	<p>Americas (4 sites)</p> <ul style="list-style-type: none"> <li>• Casio America, Inc.</li> <li>• Casio Canada Ltd.</li> <li>• Casio Brasil Comercio De Produtos Eletronicos Ltda.</li> <li>• Casio Mexico Marketing, S. de R. L. de C.V.</li> </ul>

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## Calculation Standards

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### 1. Overall

- (1) Items with no input, usage, handling or discharge performance have been left blank.
- (2) Figures are rounded off to the second decimal point, in the specified units (figures shown as “0.0” are less than “0.05”).
- (3) When total Casio Group values for VOC inputs/emissions and PRTR are 1 ton or more, data is shown separately for the individual site.

### 2. Inputs

#### (1) Energy input amount

All fossil fuels and power used in business activities are totaled for sites indicated in the Scope of Data.

Includes fuel usage by company vehicles, but does not include energy used for contracted logistics services, commuting, and business trips.

#### (2) Water resource input amount

Usage amounts of tap water, industrial water and groundwater are combined.

#### (3) VOC input amount

For substances subject to follow-up surveys related to VOC emission controls by the four main electrical and electronics industry associations, those whose annual usage at each site exceeds 50 kg are included in the tabulations.

#### (4) Paper usage amount

Managed and tabulated based on the purchased amounts of paper used in printers, fax machines, and copy machines each year.

The weight of one sheet is determined for each paper size, and weights are calculated based on the amounts purchased.

#### (5) PRTR substance input amount

Calculated for chemical substances subject to Japan's PRTR Act whose annual amount handled per substance is 0.05 tons or more at each site.



### 3. Outputs

#### (1) CO<sub>2</sub> emissions

Used the fiscal year- and country-specific CO<sub>2</sub> emission factors for electricity listed in the GHG Protocol's calculation tool (GHG emissions from purchased electricity 4.8) to calculate CO<sub>2</sub> from electricity. The latest factors for a given country are temporarily used for fiscal years not listed in the calculation tool.

Regarding CO<sub>2</sub> equivalent for fuel, CO<sub>2</sub> conversion coefficients were calculated using the emission coefficients and unit calorific values by fuel type based on Japan's Global Warming Act, and then applied to different fuel types and totaled.

#### (2) Air pollutants

Calculated at sites that have smoke generating facilities based on the concentration measurements and gas emissions at each facility.

Yamagata Casio, Hamura R&D Center and Casio (Thailand) are included in tabulation of results.

Concentrations of dust emissions, NO<sub>x</sub>, and SO<sub>x</sub>, which must be managed by law, are measured at target sites, to confirm that they are below regulation levels.

The following substances are not used at any Casio site: dichloromethane, trichlorethylene, tetrachlorethylene, chloroform, vinyl chloride monomer, 1,3-butadiene, benzene, acrylonitrile, 1,2-dichloroethane, formaldehyde, trinickel disulfide, nickel nitrate, and acetaldehyde.

#### (3) Wastewater

Calculated from values at sites that measure wastewater amounts. Sites that do not measure wastewater amounts but can ascertain tap water use treat the amount of tap water used as their wastewater amount.

At sites with special facilities that fall under the Water Pollution Prevention Act and/or the Sewer Act, water quality surveys are conducted based on applicable laws, and confirmation is made that emissions are below regulatory limits. Since fiscal 2014, the applicable facilities have not been operating.

In the case of discharge into public sewer systems, BOD is left blank, but figures are shown if voluntary measurements are taken.

#### (4) PRTR

Release and transfer quantities are calculated for each chemical substance subject to Japan's PRTR Act whose annual usage is 0.05 tons or more.

#### (5) Waste

Waste is tabulated as the total amount of industrial waste generated when product is transferred from a Casio site to the processor, general waste derived from sites, and the quantity of valuables.

#### (6) Base year figures

For the evaluation of greenhouse gases and energy conservation, emissions and usage of divested businesses are excluded from data in and after the base year in accordance with the GHG Protocol.

For sites that were included in the scope in and after the base year due to acquisition, etc., historical data on emissions and use is only added to historical data for fiscal years in and after the base year when it is available in accordance with the GHG Protocol, which is the international standard.

#### 4. Scope 3 calculation methods

Category 1	Purchased goods and services	<p>Amount of activity: Amount of purchased consumables, raw materials, and packaging materials, salaries of temporary staff, purchased tap water, industrial water, and advertising expenses.</p> <p>Unit: Calculated by multiplying each item by the emissions unit of the purchased amount and adding together the total.</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain version 2.5 issued by Japan's Ministry of Environment and CFP COMMUNICATION PROGRAM DB version 1.01.</p>
Category 2	Capital goods	<p>Amount of activity: Amount of capital investment by all consolidated subsidiaries.</p> <p>Unit: Calculated by multiplying the emissions unit corresponding to the amount of capital investment.</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain version 2.5 issued by Japan's Ministry of Environment.</p>
Category 3	Fuel-and-energy-related activities (not included in Scope 1 or 2)	<p>Amount of activity: Amount of purchased electricity and fuels.</p> <p>Unit: Calculated by multiplying the emissions unit of each type and adding together the total.</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain version 2.5 issued by Japan's Ministry of Environment and CFP COMMUNICATION PROGRAM DB version 1.01.</p>
Category 4	Upstream transportation and distribution	<p>Amount of activity: Amount of domestic and overseas shipment.</p> <p>Unit: Calculated by multiplying the weight and transportation distance by the emissions unit of each transportation type and adding together the total.</p> <p>(Trucks: Specific fuel consumption using the improved ton/kilo method. Trains, ships and airplanes: CO2 emissions output level using the conventional ton/kilo method)</p>
Category 5	Waste generated in operations	<p>Amount of activity: Emissions of each type of waste.</p> <p>Unit: Calculated by multiplying the emissions unit of each type and adding together the total.</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain version 2.5 issued by Japan's Ministry of Environment.</p>
Category 6	Business travel	<p>Amount of activity: Number of domestic and overseas employees.</p> <p>Unit: Emissions unit per employee.</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain version 2.5 issued by Japan's Ministry of Environment.</p>

Category 7	Employee commuting	<p>Amount of activity: Transportation expenses paid to employees.</p> <p>Unit: Calculated by estimating the train/car ratio from employee commuting style, multiplied by the emissions unit of the amount of transportation expenses for each style and adding together the total.</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain version 2.5 issued by Japan's Ministry of Environment.</p>
Category 8	Upstream leased assets	<p>Amount of activity: Domestic G-SHOCK stores, sales area for digital paintings and other and number of business days.</p> <p>Unit: Calculated by determining the total sales area, and multiplying the emissions unit of the sales area. The number of business days is calculated on a pro-rate basis.</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain version 2.5 issued by Japan's Ministry of Environment.</p>
Category 9	Downstream transportation and distribution	<p>Transportation to retailers from the distribution hubs of regular sales companies is outside the scope of Casio's expense payment. Since this is difficult to ascertain and the CO2 emissions are deemed to be fairly small compared to Category 4 upstream transportation and distribution, it is not included in calculations.</p>
Category 10	Processing of sold products	<p>Although one of our group companies provides name printing and other services, emissions of CO2 and other substances from this business activity is included in Scopes 1 and 2.</p>
Category 11	Use of sold products	<p>Amount of activity: Number of products by category.</p> <p>Unit: Use of products is calculated by multiplying the emissions unit of each product for the supported period (five years; seven years for timepieces).</p> <p>Regarding the use period, relevant industrial standards are followed. In cases when such an industrial standard does not exist, Casio defines the use period. Regarding electricity, CO2 emissions were calculated by applying the GHG Protocol, which is the international standard. (Factors were used for Japan, Europe, Asia, the UK, and North America.)</p> <p>Regarding products that require battery replacement, CO2 emissions related to manufacture of the battery are also included in the calculation. (The purchased cost for the manufacturer of each battery is used in the calculation.)</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain version 2.5 issued by Japan's Ministry of Environment.</p>

Category 12	End of life treatment of sold products	<p>Amount of activity: Emissions from the product itself and container packaging materials.</p> <p>Unit: Calculated by multiplying the emissions unit of each type and adding together the total.</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain version 2.5 issued by Japan's Ministry of Environment.</p>
Category 13	Downstream leased assets	Due to the disposal of relevant buildings, it is not subject to calculation from fiscal 2016.
Category 14	Franchises	The franchise formula is not used.
Category 15	Investments	<p>Amount of activity: Emissions from equity method affiliates and companies which hold specific annual stocks and constructive stocks.</p> <p>Unit: Calculated by multiplying the emissions from investment destinations by the equity method ratio or the share holding ratio.</p>

# Verification Statement



21 July 2018

CASIO COMPUTER CO., LTD.

## Objective

SGS Japan Inc. (hereinafter referred to as "SGS") was commissioned by CASIO COMPUTER CO., LTD. (hereinafter referred to as "the Organization") to conduct independent verification based on Criteria of Verification (ISO 14064-3: 2006 and the SGS verification protocol) regarding the data prepared by the Organization on the scope of verification (hereinafter referred to as "the assertion"). The objective of this verification is to confirm that the assertion in the Organization's applicable scope has been correctly calculated and reported in the assertion in conformance with the criteria, and to express our views as a third party.

## Scope

The scope of verification is defined by the Organization and limited to i) Scope 1 and 2 (energy-related CO<sub>2</sub> emissions at 47 domestic and 26 overseas environmental results reporting sites), ii) Scope 3 (category 1 for the purchased goods and services of the consolidated account, category 4 for the transportation/delivery by the Organization, and category 11 for the Casio brand products of the consolidated account), iii) Waste generated (Waste and Valuables) at 19 domestic and 18 overseas environmental results reporting sites, iv) Water intake at 21 domestic and 11 overseas environmental results reporting sites, and v) Air pollutants (NO<sub>x</sub>, SO<sub>x</sub> and Dust emissions) at 2 domestic and 1 overseas environmental results reporting sites.

The period subject to report is from 1 April 2017 to 31 March 2018.

## Procedure of Verification

The assertion was verified in accordance with Criteria of Verification, and the following processes were implemented at a limited level of assurance:

- Verification of the calculation system: Interviews on the measurement, tabulation, calculation and reporting methods employed by the Organization as well as review of related documents and records.
- Verification of the assertion: On-site verification and review of vouchers at the CASIO (THAILAND) CO., LTD. and the CASIO ELECTRONIC TECHNOLOGY (ZHONGSHAN) CO., LTD., and performance of analytical procedures and interviews at the head office for the other sites in the scope of verification.

The criteria for this review are based on the GHG Emissions Calculation and Reporting Manual (Ver. 4.2), the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain (Ver. 2.3) and the Database of emissions unit values on the same Accounting (Ver. 2.5), the Joint Guidelines for the CO<sub>2</sub> Emissions Calculation in Logistics Field (Ver. 3.1), the Basic Database of the Carbon Footprint Communication Program (Ver. 1.01) and the protocol specified by the Organization.

## Conclusion

Within the scope of the verification activities employing the methodologies mentioned above, nothing has come to our attention that caused us to believe that the Organization's assertion (Scope 1: 5,670 t-CO<sub>2</sub>, Scope 2: 30,927 t-CO<sub>2</sub>, Scope 3 (Cat. 1: 418,662 t-CO<sub>2</sub>, Cat. 4: 74,161 t-CO<sub>2</sub>, Cat. 11: 89,453 t-CO<sub>2</sub>), Waste generated (Waste: 2,678 t, Valuables: 1,974 t) and Water intake: 506 km<sup>3</sup>) was not calculated and reported in conformance with the criteria.

SGS Japan Inc. affirms our independence from the organization, being free from bias and conflicts of interest with the organization.

## For and on behalf of SGS Japan Inc.

Senior Executive & Business Manager  
Certification and Business Enhancement

Yuji Takeuchi

Signed:



# Environmental Accounting

## Overview of fiscal 2018 performance

In fiscal 2018, environmental accounting showed that investment in environmental conservation decreased from the previous fiscal year while costs and the economic benefits (real effects) associated with environmental conservation measures increased.

Investments in environmental conservation, including energy monitoring systems, were valued at ¥76 million. The costs of environmental conservation included ¥581 million for recycling products, parts, and toner cartridges and other consumables and ¥529 million for energy saving, air and water pollution measures and the like, bringing the total to ¥1,110 million. The economic benefits associated with environmental conservation measures were ¥761 million and included business revenue from recycling activities as real effects.

### Environmental conservation costs (April 2017 - March 2018)

Category by business activity		Environment al investment (¥ million)	Environment al expenses (¥ million) <sup>*1</sup>
	Main initiatives		
Business area costs (costs arising in the main areas of business activity (manufacturing, processing, sales, distribution etc.))		76	372
(1) Pollution prevention cost	Preventing air and noise pollution	42	30
(2) Global environmental conservation cost	Maintenance of energy-saving systems	31	226
(3) Resource circulation cost	Processing, reducing in volume, and recycling of general and industrial waste	3	116
Upstream/downstream cost <sup>*2</sup>	Collection and recycling of products, parts, supplies	-	581
Administration cost	Secretariat operation costs, environmental information disclosure	0	148



R&D cost	R&D for reduction of environmental impact	-	3
Social activity cost	Participation in, donations to, and support for environmental conservation organizations	-	6
Total		76	1,110

\*1 Depreciation costs are included in the expenses.

\*2 Costs arising before and after the processes of the main business activities.

### Economic benefits of environmental conservation (April 2017 - March 2018)

Type of benefit		Amount (¥ million)
Actual benefit (benefit that contributes to profits as a result of the promotion of environmental conservation measures) <sup>*3</sup>		
Profits	Business revenue from recycling of used products, etc.	732
Cost reduction	Cost reduction through energy saving activities	26
	Reduction of waste processing costs arising from resource saving or recycling	3
Total		761

\*3 Starting in fiscal 2016, only economic benefits that could be aggregated were included, and deemed benefits based on estimates were not included.

## Environmental conservation effect

Types of environmental conservation effects	Environmental performance indicators	Unit	FY2017	FY2018	Environmental conservation effect <sup>*4</sup>
Environmental conservation effect relating to resources used in business activities	Water resources	Thousand m <sup>3</sup>	523	506	17
Environmental conservation effect relating to environment impact and waste generated by business activities	CO <sub>2</sub> emissions <sup>*4</sup>	Tons-CO <sub>2</sub>	36,682	36,597	85
	Waste emissions	Tons	3,571	4,653	-1,082

<sup>\*4</sup> The country-specific coefficients published in the GHG Protocol's calculation tool are used in the calculation of CO<sub>2</sub> emissions for electricity. See "Calculation Standards" in the "Environmental Data" section for details.

Scope of data compilation for accounting: Casio Computer Co., Ltd., and consolidated subsidiaries in and outside Japan.  
Reference guideline: Environmental Accounting Guidelines 2005, Ministry of the Environment, Japan.

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# Environmental Compliance

**Worldwide, environmental regulations are being strengthened to preserve the beauty of the Earth. Whether global or local, compliance with environmental regulations has become an integral part of the corporate mission. Companies today recognize the need to address issues such as risk management and environmental information disclosure, while complying with greenhouse gas emissions regulations, the prohibition of products containing harmful chemical substances and ISO 14001 legal requirements. Here is an overview of Casio's environmental compliance initiatives.**

## Standards management and audits: Regular internal audits and third-party audits

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There are 13 Casio sites which have obtained ISO 14001 certification.

Of these, three sites belonging to Casio Computer Co., Ltd. (Headquarters [which includes seven sales sites], Hamura R&D Center, and Hachioji R&D Center) began working under integrated certification in fiscal 2018.

Each of these sites regularly implements conditions management and improvement activities by measuring concentrations of dust, SO<sub>x</sub>, and NO<sub>x</sub> in exhaust emissions, based on voluntary standards and standards established by national and local governments. They also measure wastewater quality (water containing harmful substances). Moreover, the sites measure and report usage conditions for harmful atmospheric pollutants, as well as handling quantities and atmospheric emissions of volatile organic compounds (VOCs).

Further, each site trains internal environmental auditors, conducts internal audits, and also undertakes regular third-party audits by external organizations. If there is any non-conformity, corrective measures are taken in accordance with internally specified procedures and continuous improvement activities are carried out.

With a view to strengthening Casio's environmental risk management and improving its environmental performance in the future, internal environmental auditors are expected to play a role as front-line leaders of environmental compliance. Toward this end, they are enhancing their ability to perceive environmental risks, increasing their specialized knowledge of environmental laws and regulations as well as chemicals management, and also identifying issues and proposing improvements.

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## Compliance Audits in the Phases of Product Development, Design, and Manufacturing

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In recent years, laws and regulations on the environmental performance of products have become stricter. In addition to stricter regulations in EU nations and US states, stronger laws are also being discussed and enacted in the newly emerging economies of Asia and Latin America, referencing those already established by developed countries. In some cases, the newer laws are based on the established ones, but they often have small differences in the specific requirements. It is vital for Casio to interpret these regulations properly, and make whatever product adjustments are needed.

Casio has established an Expert Sub-Committee on Environmental Law within its Product Regulation Committee. The sub-committee includes representatives from technology, development/design, procurement, sustainability and sales departments. It checks information on environmental laws and regulations and studies measures to ensure compliance with them. The members share information, rapidly establish reasonable response policies, and confirm response progress not only for currently established laws and regulations but also for new laws and regulations currently being considered. Through these activities, they provide support for development, design, manufacturing, and sales departments. They also share information on product regulations other than those related to the environment (such as electrical safety, radio, and wireless regulations), in an effort to comprehensively rationalize Casio's response to product regulations.

The Expert Sub-Committee on Environmental Law focuses on investigating and checking the following matters:

- Gathering and sharing legal information from and with sources such as industrial associations, sales companies in each region, information services, and other companies in the same industry
- Analyzing and interpreting legal information
- Ensuring obligations are met by manufacturing, import, export, and sales entities
- Creating development and design standards, and conducting inspections
- Improving the usage efficiency for design support tools (database of chemical substances contained in products, etc.)

Casio carries out environmental assessments of each product before new products ship to market, to check to ensure environmental design that complies not only with laws and regulations but also with the Casio Green Star Plan. The environmental management departments also conduct environmental audits.

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## Compliance Relating to Chemical Substances Contained in Products

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Countries around the world have implemented new laws pertaining to chemical substances contained in electrical and electronics products, while existing laws continue to be strengthened each year. Individual laws and regulations vary in terms of the applicable chemical substances, regulated applications, exempt applications, threshold values, scope, and requirements (content restrictions, labeling, and information provision, etc.).

Casio consolidated the requirements of various laws on chemical substances contained in products and has incorporated them into the Casio Green Procurement Standards. Then, the development and design departments established a system to ensure compliance with regulations worldwide by checking a database to see whether a part or material to be included in a product meets the Casio Green Procurement Standards.

Further, when making shipment decisions, a chemical substance audit is conducted to check compliance with chemical laws and regulations in the sales region and make sure that all the parts and materials used in a product meet the chemical substance standards.

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## Environmental laws and regulations related to Casio products and green procurement

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As a company with operations around the world, Casio must comply with the laws and standards of many different countries.

This is why Casio starts with the design and procurement stages to ensure that its products comply with restrictions on specified chemical substances in parts and materials, while complying with obligations for labeling, information provision and energy-saving standards for finished products.

Covering the procurement stage, Casio has formulated Casio Green Procurement Standards to cover the legal regulations for the chemical substances contained in Casio products, and is procuring its parts and materials in accordance with those standards. To ensure that Casio products comply with the latest laws and standards around the world, the Casio Green Procurement Standards are constantly reviewed and updated. Thus, by procuring parts and materials that meet its own strict standards, Casio can be confident that its product development meets legal requirements worldwide. Casio also ensures the compliance of its products by scientifically verifying and analyzing the content of chemical substances in parts and materials used.

In the design stage, the company confirms that all parts and materials that will go into a completed Casio product meet the Casio Green Procurement Standards. Products are approved for production only after confirmation using a database of the chemical substances contained in procured materials.

Casio selects recyclable materials and provides symbol marks and the necessary information to ensure separate collection, complying with the relevant laws and standards worldwide on product recovery and recycling as well as on chemical substances contained in products.

In response to laws and regulations requiring more energy-saving designs (such as the ErP Ecodesign Directive), Casio is creating technical documents and other internal standards.

The table below shows the principal environmental laws relating to the distribution of Casio products in countries around the world.

## Major environmental laws and regulations related to Casio products

(as of June 2018)

	Product			Packaging		Battery	
	Collection and Recycling	Hazardous Substances	Energy conservation	Collection and Recycling	Hazardous Substances	Collection and Recycling	Hazardous Substances
EU	WEEE	RoHS REACH Biocidal Products Regulations POP Regulation	ErP	EU Directive on Packaging and Packaging Waste		Batteries directive	
Norway		Chemical substance regulations					
Turkey	Turkey WEEE & RoHS		Turkey ErP	Turkey packaging regulations		Turkey batteries regulations	
Serbia	Serbia WEEE & RoHS					Serbia batteries directive	
Ukraine		Ukraine RoHS					
Customs Union (Eurasian Economic Commission)		Customs Union: RoHS	Customs Union: ErP (draft)				
Belarus			Belarus ErP				
US	Each state's TV/PC recycling laws	Each state's mercury regulations, California Proposition 65, California SB50, federal and California regulations on formaldehyde, safer consumer product regulations	US federal law, and external power supply efficiency regulations in each state	California's Rigid Plastic Packaging Container recycling program, and rigid plastic container labeling regulations in each state	Each state's packaging and heavy metal regulations	Each state's rechargeable battery recycling regulations	



Canada	Each state's electric appliance recycling regulations	Products Containing Mercury Regulations, Canada Chemical substance regulations	Federal and each state's external power energy efficiency regulations	Each state's packaging material collection programs			Products Containing Mercury Regulations
Mexico			Energy consumption labeling regulations, External power energy efficiency regulations				
Brazil	Brazil's Solid Waste Law			Brazil's Solid Waste Law		Brazil's Solid Waste Law	Brazil batteries regulation
Argentina	Argentina WEEE (draft)					Argentina WEEE (draft)	Argentina batteries regulation
Peru	Peru WEEE						
Paraguay							Paraguay batteries regulations
Columbia						Columbia batteries regulations	Columbia batteries regulations
Israel	Israel WEEE			Israel packaging regulations			
Jordan	Jordan WEEE (draft)	Jordan RoHS (draft)	Jordan ErP				
Gulf countries		Gulf countries RoHS (draft)					
UAE		UAE RoHS					
China	China WEEE	China RoHS	China Energy Label	China RoHS			China RoHS
South Korea	South Korea RoHS/WEEE/ELV		South Korea Energy Conservation Law	South Korea Recycling Law		South Korea Recycling Law	South Korea batteries regulations
Taiwan		Taiwan RoHS				Battery recycling regulations	Regulations on heavy metal in batteries

Australia			External power energy efficiency regulations				
India	India's e-waste law						
Viet Nam	Viet Nam WEEE	Viet Nam RoHS				Viet Nam WEEE	
Indonesia	Household waste regulations						
Singapore		Singapore RoHS, Singapore Mercury Regulations					Singapore batteries regulations
Thailand	Thai WEEE (draft)						
Philippines	Philippines WEEE (draft)						
Japan	Small Electronic Devices Recycling Act		Energy Conservation Law	Container and Packaging Recycling Law		Recycling Law	Act on Preventing Environmental Pollution from Mercury
Global conventions		Convention on Persistent Organic Pollutants (POPs), Mercury Convention			Convention on POPs		Mercury Convention

As an initiative to help prevent climate change in the procurement stage, Casio requests suppliers not to use greenhouse gases in the manufacturing process, and also to ascertain and reduce their emissions of CO<sub>2</sub>. In the development and design stages, Casio promotes product development by setting targets that surpass its competitors' products with the best energy consumption efficiency in the same category.

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## Compliance Relating to the Proper Collection, Recycling, and Disposal of Used Products

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Countries around the world also have regulations for the collection and recycling of used electrical and electronics products, packaging materials, and batteries. Companies must comply with the requirements of each law including product design to save resources and facilitate recycling, labeling and information provision to promote user participation in the sorted collection of products for recycling, as well as information provision for proper product disposal.

Casio evaluates products in terms of resource savings, ease of dismantling, recycling potential, and recycled material content. Confirmation is also made to see whether the recycling labels and displayed information meet legal requirements worldwide.

In response to the enactment of Japan's Small Electronic Devices Recycling Act in April 2013, Casio has put together a project team including employees involved in every product category (such as designers), aiming to ensure products being developed are easily recyclable. Casio is asking intermediate processors and metal smelters who recycle used small household appliances to participate in interviews regarding dismantling methods and other issues. The lessons learned are being incorporated into internal design manuals, helping Casio to develop products that are easy to recycle.

## Compliance Relating to Power Consumption

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There are also regulations on power consumption and efficiency for electrical and electronics products including external power supplies and chargers, based on product categories and power source types. Companies must also meet various requirements relating to power consumption and efficiency, including regulations that require the meeting of minimum standards and those that mandate the display of power consumption information. Casio confirms the applicable regulations for each of its products, and carries out product development and design to meet the requirements. Approval applications and reports are made to the relevant agencies as necessary.

## Compliance Relating to Energy Saving and the Prevention of Global Warming

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Casio is committed to further consideration and strengthening of its voluntary efforts, such as the targets included in the Casio Group's Environmental Action Plan, to reflect laws and regulations related to energy-saving and the fight against global warming.

Casio has measures addressing regulations around the globe, but this section focuses on the steps Casio is taking to comply with the laws and regulations in Japan that apply to its relatively large business facilities.

### 1. Act on the Rational Use of Energy

Pursuant to the requirements of the Energy Conservation Law, Casio is separately evaluating the rational use of energy at the business level. Casio Computer Co., Ltd. and Yamagata Casio are both currently designated as specified businesses. Since fiscal 2010, Casio has been regularly submitting reports and medium and long-term plans on this issue, and in accordance with the determination standards relating to the rational use of energy at plants and facilities, has been promoting the development of management systems, such as creating the new position of energy management supervisor.

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## 2. Act on the Promotion of Global Warming Countermeasures

Casio does not exceed the standards for emissions of greenhouse gases other than CO<sub>2</sub> arising from energy use set by Japan's Act on the Promotion of Global Warming Countermeasures. It is complying with requirements for the reporting of greenhouse gas emissions, by regularly submitting reports under the Act on the Rational Use of Energy.

## 3. Environmental Regulations in Tokyo

In fiscal 2016, total energy usage for Casio's small and medium-sized facilities on a crude oil equivalent basis (energy usage below 1,500kl/year on a crude oil equivalent basis) within the Tokyo Metropolis was below 3,000kl/year. Based on this result, Casio received a confirmation notice that it is not subject to the obligation to submit reports under the Global Warming Countermeasures Reporting Program from the Tokyo Metropolitan Government, and is exempt from such reporting.

However, total energy use on a crude oil basis in fiscal 2018 exceeded 3,000kl/year, as the number of facilities included had increased. Accordingly, Casio submitted reports to the Tokyo Metropolitan Government for fiscal 2018. Regardless of its reporting obligation, Casio will continue to work hard in the fight against global warming based on regulations in Tokyo.

[>Fiscal 2018](#) (PDF / 855KB)

[>Fiscal 2017](#) (PDF / 262KB)

[>Fiscal 2016](#) (PDF / 310KB)

[>Fiscal 2015](#) (PDF / 306KB)

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## Compliance relating to environmental information disclosure

There is a growing international movement calling for the creation of information disclosure standards for companies.

Along with the need for Japanese standards to coincide with the International Financial Reporting Standards (IFRS), there is a movement calling for the provision of Management Commentaries (MC) as a form of disclosure of non-financial and corporate forecast information. In other words, companies will need to disclose non-financial data which describes the connections between the company's current situation, business strategy, risks, and financial performance, and other relevant information.

In order to provide its stakeholders with the proper environmental information in a way that it is easy to understand, Casio has the following aims.

1. To adopt more accurate indices relating to environmental impact, and to provide comparable information
2. To provide non-financial information including environmental information that indicates the connections with corporate strategy
3. To explain the capability of environmental information to improve corporate performance

Along with working to disclose environmental information, Casio will promote international disclosure standards for non-financial information, and work towards standardization.

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## Compliance with Environmental Laws

Casio was not subject to any legal violations, penalties, fines, or lawsuits relating to the environment in fiscal 2018.

# GRI Content Index

## Organizational profile

Disclosures No.	Description	Related Page
102-1	Name of the organization	<a href="#">Corporate Overview</a>
102-2	Activities, brands, products, and services	<a href="#">Product information</a> <a href="#">Corporate Overview</a>
102-3	Location of headquarters	<a href="#">Corporate Overview</a>
102-4	Location of operations	<a href="#">Corporate Overview</a>
102-5	Ownership and legal form	<a href="#">Corporate Overview</a>
102-6	Markets served	<a href="#">Corporate Overview</a>
102-7	Scale of the organization	<a href="#">Corporate Overview</a> <a href="#">Prioritizing local hiring and promotion at subsidiaries outside Japan</a> <a href="#">Making the Most of Human Resources and Maintaining Optimal Workplace Environments</a> <a href="#">Financial Results</a>
102-8	Information on employees and other workers	<a href="#">Prioritizing local hiring and promotion at subsidiaries outside Japan</a> <a href="#">Making the Most of Human Resources and Maintaining Optimal Workplace Environments</a> <a href="#">Annual Securities Report (in Japanese only)</a>
102-9	Supply chain	<a href="#">Supply Chain Management</a>
102-10	Significant changes to the organization and its supply chain	None
102-11	Precautionary Principle or approach	<a href="#">Corruption Prevention Initiatives / Compliance Risk management</a> <a href="#">Respect for Human Rights</a> <a href="#">Environmental Compliance</a> <a href="#">Environmental laws and regulations relating to Casio products and green procurement</a>
102-12	External initiatives	<a href="#">United Nations Global Compact</a> <a href="#">Avoiding any use of conflict minerals</a>
102-13	Membership of associations	<a href="#">United Nations Global Compact</a>

## Strategy

Disclosures No.	Description	Related Page
102-14	Statement from senior decision-maker	<a href="#">Message from the President</a>
102-15	Key impacts, risks, and opportunities	<a href="#">Message from the President</a> <a href="#">Environmental Executive Message</a> <a href="#">Material Issues for Casio</a> <a href="#">Risk management</a> <a href="#">Realizing a low-carbon society</a> <a href="#">Building a recycling society</a> <a href="#">Living in harmony with nature</a> <a href="#">Environmental Action Plan (Targets and Performance)</a> <a href="#">Annual Securities Report (in Japanese only)</a>

## Ethics and integrity

Disclosures No.	Description	Related Page
102-16	Values, principles, standards, and norms of behavior	<a href="#">Casio's Corporate Creed and Approach to CSR</a> <a href="#">Casio Environmental Vision 2050</a> <a href="#">Casio Group Code of Conduct</a>
102-17	Mechanisms for advice and concerns about ethics	<a href="#">Whistleblower Hotline</a>

## Governance

Disclosures No.	Description	Related Page
102-18	Governance structure	<a href="#">Corporate Governance</a> <a href="#">CSR Implementation System</a>
102-19	Delegating authority	<a href="#">CSR Implementation System</a>
102-20	Executive-level responsibility for economic, environmental, and social topics	<a href="#">CSR Implementation System</a>
102-21	Consulting stakeholders on economic, environmental, and social topics	<a href="#">Corporate Governance</a> <a href="#">CSR Implementation System</a>
102-22	Composition of the highest governance body and its committees	<a href="#">Corporate Governance</a> *Corporate Governance Report
102-23	Chair of the highest governance body	<a href="#">Corporate Governance</a> *Corporate Governance Report
102-24	Nominating and selecting the highest governance body	<a href="#">Corporate Governance</a> *Corporate Governance Report



102-25	Conflicts of interest	<a href="#">Corporate Governance</a> * Corporate Governance Report <a href="#">Annual Securities Report (in Japanese only)</a>
102-26	Role of highest governance body in setting purpose, values, and strategy	<a href="#">Corporate Governance</a> <a href="#">CSR Implementation System</a> <a href="#">Environmental Management</a>
102-27	Collective knowledge of highest governance body	<a href="#">CSR Implementation System</a> <a href="#">Environmental Management</a>
102-28	Evaluating the highest governance body's performance	<a href="#">CSR Implementation System</a> <a href="#">Environmental Management</a>
102-29	Identifying and managing economic, environmental, and social impacts	<a href="#">CSR Implementation System</a> <a href="#">Corporate Governance</a> <a href="#">Environmental Management</a>
102-30	Effectiveness of risk management processes	<a href="#">Basic Views on Internal Control System and Progress on System</a>
102-31	Review of economic, environmental, and social topics	<a href="#">CSR Implementation System</a> <a href="#">Corporate Governance</a> <a href="#">Environmental Management</a>
102-32	Highest governance body's role in sustainability reporting	—
102-33	Communicating critical concerns	<a href="#">Corporate Governance</a> <a href="#">Whistleblower Hotline</a>
102-34	Nature and total number of critical concerns	—
102-35	Remuneration policies	<a href="#">Annual Securities Report (in Japanese only)</a> <a href="#">Basic Views on Internal Control System and Progress on System</a>
102-36	Process for determining remuneration	<a href="#">Annual Securities Report (in Japanese only)</a> <a href="#">Basic Views on Internal Control System and Progress on System</a>
102-37	Stakeholders' involvement in remuneration	—
102-38	Annual total compensation ratio	—
102-39	Percentage increase in annual total compensation ratio	—

\* For Casio's Corporate Governance Report, visit [the Tokyo Stock Exchange website](#) (in Japanese only)

## Stakeholder engagement

Disclosures No.	Description	Related Page
102-40	List of stakeholder groups	<a href="#">Material Issues for Casio Stakeholder Engagement</a>
102-41	Collective bargaining agreements	<a href="#">Annual Securities Report (in Japanese only)</a>
102-42	Identifying and selecting stakeholders	<a href="#">Material Issues for Casio Stakeholder Engagement</a>
102-43	Approach to stakeholder engagement	<a href="#">Material Issues for Casio Stakeholder Engagement</a> <a href="#">Working to improve the math skills of children in developing countries</a>
102-44	Key topics and concerns raised	<a href="#">Material Issues for Casio Independent Opinion on the Sustainability Report 2018</a>

## Reporting practice

Disclosures No.	Description	Related Page
102-45	Entities included in the consolidated financial statements	<a href="#">Scope of the report</a>
102-46	Defining report content and topic Boundaries	<a href="#">Material Issues for Casio</a>
102-47	List of material topics	<a href="#">Material Issues for Casio</a>
102-48	Restatements of information	<a href="#">Environmental Data</a>
102-49	Changes in reporting	None
102-50	Reporting period	<a href="#">Scope of the report</a>
102-51	Date of most recent report	<a href="#">Scope of the report</a>
102-52	Reporting cycle	<a href="#">Scope of the report</a>
102-53	Contact point for questions regarding the report	<a href="#">Scope of the report</a>
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report 2018 has been prepared in accordance with the Core option of the GRI Sustainability Reporting Standards.
102-55	GRI content index	GRI Content Index
102-56	External assurance	<a href="#">Third-party verification</a>

## Management Approach

Disclosures No.	Description	Related Page
103-1	Explanation of the material topic and its Boundary	<a href="#">Material Issues for Casio</a> <a href="#">Supply Chain Management</a> <a href="#">Making the Most of Human Resources and Maintaining Optimal Workplace Environments</a> <a href="#">Occupational Safety and Health</a> <a href="#">Respect for Human Rights</a> <a href="#">Realizing a low-carbon society</a> <a href="#">Building a recycling society</a> <a href="#">Living in harmony with nature</a>
103-2	The management approach and its components	<a href="#">Material Issues for Casio</a> <a href="#">Supply Chain Management</a> <a href="#">Making the Most of Human Resources and Maintaining Optimal Workplace Environments</a> <a href="#">Occupational Safety and Health</a> <a href="#">Respect for Human Rights</a> <a href="#">Realizing a low-carbon society</a> <a href="#">Building a recycling society</a> <a href="#">Living in harmony with nature</a> <a href="#">Whistleblower Hotline</a>
103-3	Evaluation of the management approach	<a href="#">Material Issues for Casio</a> <a href="#">Supply Chain Management</a> <a href="#">Making the Most of Human Resources and Maintaining Optimal Workplace Environments</a> <a href="#">Occupational Safety and Health</a> <a href="#">Respect for Human Rights</a> <a href="#">Realizing a low-carbon society</a> <a href="#">Building a recycling society</a> <a href="#">Living in harmony with nature</a> <a href="#">Whistleblower Hotline</a>

## Economic Performance

Disclosures No.	Description	Related Page
201-1	Direct economic value generated and distributed	<a href="#">Financial Results</a>
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Realizing a low-carbon society</a>
201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Annual Securities Report (in Japanese only)</a>
201-4	Financial assistance received from government	—

## Market Presence

Disclosures No.	Description	Related Page
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—
202-2	Proportion of senior management hired from the local community	—

## Indirect Economic Impacts

Disclosures No.	Description	Related Page
203-1	Infrastructure investments and services supported	<a href="#">Working to improve the math skills of children in developing countries</a> <a href="#">Social Contribution Activities</a>
203-2	Significant indirect economic impacts	<a href="#">Environmental Accounting</a>

## Procurement Practices

Disclosures No.	Description	Related Page
204-1	Proportion of spending on local suppliers	<a href="#">Supply Chain Management</a>

## Anti-corruption

Disclosures No.	Description	Related Page
205-1	Operations assessed for risks related to corruption	<a href="#">Corruption Prevention Initiatives</a>
205-2	Communication and training about anti-corruption policies and procedures	<a href="#">Corruption Prevention Initiatives</a>
205-3	Confirmed incidents of corruption and actions taken	None

## Anti-competitive Behavior

Disclosures No.	Description	Related Page
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None

## Materials

Disclosures No.	Description	Related Page
301-1	Materials used by weight or volume	<a href="#">Material Balance</a> <a href="#">Environmental Data</a>
301-2	Recycled input materials used	<a href="#">Material Balance</a> <a href="#">Environmental Data</a>
301-3	Reclaimed products and their packaging materials	<a href="#">Material Balance</a>

## Energy

Disclosures No.	Description	Related Page
302-1	Energy consumption within the organization	<a href="#">Material Balance</a> <a href="#">Environmental Data</a> <a href="#">Environmental Performance Data of Each Site</a>
302-2	Energy consumption outside of the organization	<a href="#">Material Balance</a> <a href="#">Environmental Data</a> <a href="#">Calculation Standards</a>
302-3	Energy intensity	<a href="#">Realizing a low-carbon society</a> <a href="#">Environmental Data</a>
302-4	Reduction of energy consumption	<a href="#">Realizing a low-carbon society</a> <a href="#">Environmental Data</a>
302-5	Reductions in energy requirements of products and services	—

## Water

Disclosures No.	Description	Related Page
303-1	Water withdrawal by source	<a href="#">Material Balance</a> <a href="#">Environmental Performance Data of Each Site</a>
303-2	Water sources significantly affected by withdrawal of water	
303-3	Water recycled and reused	<a href="#">Material Balance</a> <a href="#">Environmental Data</a> <a href="#">Calculation Standards</a> <a href="#">Environmental Performance Data of Each Site</a>

## Biodiversity

Disclosures No.	Description	Related Page
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—
304-2	Significant impacts of activities, products, and services on biodiversity	<a href="#">Living in harmony with nature</a> <a href="#">Biodiversity Preservation at Business Sites</a> <a href="#">Collaboration with Stakeholders</a>
304-3	Habitats protected or restored	<a href="#">Living in harmony with nature</a> <a href="#">Biodiversity Preservation at Business Sites</a> <a href="#">Collaboration with Stakeholders</a>
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<a href="#">Living in harmony with nature</a> <a href="#">Biodiversity Preservation at Business Sites</a>

## Emissions

Disclosures No.	Description	Related Page
305-1	Direct (Scope 1) GHG emissions	<a href="#">Realizing a low-carbon society</a> <a href="#">Material Balance</a> <a href="#">CO<sub>2</sub> Emissions throughout the Entire Value Chain</a> <a href="#">Environmental Data</a> <a href="#">Environmental Performance Data of Each Site</a>
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Realizing a low-carbon society</a> <a href="#">Material Balance</a> <a href="#">CO<sub>2</sub> Emissions throughout the Entire Value Chain</a> <a href="#">Environmental Data</a> <a href="#">Environmental Performance Data of Each Site</a>
305-3	Other indirect (Scope 3) GHG emissions	<a href="#">CO<sub>2</sub> Emissions throughout the Entire Value Chain</a> <a href="#">Environmental Data</a>
305-4	GHG emissions intensity	<a href="#">Realizing a low-carbon society</a> <a href="#">Material Balance</a> <a href="#">CO<sub>2</sub> Emissions throughout the Entire Value Chain</a> <a href="#">Environmental Data</a>
305-5	Reduction of GHG emissions	<a href="#">Realizing a low-carbon society</a>
305-6	Emissions of ozone-depleting substances (ODS)	—
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<a href="#">Material Balance</a> <a href="#">Environmental Performance Data of Each Site</a>

## Effluents and Waste

Disclosures No.	Description	Related Page
306-1	Water discharge by quality and destination	<a href="#">Material Balance</a> <a href="#">Environmental Performance Data of Each Site</a>
306-2	Waste by type and disposal method	<a href="#">Building a recycling society</a> <a href="#">Material Balance</a> <a href="#">Environmental Data</a> <a href="#">Environmental Performance Data of Each Site</a>
306-3	Significant spills	—
306-4	Transport of hazardous waste	—
306-5	Water bodies affected by water discharges and/or runoff	—

## Environmental Compliance

Disclosures No.	Description	Related Page
307-1	Non-compliance with environmental laws and regulations	<a href="#">Compliance with Environmental Laws</a>

## Supplier Environmental Assessment

Disclosures No.	Description	Related Page
308-1	New suppliers that were screened using environmental criteria	—
308-2	Negative environmental impacts in the supply chain and actions taken	—

## Employment

Disclosures No.	Description	Related Page
401-1	New employee hires and employee turnover	<a href="#">Material Issues for Casio</a> <a href="#">Making the Most of Human Resources and Maintaining Optimal Workplace Environments</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">Making the Most of Human Resources and Maintaining Optimal Workplace Environments</a>
401-3	Parental leave	<a href="#">Making the Most of Human Resources and Maintaining Optimal Workplace Environments</a>



## Labor / Management Relations

Disclosures No.	Description	Related Page
402-1	Minimum notice periods regarding operational changes	<a href="#">Communication between labor and management</a>

## Occupational Health and Safety

Disclosures No.	Description	Related Page
403-1	Workers representation in formal joint management –worker health and safety committees	<a href="#">Occupational Safety and Health</a> <a href="#">Communication between labor and management</a>
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<a href="#">Occupational Safety and Health</a>
403-3	Workers with high incidence or high risk of diseases related to their occupation	—
403-4	Health and safety topics covered in formal agreements with trade unions	—

## Training and Education

Disclosures No.	Description	Related Page
404-1	Average hours of training per year per employee	<a href="#">Human Resource Development</a>
404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Human Resource Development</a>
404-3	Percentage of employees receiving regular performance and career development reviews	<a href="#">Human Resource Development</a>

## Diversity and Equal Opportunity

Disclosures No.	Description	Related Page
405-1	Diversity of governance bodies and employees	<a href="#">Making the Most of Human Resources and Maintaining Optimal Workplace Environments</a>
405-2	Ratio of basic salary and remuneration of women to men	—

## Non-discrimination

Disclosures No.	Description	Related Page
406-1	Incidents of discrimination and corrective actions taken	<a href="#">Supply Chain Management</a> <a href="#">Respect for Human Rights</a>

## Freedom of Association and Collective Bargaining

Disclosures No.	Description	Related Page
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<a href="#">Supply Chain Management</a> <a href="#">Respect for Human Rights</a>

## Child Labor

Disclosures No.	Description	Related Page
408-1	Operations and suppliers at significant risk for incidents of child labor	<a href="#">Supply Chain Management</a> <a href="#">Respect for Human Rights</a>

## Forced or Compulsory Labor

Disclosures No.	Description	Related Page
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">Supply Chain Management</a> <a href="#">Respect for Human Rights</a>

## Security Practices

Disclosures No.	Description	Related Page
410-1	Security personnel trained in human rights policies or procedures	—

## Rights of Indigenous Peoples

Disclosures No.	Description	Related Page
411-1	Incidents of violations involving rights of indigenous peoples	—

## Human Rights Assessment

Disclosures No.	Description	Related Page
412-1	Operations that have been subject to human rights reviews or impact assessments	<a href="#">Supply Chain Management</a> <a href="#">Respect for Human Rights</a>
412-2	Employee training on human rights policies or procedures	<a href="#">Respect for Human Rights</a>
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—

## Local Communities

Disclosures No.	Description	Related Page
413-1	Operations with local community engagement, impact assessments, and development programs	—
413-2	Operations with significant actual and potential negative impacts on local communities	—

## Supplier Social Assessment

Disclosures No.	Description	Related Page
414-1	New suppliers that were screened using social criteria	<a href="#">Supply Chain Management</a>
414-2	Negative social impacts in the supply chain and actions taken	<a href="#">Supply Chain Management</a>

## Public Policy

Disclosures No.	Description	Related Page
415-1	Political contributions	—

## Customer Health and Safety

Disclosures No.	Description	Related Page
416-1	Assessment of the health and safety impacts of product and service categories	<a href="#">Offering users peace of mind</a>
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<a href="#">Offering users peace of mind</a>

## Marketing and Labeling

Disclosures No.	Description	Related Page
417-1	Requirements for product and service information and labeling	<a href="#">Casio Super Green Star Products</a>
417-2	Incidents of non-compliance concerning product and service information and labeling	—
417-3	Incidents of non-compliance concerning marketing communications	—

## Customer Privacy

Disclosures No.	Description	Related Page
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None

## Socioeconomic Compliance

Disclosures No.	Description	Related Page
419-1	Non-compliance with laws and regulations in the social and economic area	—