

**CASIO**  
**SUSTAINABILITY**  
**REPORT 2019**

01



**CASIO**

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# Editorial Policy

## Sustainability Website

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

## Sustainability Report 2019

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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.

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](#).

## Scope of the report

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- *Period*

This report covers fiscal 2019 (April 1, 2018 to March 31, 2019), and also includes some information pertaining to years before and after fiscal 2020.

- *Issued*

December 2019

(Previous publication: December 2018, next publication planned: November 2020)

- *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.

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## 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.)

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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.

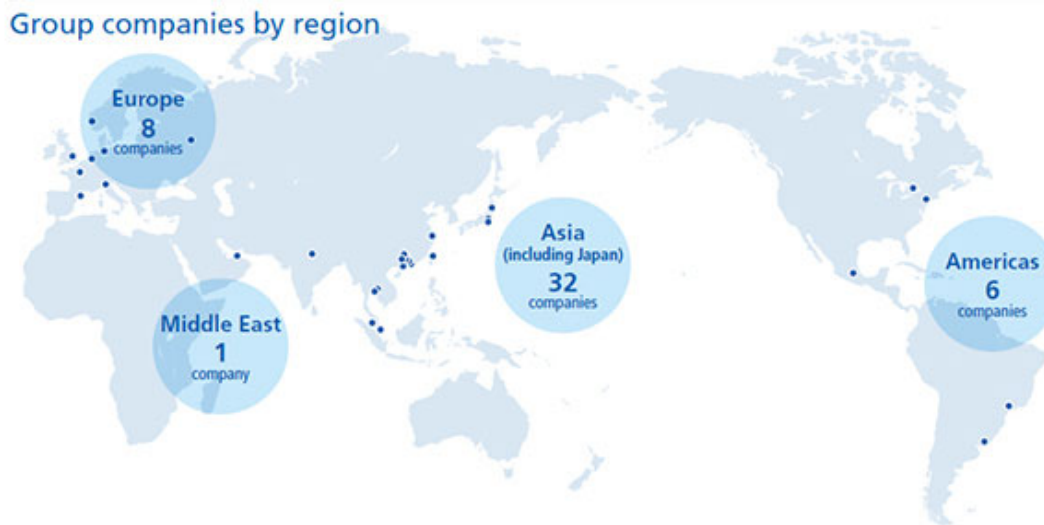
# Corporate Overview

## 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 *	2,842 (consolidated: 11,868)
Paid-in capital *	¥48,592 million
Net Sales *	¥298,161 million (consolidated)
Operating income *	¥30,262 million (consolidated)
Ordinary income *	¥29,894 million (consolidated)
Net income *	¥22,135 million (consolidated)
Major Products	Timepieces, Electronic Dictionaries, Calculators, Label Printers, Electronic Musical Instruments, Handheld Terminals, Cash Registers, Management Support Systems, Data Projectors, Formed Parts, Molds

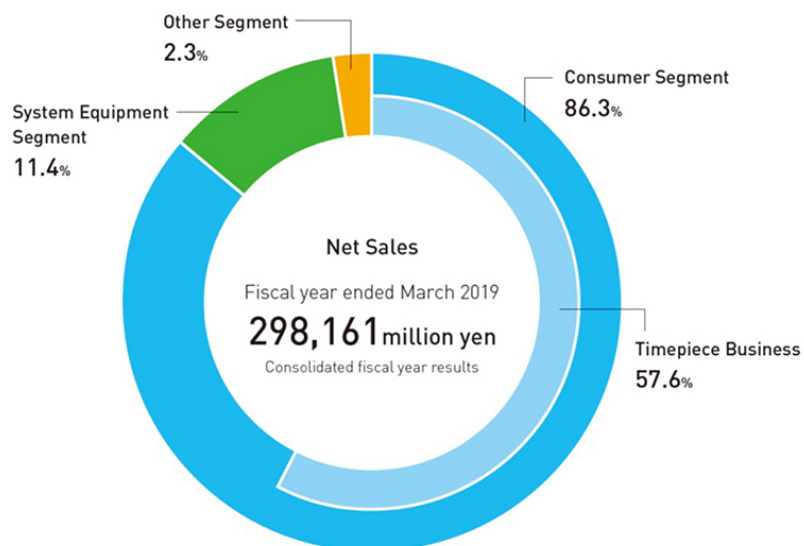
\* as of March 31, 2019

## Group companies by region



## Sales by segment and region

### Sales by segment



#### Consumer

Watches, clocks, electronic dictionaries, calculators, label printers, electronic musical instruments, etc.

##### Net sales

257,354 million yen  
(down 4.3% YoY)

#### System Equipment

Handy terminals, electronic cash registers, business support systems, data projectors, etc.

##### Net sales

33,821 million yen  
(down 11.7% YoY)

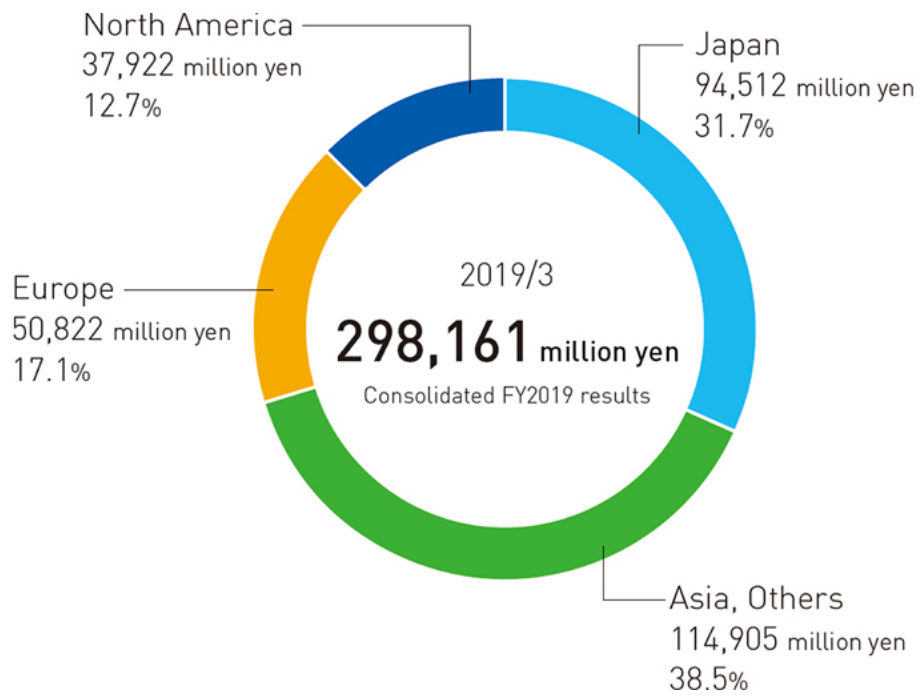
#### Others

Formed parts, molds, etc.

##### Net sales

6,986 million yen  
(down 7.9% YoY)

## Sales by region



# Message from the President

## Providing New Value to Society by Realizing “Contribution for Creativity” as One Casio

### A New Kind of Creativity and Contribution for Today

Over the six decades since its foundation, Casio Computer Co., Ltd. has been creating new markets and new cultural phenomena based on its corporate creed of “Creativity and Contribution.” Throughout our history, we have been contributing to society by making the most of our original technologies to produce innovative products never seen before.

In recent years, Casio’s global market has changed significantly. Advanced functions are becoming increasingly common in various products, and globalization has enabled similar products with similar quality to be produced worldwide. If we manufacture products merely according to our convenience, we will not remain the choice of users, and so we must now shift from “contribution through creativity” to “creativity for contribution.”

In order for Casio to keep growing, our goal now is to continuously create the most familiar and important things for people’s lifestyles. We want people to find themselves using our products during the course of their everyday activities, or realize that the product was made by Casio after buying it. In such a natural way, we want Casio to become a part of people's lives.

What we need to create is not products designed to appeal to everyone, but devices or services that are very useful to specific persons. To be a unique company offering products that become more familiar to people’s lives, it is essential to move beyond conventional product manufacturing and provide new experiences to new and clearly defined customers.





## The Four Growth Strategies of the Medium-Term Management Plan

When formulating our Medium-Term Management Plan, launched in fiscal 2020, we conducted a company-wide review of operations, with an emphasis on contributing to society, reflecting on the short-term perspective in each product segment/division in recent years. By working as One Casio to achieve overall optimization, with one development organization, one sales organization, and one head office, our aim is now to leverage the assets and strengths we have cultivated over the years and promote business activities that drive real growth.

The four growth strategies outlined in the Medium-Term Management Plan are: (1) expand growth in timepiece business; (2) expand growth in educational scientific calculator business; (3) create new businesses; and (4) reform structure to support the growth strategy.

In our growth-driving timepiece business, we will leverage the G-SHOCK brand to expand our metal watch lines while securing a solid position in the smartwatch market. In the educational scientific calculator business, which has the same significant growth potential, we will continue to help improve the academic abilities of students around the world through our GAKUHAN program activities. At the same time, Casio will support educational innovation in the new fields of electronic tests and textbooks.

Creating new businesses is the most important challenge facing Casio today, and we have already begun to expand into new fields such as healthcare, beauty, and urban infrastructure with the aim of providing new experiences for customers. The key to this effort is co-creation with partners in each relevant field. Due to our pursuit of originality, at Casio we have primarily been a company that handles all aspects of product-making itself. However, in order to provide users with completely new experiences, it is essential to incorporate external technologies and insights that we lack. By integrating strengths, we will work with partners to create new markets.

We are working hard to improve profitability in four business areas: electronic dictionaries and English conversation learning tools, electronic musical instruments, projectors, and systems equipment. By carrying out structural reforms in these areas to support our growth strategy, we are transitioning into a new period of growth in a process of selection and concentration. Specific results of these efforts have already started to emerge.

## Creating a Strong Foundation by Reforming Management Infrastructure

We are also focusing on improving management infrastructure, which forms the foundation for growth. Major organizational reforms have already been completed, such as clarifying responsibilities for seven business axes (timepieces, electronic dictionaries / English conversation tools, educational scientific calculators, musical instruments, projectors, system equipment, and new business areas) and four functional axes (development, sales, production, and head office). Driven by this new structure, Casio is focused on re-energizing its organizations and human resources. It is essential that younger employees, including engineers, play an active role in Casio's revitalization, since they are the future of the company. In fiscal 2020, we streamlined the number of sections in our organization by 11%, and brought in a younger generation of department and section managers. In order to maximize our strengths, we will actively recruit the human resources Casio needs most, bringing in people with expertise in AI, IoT, digital marketing, and e-commerce, as well as talent that can work effectively on the global stage.

In addition, we will enhance the Hamura R&D Center, which will continue to support Casio's manufacturing going forward, and build the optimal development environment for the next generation of products. The focus will be on job satisfaction reforms and communication improvement so that every employee will stay highly motivated.

To boost our corporate governance, we transitioned to the "company with audit and supervisory committee" structure in June 2019. This will ensure a thorough management monitoring function while speeding up and streamlining business execution. We also revitalized the Board of Directors by reducing the number of directors and bringing in outside directors.

## Promoting Sustainability Via Business Activities

As part of promoting greater sustainability, Casio recognizes that it is crucial to consider how to provide new experiences for customers, which will be an important part of our business in the future. Today, the shared goals of the international community, namely the UN Sustainable Development Goals (SDGs), need to be a central part of business operations. In 2019, we set sustainability targets for each business unit along with our Medium-Term Management Plan, and we identified which among the 17 SDGs Casio will focus on.

Previously, we worked on social contribution initiatives under the banner of “CSR.” By changing the name to “sustainability,” we have made it clearer that Casio is working to help achieve a sustainable society. Going forward, Casio will review its key CSR issues (material issues) identified in 2016, and re-prioritize social responsibilities in a way that reinforces the sustainability targets set out by the business units. We will also set specific KPIs for sustainability targets that need to be achieved along with the Medium-Term Management Plan.

With respect to environmental issues, we are raising awareness of climate change risks and supporting international initiatives such as Science Based Targets (SBT)<sup>\*1</sup> and the Task Force on Climate-related Financial Disclosures (TCFD)<sup>\*2</sup> by establishing internal systems to promote these efforts company-wide.

\* 1. Greenhouse gas emission reduction targets based on scientific evidence consistent with the Paris Agreement goal of keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels. The targets were proposed for the SBT initiative launched in 2015 by the non-profit organization CDP, the United Nations Global Compact, the World Resources Institute and the World Wide Fund for Nature.

\* 2. An initiative to get companies and other organizations to disclose information on their risks and opportunities related to climate change. The international Financial Stability Board (FSB) was set up in 2016.

## Pursuing Sustainable Development with Society

Powered by our renewed organization and culture, and under the banner of One Casio, we will implement structural reforms and deliver on our Medium-Term Business Plan. Without the efforts of individual employees, Casio could never move forward, so it is vital that every single person on the Casio team embody “Creativity for Contribution” in their daily work. While sharing the company-wide objective of remaining useful to our customers, we will carefully consider the best methods to achieve this. By adopting both top-down and bottom-up approaches, we are confident that Casio will continue to evolve for success.

Through its business activities, Casio will continue to help solve various social and environmental issues. Our aim is to achieve sustainable development with society, as a company that everyone trusts. I look forward to receiving frank feedback on our efforts from all stakeholders.



Kazuhiro Kashio

President & CEO

# Pursuing an abundant environment that supports biodiversity — The environmental contributions of PRO TREK watches

Casio PRO TREK outdoor watches have had a legion of loyal users among nature enthusiasts for over 20 years. Leveraging the strengths of the PRO TREK brand, Casio has been working with The Nature Conservation Society of Japan (NACS-J) to develop watches themed around species in need of preservation to promote biodiversity. In 2018, Casio and NACS-J launched a new collaboration model featuring a golden eagle motif, and they followed up in 2019 with a new collaboration model featuring a motif of the *Shijimiaeoides divinus* — an endangered species of butterfly found only in Japan, commonly known as the Large Shijimi Blue. These outdoor watches help to bring attention to ecological treasures that have been disappearing from the mountains of Japan. To learn more, we spoke with Takeshi Nakamura (Timepiece Business Unit, Business Strategy Headquarters, Casio Computer Co., Ltd.) and Daigo Iwahashi (NACS-J), each of whom has played a leading role in this project.



Daigo Iwahashi ,The Nature Conservation Society of Japan(left), Takeshi Nakamura, Timepiece Business Unit, Business Strategy Headquarters, Casio Computer Co., Ltd.

## Collaborating to create new value

What's the story behind the two collaboration models?

**Iwahashi:** The Nature Conservation Society of Japan is an NGO that engages in activities throughout Japan involving the study, protection, and renewal of the environment. Some of our officers at NACS-J knew people in Casio's Timepiece Division, and we got to thinking that we ought to be able to tap into our respective strengths to create something new. That got the ball rolling. On top of that, many of NACS-J's 30,000 members and supporters are big nature enthusiasts, who would of course be very interested in a PRO TREK watch.

**Nakamura:** Ever since the first PRO TREK model came out over 20 years ago in 1995, Casio has been a highly trusted maker of outdoor watches. We thought that collaborating with NACS-J would send customers a clear message about our commitment to nature and the environment. NACS-J, for its part, is one of Japan's leading environmental groups, and it is involved in a very broad range of environmental activities. To come to a meeting of the minds with NACS-J regarding the direction that our collaboration should take, we needed to first understand what NACS-J cared about most, and what it was doing to achieve its objectives.

**Iwahashi:** One of our key themes at NACS-J is the protection of Japan's 3,600 endangered species and their habitats. In the course of discussions, we eventually came up with the idea of incorporating this theme into motifs on PRO TREK watches. Our first collaboration model featured the motif of a golden eagle. NACS-J has long been working to reconstruct a golden eagle habitat in Akaya Forest, located in Minakami-machi, Gunma Prefecture. Golden eagles are an endangered species in Japan. The Akaya Project has yielded some successes. In 2014, for example, golden eagles successfully fledged in Akaya Forest for the first time in seven years.

**Nakamura:** The product's theme and design clearly communicate to customers a simple symbol — the idea of "maintaining a natural environment where the golden eagle can thrive." When we selected the motif for the second collaboration model, we were thinking more of women as likely users; the watch focuses on the endangered Large Shijimi Blue butterfly, a grassland species that survives today only in parts of Kumamoto and Nagano prefectures. By developing these collaboration models, we believed we could invite people to think more deeply about nature and the environment. We believed we could reach not only customers who purchase PRO TREK watches, but also their friends, family and colleagues who might see them wearing the watch.



PRG-330GE-5JR



PRG-330SD-2JR

Photo: Keiko Koda

## Creating opportunities for users to think about the natural environment

What sort of environmental contributions are you trying to achieve through this collaboration?

**Nakamura:** We are certainly hoping to work via NACS-J to support activities aimed at protecting golden eagles and the Large Shijimi Blue butterflies, but our top priority is to “provide users with opportunities to think about the natural environment.” The fact that you wear a wristwatch wherever you go means it might very well create situations where people will be made aware of nature and the environment. People around you might ask, “Hey, what’s that watch you’re wearing?” And when they do, the conversation naturally turns to golden eagles or endangered butterflies, and from there you might go on to talk about biodiversity. I think that’s the most important thing we’ve “created” with this product — opportunities for users to be reminded of the natural environment.

**Iwahashi:** The question of how to get more people to be more aware of environmental preservation issues is a big topic of discussion at NACS-J. When a company like Casio develops products that contribute to increased sales even as they support environmental preservation, it opens up tremendous possibilities. When someone buys a watch simply because it “looks cool” and then learns later that this watch contributes to the protection of golden eagles, the watch then begins to look even cooler in the user’s eyes. I think this kind of process is important to the birth of social change movements.

**Nakamura:** We really put a lot of discussion into the design process to make sure that users would find the watches attractive. For example, when the LED backlight on the PRO TREK for Large Shijimi Blue is activated, the watch reveals an image of the life cycle of the butterfly. This butterfly spends much of its life in the pupal stage, and flutters but briefly about the grasslands as an adult in the months of May and June. During its larval stage, the Large Shijimi Blue feeds only on a shrub called *Sophora flavescens*. All these little details are faithfully reflected in the backlit display.

**Iwahashi:** We’ve got front-line researchers involved in our effort, so that the motifs we put on our collaboration models can closely approximate “the real thing.” And it’s important that each such “real thing” is the subject of one of our nature preservation projects. The golden eagles and Large Shijimi Blue butterflies are only symbols of something larger. Scientifically speaking, it is quite clear that the environments inhabited by these species have a rich ecology and are worth the effort of preserving. For NACS-J, our mission does not begin and end with just the preservation of golden eagles and Large Shijimi Blue butterflies. Our ability to protect these species is subject to a big precondition — preserving the abundance of the natural environments that are their habitats.



## Contributing via business operations to the environment

What sort of feedback have you gotten on your projects? And what are your future plans?



**Nakamura:** Customer feedback has been very strong, and sales figures show that two models have been extremely popular. Among both employees and business partners, the PRO TREK watches are seen as more than just outdoor watches. People are increasingly aware of the connection between the PRO TREK brand and environmental preservation. The thing we're most happy about is that these watches deliver high value that meets the demands of a wide range of different stakeholders.

**Iwahashi:** The sale of our collaboration models has received front-page coverage in local newspapers in the areas where we are carrying out our projects. The people involved in the projects have been very happy about the attention this has attracted. When a big company like Casio took an interest in our work... when it took the golden eagles and the Large Shijimi Blue butterflies and incorporated them into the design of its watches... I think this has a big impact. The activities of NACS-J are not going to succeed without local community support, so I feel it is very significant that local residents have found the watches so delightful.

**Nakamura:** Moving forward, I think it's very important that we continue working together on this. We don't want to stop with the two collaboration models launched thus far. Rather, we want to work with NACS-J to create new products that will continue to send a message to customers. Beyond the concept of "creating things," awaits the concept of "creating experiences." Casio, pursuing the latter, might also think about working with its own in-house divisions as well as individual employees and their family members to help find people who can take part in volunteer activities and environmental preservation events that also invite the users of Casio watches.

**Iwahashi:** The Timepiece Division, which is one of Casio's main business units, is responsible for implementing this environmental theme. I feel that having a business division play a leading role in this way is precisely how Casio acts on its corporate creed of "Creativity and Contribution." I agree that keeping the momentum going is really important. We want to continue being a good partner. Let's keep putting our heads together to think about how to achieve a better tomorrow.

## Learning from Model CSR Companies: SDGs at the Heart of Hitachi's Business Strategy

To strengthen our own corporate social responsibility (CSR) initiatives, Casio seeks to learn from companies with advanced CSR strategies. For fiscal 2020, we invited Norio Masuda, Senior Manager of the Planning Department in the Sustainability Promotion Division at Hitachi, Ltd., to a dialogue with Noriaki Kimura of Casio's Sustainability Promotion Department.

Hitachi defines its Social Innovation Business as way to use Hitachi technologies to solve various social issues. This mission integrates efforts to achieve the UN Sustainable Development Goals (SDGs) into its management. Kimura and Masuda discussed Hitachi's management methods, innovative initiatives, and widespread employee engagement in CSR activities.



## Building an organization that puts sustainability at the core of business operations

**Kimura** First, let me ask you about Hitachi's approach to sustainability and relevant organizational reform. In April 2018, your CSR & Environmental Strategy Division was renamed the Sustainability Promotion Division.

**Masuda** Under the leadership of our chairman and president, an Executive Sustainability Committee was set up in April 2017, and it began deepening group-wide discussions on Hitachi's sustainability strategy. One year later, we updated the name of the division to reflect that our sustainability initiatives are directly related to our core management systems. Although we had been conducting CSR in conjunction with our business activities, within the company, the term "CSR" tended to be associated with neighborhood beautification and charitable donations, and we wanted to break away from that way of thinking.

**Kimura** The term "sustainability" has rapidly gained importance since the UN set the global SDGs in 2015. With the growing awareness that CSR means contributing to the sustainability of society, in 2017 our CSR Promotion Department was renamed the Sustainability Promotion Department. Was Hitachi's launch of its Executive Sustainability Committee part of a major top-down effort at the company?

**Masuda** Yes. It began with our strongly motivated chairman, Hiroaki Nakanishi, and our president, Toshiaki Higashihara, who agreed with him. Instructions were then handed down to frontline workplaces. Even when he served as president, the chairman was promoting Social Innovation Business to help realize a sustainable society. The Social Innovation Business concept means working to solve social issues as part of regular business activities, and this same approach is found in the SDGs. However, the Hitachi Group's vision for sustainable growth by contributing to society had not yet been fully articulated in 2017. So the Executive Sustainability Committee began by creating a long-term strategy.

**Kimura** I hear that the committee is made up of senior management and BU heads.

**Masuda** That's right. The Executive Sustainability Committee is a forum for discussing sustainability itself separately from the regular management committee. It is chaired by the president and attended by the executive officers and heads of each business unit (BU). Sustainability Promotion Meetings were then launched under the original committee, and we assigned members who plan and operate businesses in each BU as the responsible persons. The aim is to combine business operations and sustainability activities by holding working-level meetings with the planners who play a key role in business strategy formation.

**Kimura** I think you have established a comprehensive management system. Departments in many companies often recognize the need to promote corporate sustainability and try to get support from executives. Hitachi must be a rare example of a company where sustainability is being advanced from the top down.

**Masuda** I agree. I think we were lucky to begin with a strong top-down effort. I transferred to my current department when the Executive Sustainability Committee was set up. When I heard the chairman speak passionately about sustainability, I knew that he was convinced that the growth of the Hitachi Group was completely in line with helping to achieve the SDGs.



**Kimura** Even people outside of Hitachi are well aware of your chairman's passion for putting the SDGs at the center of business operations, and I think that's fantastic. Were there any challenges in setting up the system for promoting sustainability?

**Masuda** There was uncertainty from many executives and BU heads when the president first explained the new company-wide policies for sustainability and SDGs. Later, representatives from my department visited each BU head individually for in-depth discussions. We asked them to appoint members for a working group from among the general managers and managers in the business planning divisions in their BUs. We also visited these members.

When I spoke directly with the heads of the BUs and the general managers and managers appointed to the working group, I found quite a range of opinions and enthusiasm levels. There were times when I felt resistance. By continuing the individual dialogues, however, we managed to build face-to-face relationships that made it easier for people to talk to one another, and this laid the groundwork for subsequent activities.

## We aim to increase employee motivation across all company levels



Norio Masuda,  
Senior Manager of the Planning  
Department,  
Sustainability Promotion Division,  
Hitachi, Ltd.

**Kimura** It's been a year since your Executive Sustainability Committee was created. What kind of effect has it had?

**Masuda** Although the effort to reach every one of the approximately 300,000 employees in the Hitachi Group is still going on, I think there has been significant progress in understanding among board members, BU heads, and the general managers and managers of the business planning division. Since Hitachi is a company with nominating and other committees, outside directors make up the majority of the board of directors, and they provide us with strict directives, in a helpful way. The non-Japanese outside directors in particular have been watching the company carefully, and they have become a major force for implementing initiatives. The recent trend toward ESG investment has also been a big motivating factor, and even the finance department is now noticing the importance of non-financial activities.

**Kimura** Recent changes related to CSR and sustainability are rapid and remarkable. Are you experiencing any issues with your current activities?

**Masuda** Going forward, we will need to focus on middle management. Our executives and BU heads have now developed sustainability awareness, and many younger employees already grasp the importance of sustainability. Employees from the millennial and younger generations are actively participating in our pro bono activities and CSR workshops. However, the key to our efforts lies with the mid-level employees who form the core between senior management and the younger generation. It is essential for this group, which leads frontline operations, to internalize the value of promoting sustainability and think about our business from a long-term perspective.

**Kimura** I really understand what you are saying. What is the best way to achieve that?

**Masuda** Our Chief Human Resources Officer told me that changing the employee evaluation system would be essential. I agree. This system tells employees what the company really values. No matter how much the importance of sustainability is communicated to employees, unless the evaluation system is changed to support this, the mainstay mid-level employees will not change their behavior.

**Kimura** I feel very strongly about that point too. You have to think about ways to enhance employee motivation. For a large organization like Hitachi, personnel evaluation is a vital way to make noticeable changes.

At Casio we hold an annual Sustainability Leader Meeting as a way to promote CSR efforts from the bottom up. By selecting sustainability leaders from each department within the company and regularly gathering about 100 people to provide intensive education, we aim to raise awareness across the entire organization. How does Hitachi promote bottom-up awareness?

**Masuda** It's a great idea to foster internal influencers. We held one-time sustainability workshops for each BU, but we don't have regular meetings like you do. I'd like to use Casio as a model in this respect.

**Kimura** We asked our sustainability leaders to share what they learned with the people in their workplaces, but even among these leaders there are differences in enthusiasm levels, which is a challenge. It is one thing to learn material in a seminar, but quite another thing to effectively communicate what you have learned to others. Now that the leader system has been established, the next issue will be figuring out how to produce results. It is important to create a mechanism that allows each employee to take ownership of CSR activities.

## Committed to helping achieve the SDGs

**Kimura** Hitachi announced a new mid-term management plan in May. How does it relate to your sustainability strategy?

**Masuda** Our new mid-term management plan emphasizes social, environmental, and economic value. Social and environmental value is non-financial, and so was not covered by previous mid-term management plans, but is now being included for the first time. The new plan requires each BU to develop their operations with social and environmental value in mind. Although non-financial value is hard to measure, the president has asked that it be made as visible and quantifiable as possible.

**Kimura** What kind of specific measures and initiatives are you implementing?

**Masuda** The overall system is not in place yet, but two pilot initiatives have been introduced. The first is the adoption of an internal carbon pricing system for capital investment. By putting a price on carbon emissions within the Hitachi Group, we can anticipate the level of CO2 emission reduction from an investment, or we can select the most environment-friendly option from multiple investment choices.



Noriaki Kimura,  
Sustainability Promotion Department,  
Casio Computer Co., Ltd.

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The second initiative is a question, added to internal proposals for new business investment or M&A, about how the project will help achieve the SDGs. Although the response to the question is qualitative, it gives those involved an opportunity to think about the social and environmental value of the proposal. Anyway, these are just preliminary efforts; we still need to think about how to develop the system as a whole.

**Kimura** Hitachi's commitment to SDGs is clear in the new mid-term management plan. What kind of investigation was carried out before making this commitment?

**Masuda** Hitachi is focusing on 11 of the 17 Sustainable Development Goals. That means the remaining six are not being addressed. This decision was made after much internal discussion. If you say that all the goals are important and try to adopt all of them, then the focus becomes unclear. Therefore, we divided the goals into two categories: those that support overall corporate activities and those that align with business strategy. The first category overlaps significantly with the latter. Take our water BU for example. Through our business strategy, it is working to achieve the sixth SDG, namely, clean water and sanitation. The BU must always keep goal numbers 4, 5, 8, 12, 13, and 17 in mind as well, since they support the Hitachi Group's overall corporate activities.

**Kimura** The Hitachi SDGs Report was released in 2018, the first report of its kind in the world. I read it with great interest, and I'd like to know how it came about.

**Masuda** The report was actually first prepared as an in-house awareness-raising tool. It explained the SDGs to the 300,000 group employees worldwide and outlined how the Hitachi Group would tackle them, while also describing the potential market expansion that SDG engagement could bring. Initially, the report was prepared only in English. Then, realizing it could also be effective as an external PR tool, we revised it so that it could be released both in and outside Japan. The business planning members were also involved in drafting the business examples featured in the report.

**Kimura** It's fantastic that the business planners also got involved. Having them explain their business initiatives in their own words must help to raise awareness within the company.

**Masuda** You're right. The completed report generated a lot of interest among the BUs, and we issued more than 10,000 copies of the Japanese and English versions combined. It has been especially popular with sales representatives who like to use it to explain their business areas to customers. On the other hand, just discussing the SDGs in a report can become somewhat superficial, so we have to be careful to avoid any greenwashing, or "SDG-washing." The important thing is to incorporate the SDGs into daily operations as much as possible, and not lose sight of their essential points. As a way to counter that, we have created the SDG Communication Guidelines and distributed them to the group globally. Employees are asked to contact the Sustainability Promotion Division right away if there is something they cannot grasp. To further enhance understanding of the SDGs, we ask frontline personnel to review not only the 17 goals, but also the 169 targets that explain how the goals can be achieved.

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## Fulfilling our responsibilities as a global company

**Kimura** I also wanted to ask you about human rights. I believe measures to protect human rights are extremely important for global business development, but they also present many challenges. How does Hitachi check that human rights are not being violated, especially in the value chain?

**Masuda** Although respect for human rights is one of our highest-priority issues, I think we are still only halfway toward this goal. Since the value chain is very extensive, it is difficult to monitor its furthest reaches all around the world. The Sustainability Promotion Division needs to work closely with the Procurement Division on this issue.

**Kimura** At Casio, our primary suppliers alone have relationships with about 1,000 companies. I guess you have more suppliers. When it comes to secondary and tertiary suppliers, the number increases dramatically, and the value chain extends even further than that. Whenever a human rights problem occurs somewhere, it is always the larger downstream companies that become the focus of attention, and they are more likely to attract negative publicity.

**Masuda** You are exactly right. Human rights issues are very complex and difficult to handle, especially for global businesses, where geopolitical issues are often involved. Even if the proper human rights measures are taken, some risk always remains no matter how careful you are. Therefore, we must do our best to minimize the risks. If a problem does occur, we are ready to explain to the world the level of human rights initiatives that Hitachi has implemented.

**Kimura** That's what I believe, too. It is extremely important to have measures in place. From the compliance standpoint as well, it's critical to steadily work on human rights initiatives and be able to show what the company has done. Finally, could you give us your assessment of our CSR efforts at Casio?

**Masuda** I think Casio is more consistent than Hitachi when it comes to social contribution efforts incorporated into management activities. Starting with your founding creed of Creativity and Contribution, you have always incorporated social contribution into your business practices. Casio is a company with good DNA that has maintained the principles of its founders who ran the company for decades. The philosophy has been faithfully passed on to subsequent generations of employees.

**Kimura** I think Casio is fortunate in this respect. The founders' aim to invent things to make people's lives better and more convenient can be seen as social contribution through the core business. This year marks Casio's 64th anniversary, and I think that way of thinking was part of our DNA before the term "corporate social responsibility" was even coined. While Casio still faces many challenges to improve its CSR activities, I hope we can strengthen our management while referring to the insights you have shared with me today. Thank you very much for this conversation.

# 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**

# 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

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 Casio Group Code of Conduct is 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.

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 decarbonized 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.

In addition, the following target for Scope 3 emissions was added in FY2019.

1. Set greenhouse gas reduction targets for 70% of the main suppliers by FY2025 (addressing Category 1).

### 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. Living in harmony with nature

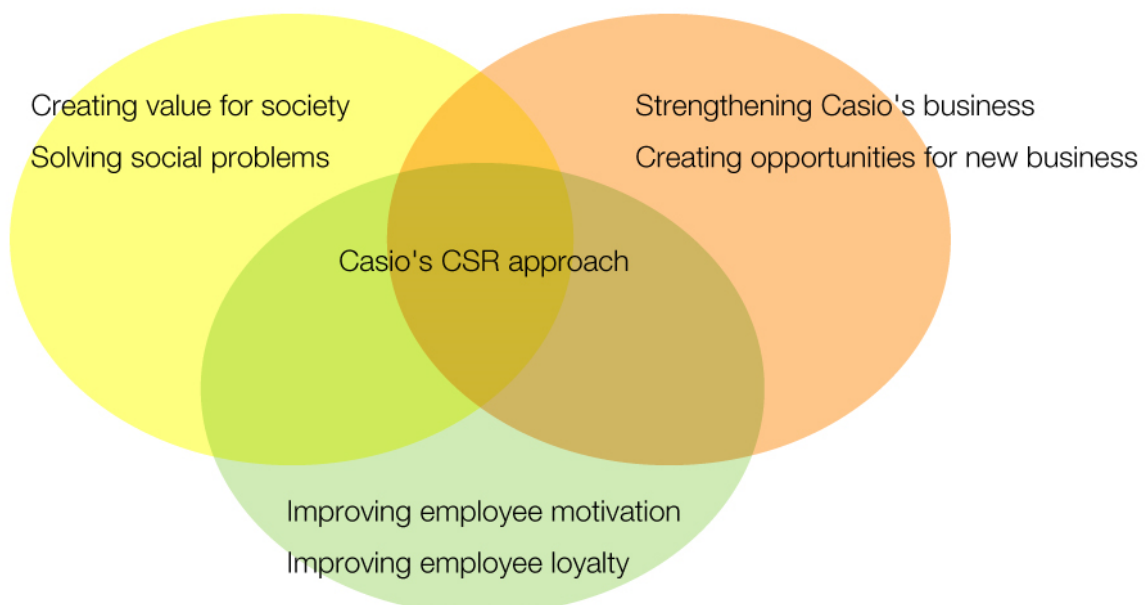
Medium-term target

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 (FY2020 – 2022)

Status of implementation of Medium-Term CSR Policy for past two years

- Medium-Term Policy (FY2018-2019)
  1. Promoting concrete initiatives associated with the SDGs to solve social and environmental issues based on materiality linked with business management
  2. Establishing achievement scenarios linked to long-term environmental targets, and continually improving environmental performance through implementation of environmental management systems (EMS)
  3. Strengthening the business foundation by gathering compliance and ESG information from Casio Group companies and continuing to improve performance levels
  4. Raising the awareness of all Casio Group employees, and promoting behavioral changes
- Progress in addressing top-priority issues

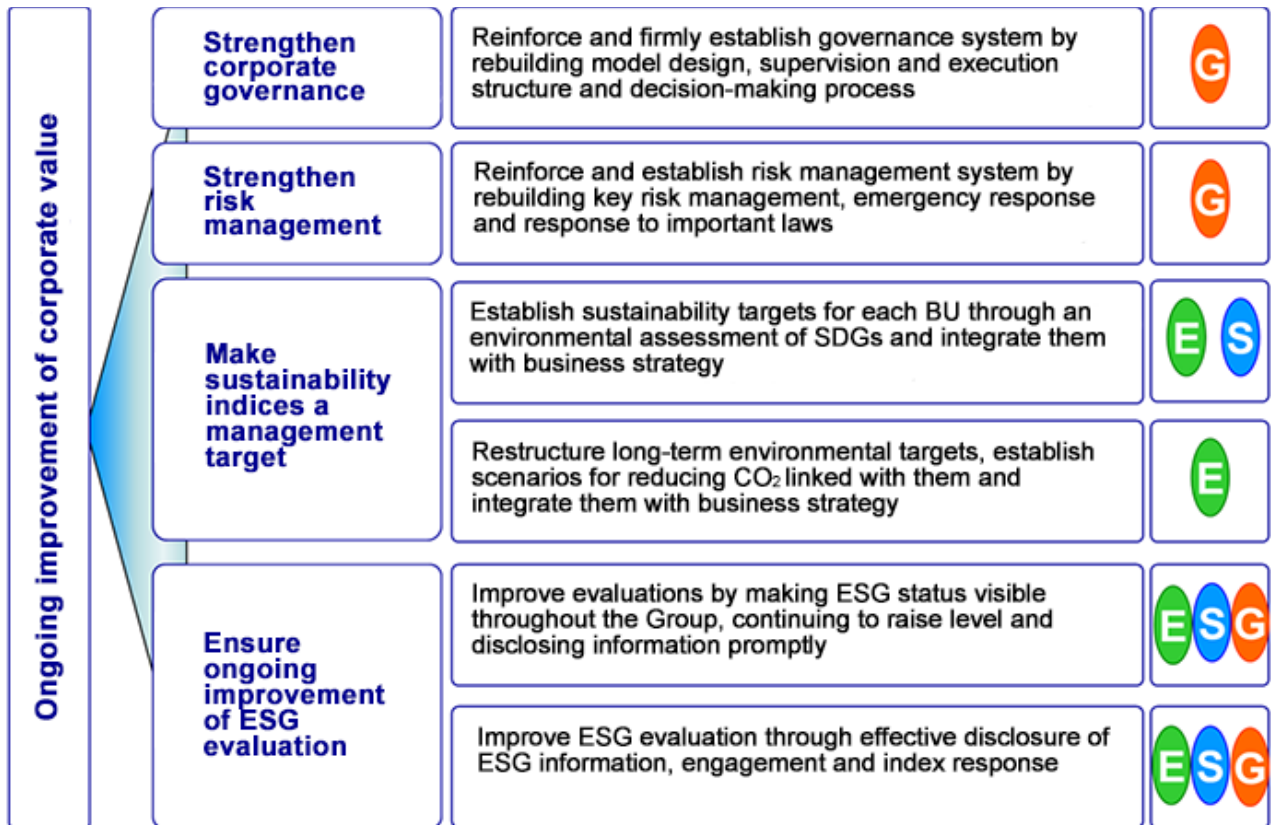
Issues	Specific targets	Assessment
Initiatives based on SDGs	Establish sustainability targets for each BU	△
Initiatives to achieve medium and long-term environmental targets	Establish a scenario for achieving medium and long-term environmental targets	○
Initiatives for disclosure of corporate ESG information	Issue an integrated report	△

As a result of work on these top-priority issues, efforts to achieve the medium- and long-term environmental targets saw some good outcomes, such as the establishment of a scenario to reduce greenhouse gases and approval by the M1 Committee. The establishment of sustainability targets for each BU and the issuance of an integrated report were delayed by one year.

The following CSR medium-term priority strategies were set for the next three years in response to the aforementioned two-year medium-term policies.



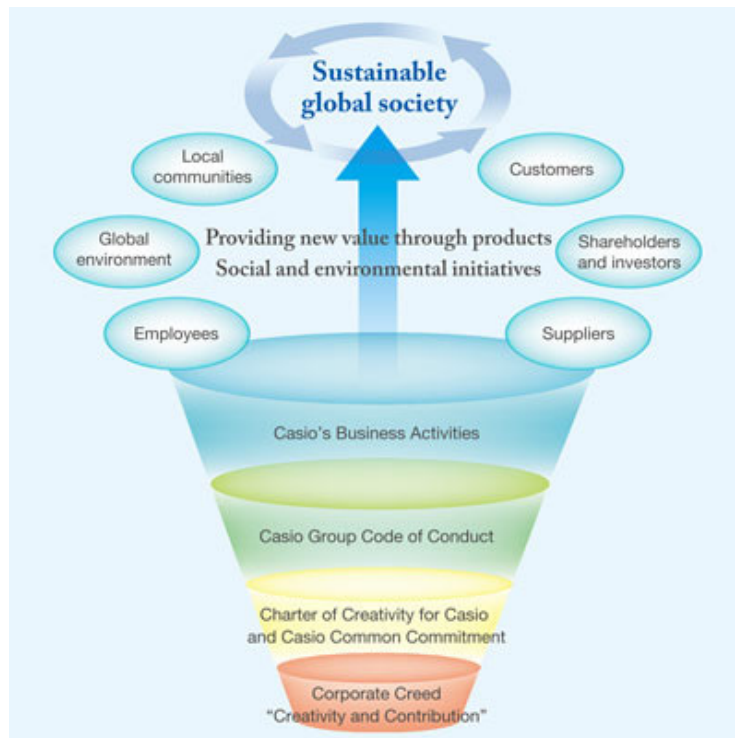
Medium-term priority strategies:



KPIs have been set for the above priority strategies, particularly for social (S) and environment (E) issues, as shown below.

Priority	Targets	KPI (FY2022 goal)
<i>Make sustainability indices a management target</i>	Restructure long-term environmental targets, establish scenarios for reducing CO <sub>2</sub> linked with them and integrate them with business strategy	New long-term environmental targets established, and CO <sub>2</sub> reduction scenario based on them devised; In addition, SBT certification completed, RE100 initiative joined early, and renewable energy adoption policies established for entire Group
	Establish sustainability targets for each BU through an environmental assessment of SDGs and integrate them with business strategy	SDG targets established for each BU, linked with medium-term business strategies, and first round completed Results evaluated based on KPI and utilized in setting targets for the next period
<i>Ensure ongoing improvement of ESG evaluation</i>	Improve evaluations by making ESG status visible throughout the Group, continuing to raise level and disclosing information promptly	In light of the status of progress with materiality in fiscal 2019, three-year plans established for new materiality to start fiscal 2021 during fiscal 2020, and results evaluated based on KPI
	Improve ESG evaluation through effective disclosure of ESG information, engagement and index response	Effective response to key indices such as FTSE, MSCI and DJSI continued, reselected for DJSI World index and stayed on FTSE and MSCI; selection ensured for ESG investment

## Casio's CSR Platform



### 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.

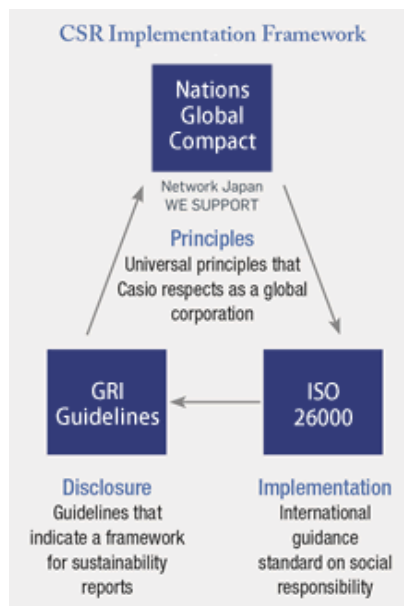
In addition, every year all employees of group companies in Japan are given a comprehensive questionnaire on the Charter of Creativity for Casio and Casio Common Commitment, the Casio Group Code of Conduct, and the Whistleblower Hotline. The results are used to analyze employees' familiarity with these principles. The results of the questionnaire are also used to develop various measures to ensure that employees have a good understanding.

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.

## 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.



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## United Nations Global Compact

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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).

### 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.

### FY2019 Participation in Global Compact Network Japan (GCNJ) Subcommittees

- Human Rights Due Diligence Subcommittee
- SDG 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."



In order to incorporate SDG efforts into business operations, in 2019 Casio established sustainability targets for each business unit, along with the Medium-Term Management Plan. As part of this process, Casio identified which of the 17 SDGs it will focus on in 2019.

Going forward, Casio will set specific KPIs to be achieved under the Medium-Term Management Plan.

## Sustainability Targets

### Timepiece Business

- Promote user health by providing and supporting sporting experiences through watches and wrist devices
- Reduce environmental impact: Reduce resource use in business activities



### Educational Scientific Calculator Business

- Promote even better math education by providing products designed to meet specific educational needs in different countries
- Help improve educational levels by training math teachers to use scientific calculators in their classrooms
- Reduce environmental impact: Reduce resource use in business activities



### New Businesses

- Provide personal health and beauty support to individual customers through digital means
- Create social infrastructure that gives people greater peace of mind in their daily lives
- Use open innovation to create more experiences that offer innovative customer value



### Business Needing Better Profitability

- Provide opportunities to acquire broad knowledge
- Use projectors to develop educational infrastructure and effective learning environments
- Reduce environmental impact: Reduce resource use in business activities



### Company-wide

- Reduce environmental impact: Reduce resource use in business activities
- Reduce environmental impact: Reduce waste





# 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
2019	•	Integrated report published

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# CSR Implementation System

## CSR Committee and Sustainability Promotion Subcommittee

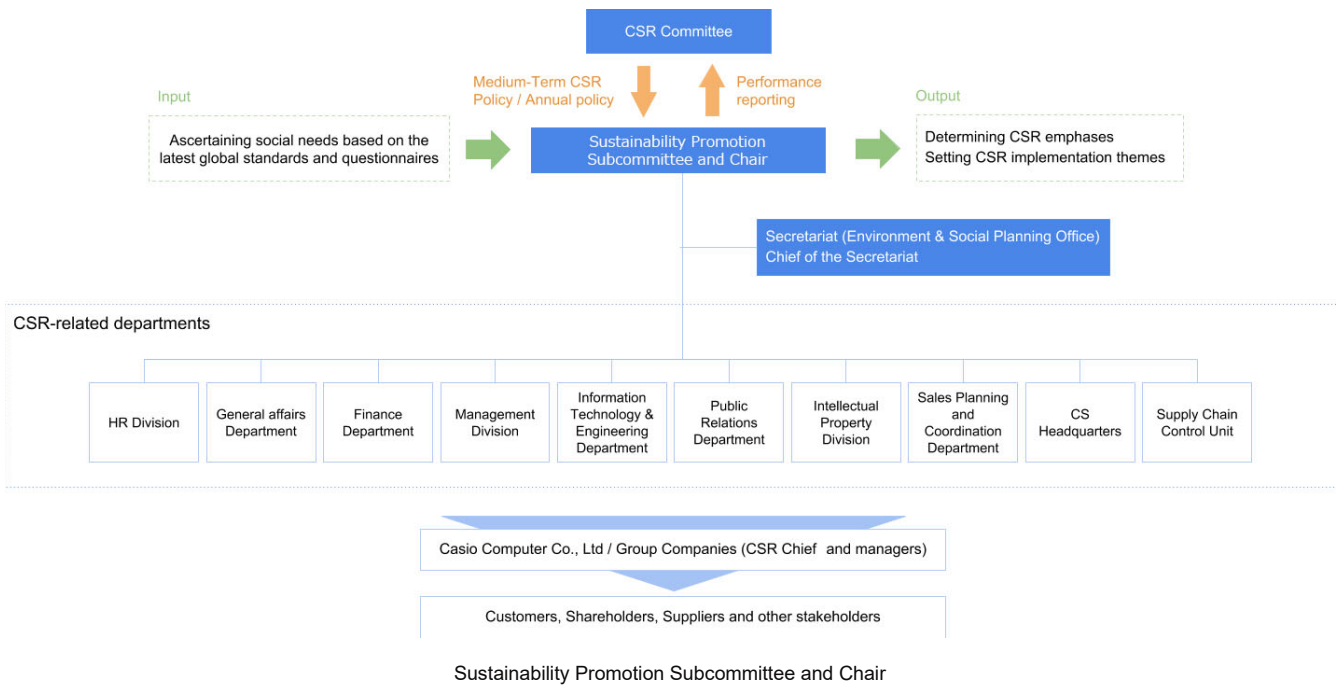
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In fiscal 2018, Casio revised its CSR Committee system. Under the new system, the CSR Committee is chaired by Casio's president, and its members include all the company directors, audit & supervisory board members and executive officers. It has become 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, before being renamed again in fiscal 2019. It is now called the Sustainability Promotion Subcommittee.

In order to respond to the expectations of society, the Sustainability 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 2019, Casio continued to address six 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,” “ensure no conflict minerals are used,” “create a global compliance system” and “comply with the EU General Data Protection Regulation (GDPR),” which are core objectives of ISO 26000. The following table outlines the progress made on these themes in fiscal 2019 and the results achieved.



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

No	Theme	Fiscal 2019 performance	Status	Fiscal 2020 plan
1	Fair business practices: take action to prevent corruption	Promoted corruption risk assessment for 29 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 eight group production companies and implemented improvement based on feedback	Ongoing	Check human rights issues at 29 group sales 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 structure	Studied adopting a system to implement a global compliance structure	Ongoing	Conduct the second Global Compliance Survey and collect the responses
6	Comply with the EU General Data Protection Rules (GDPR)	Continued to study a medium-term response plan, GDPR response rules, and data protection officer appointment, and worked to establish the structure	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	FY2019 Targets and KPI	FY2019 Performance	Evaluation	FY2020 Targets and KPI
Realizing a low-carbon society	Create scenarios to reduce CO <sub>2</sub> emissions and achieve medium and long-term targets	Created reduction scenarios	○	Acquire SBT certification and obtain RE100 membership
	Reduce greenhouse gas emissions (Scope 1 and 2) for the entire Casio Group by 7.95% compared with FY2014	Reduced 8.08% compared with FY2014	◎	Reduce greenhouse gas emissions (Scope 1 and 2) for the entire Casio Group by 9.6% compared with FY2014
	-	-	-	Create a supplier survey

Material Issues for Casio	FY2019 Targets and KPI	FY2019 Performance	Evaluation	FY2020 Targets and KPI
Building a recycling society	Maintain the Casio Green Star product sales ratio at 70% or more	Sales ratio: 72%	◎	Maintain the Casio Green Star product sales ratio at 74% or more
	Achieve a recycling rate for business site waste of at least 92%	Recycling rate: 86.2%	△	Achieve a recycling rate for business site waste of at least 90%
	Reduce water consumption to 500,000 m3 or less.	Reduced to 417,900 m3	◎	Reduce water usage by 1% compared with FY2019
Living in harmony with nature	Ensure that 65% of product catalog paper used in Japan is FSC® certified paper	81.9%	◎	Ensure that 80% 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	M3 Committee issued interim report on the definition of sustainable paper Gathered information on procurement status regarding product packaging (cardboard)	△	Develop scenarios for achieving medium-term targets relating to usage ratios for sustainable paper
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	○	(1) Implement CSR education at Casio sites and at suppliers, and continue to hold awareness raising campaign during one vendor meeting in China
	(2) Implement annual audit follow-up On-site audit follow-up of manufacturing sites and suppliers	Performed CSR-related audits requested by customers at four manufacturing sites as well as follow-up In China, conducted onsite inspections at 8 suppliers In Thailand, conducted onsite inspections at 5 suppliers	○	(2) Implement 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

Material Issues for Casio	FY2019 Targets and KPI	FY2019 Performance	Evaluation	FY2020 Targets and KPI
Providing supportive workplace environments and promoting diversity	Achieve rate of employee return after childcare leave of 90% or more	Achieved childcare leave usage rate for eligible employees of 100% Achieved a rate of employee return after childcare leave of 100% (regular employees)	◎	Maintain childcare leave usage rate for eligible employees of 90% or more Maintain a rate of employee return after childcare leave of 90% or more (regular employees)
	Achieve a female employee recruitment rate of 20% or more * Reset target to encourage recruitment of women in all areas	14 of the 54 employees who joined the company in April 2019 were women (25.9%)	○	Achieve a female employee recruitment rate of 25% or more
	Maintain legally mandated employment rate of people with disabilities at 2.2% or more - Actively employ people with disabilities, including those with mental disabilities, and achieve the legally mandated employment rate - Implement measures for retaining employees with disabilities, while seeking to employ people with diverse disabilities	<ul style="list-style-type: none"> <li>• Employment rate for the Casio Group (consolidated group in Japan): 1.99% (as of April 1, 2019)</li> <li>• Participated in recruitment interviews jointly sponsored by Hello Work and a company that provides employment support for people with disabilities</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>• Hire nine people with disabilities at Casio Computer</li> </ul> * Number of people determined by a point system

Material Issues for Casio	FY2019 Targets and KPI	FY2019 Performance	Evaluation	FY2020 Targets and KPI
Providing supportive workplace environments and promoting diversity	<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>	<ul style="list-style-type: none"> <li>• Ascertained mental illness rate on a consolidated basis (fiscal year end)</li> <li>• Provided e-learning for new employees (including mid-career hires) and for managers, in July and December</li> <li>• Delivered work skill improvement training for young employees (including self-management) in June</li> </ul>	○	<p>Ascertain the actual mental illness rate</p> <p>Implement e-learning training for new employees and managers</p> <p>Implement work skill improvement training (including self-management) for young employees in August</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>	<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>	○	<ul style="list-style-type: none"> <li>• Ascertain the rate of employees with high stress (February)</li> <li>• Consultations provide by industrial physicians to interested employees (February to April)</li> <li>• Ascertain health risk rates by department (April)</li> <li>• Implement workplace analysis and feedback (May)</li> </ul>

Material Issues for Casio	FY2019 Targets and KPI	FY2019 Performance	Evaluation	FY2020 Targets and KPI
Respecting human rights	(1) 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)	○	(1) Check human rights issue and implement feedback: All sales group companies (100%)
	(2) Implement human rights education for CSR leaders: Casio Computer Co., Ltd. (100%)	Not implemented in 2018 (0%) * Implemented in June 2019 due to replacement of CSR leaders following organizational change	×	(2) Implement human rights education for CSR leaders: Entire Casio Group in Japan (100%), following the replacement of CSR leaders
	(3) Develop a grievance mechanism a) In Japan: Raise awareness b) Outside Japan: Ascertain current situations and create grievance handling mechanism	Carried out education at all group companies, mainly through e-learning, in order to raise awareness of the whistleblower hotline in April 2017	○	(3) Develop a grievance mechanism; establish the mechanism and put into full operation
Preventing corruption	Conduct global corruption risk management (1) Manual preparation, dissemination, implementation, and evaluation	Conducted anti-corruption checks at 29 sales companies and provided feedback (100%), confirmed manuals were in place at all except one company	○	-

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## Materiality specification process

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### 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

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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

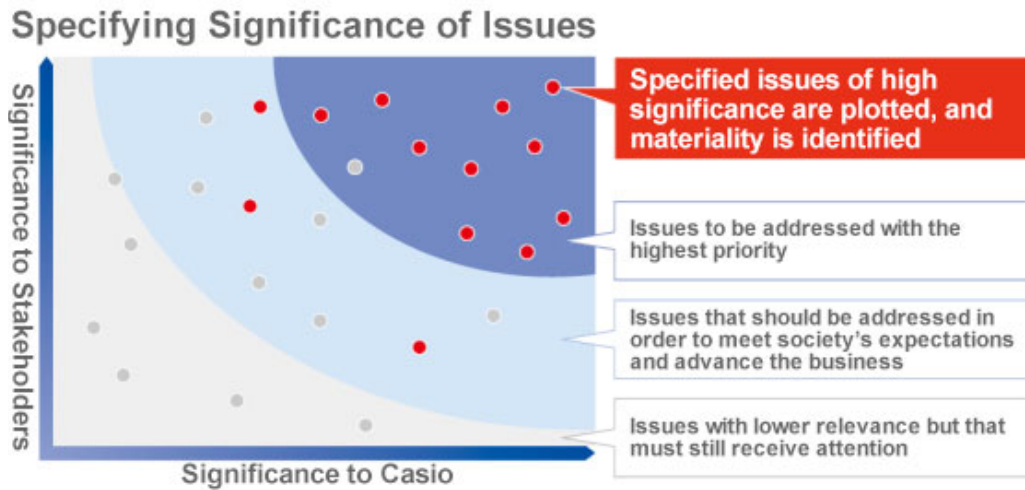
[More detail](#)



### 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	•	•

Material Issues for Casio	Material Aspects	Boundary	
		Internal	External
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	•	•

Material Issues for Casio	Material Aspects	Boundary	
		Internal	External
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

Reviewing the material issues specified in fiscal 2017, Casio looked at its efforts over the three years through the end of fiscal 2019. Based on this review, Casio decided to continue to address the same issues, other than “preventing corruption,” for one more year.

In order to incorporate SDG efforts into business operations, in 2019 Casio established sustainability targets for each business unit, along with the Medium-Term Management Plan. As part of this process, Casio identified which of the 17 SDGs it will focus on in 2019. In fiscal 2020, Casio will again review the material issues and re-prioritize social responsibilities in a way that reinforces the sustainability targets.

# 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>

Main Stakeholder Group	Main Casio Group Responsibilities	Main Dialogue Opportunities / Information Disclosure
Employees	<ul style="list-style-type: none"> <li>Respecting human rights</li> <li>Promoting diversity and inclusion</li> <li>Promoting balance of work and family life</li> <li>Human resource recruitment and utilization</li> <li>Fair evaluation and treatment</li> <li>Industrial health and safety and employee health promotion</li> </ul>	<ul style="list-style-type: none"> <li>Casio intranet</li> <li>Group Workers' Labor-Management Conference</li> <li>Occupational Safety and Health Committees</li> <li>Career challenge system</li> <li>Internal newsletter</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>Respecting and preserving regional cultures</li> <li>Activities that contribute to local communities</li> <li>Preventing accidents and disasters at sites</li> <li>Providing support to disaster-stricken regions where sites are located</li> </ul>	<ul style="list-style-type: none"> <li>Factory and workplace tours</li> <li>School visit program</li> <li>Internships</li> <li>Employee participation in local community events</li> </ul>
Global environment	<ul style="list-style-type: none"> <li>Environmental consideration in product development</li> <li>Environmentally responsible production activities</li> <li>Complying with environmental laws</li> <li>Protecting biodiversity</li> </ul>	-
NPO/NGO	<ul style="list-style-type: none"> <li>Protecting the environment, human rights, and biodiversity</li> <li>Support for local communities and cultural activities</li> </ul>	<ul style="list-style-type: none"> <li>Responding to questionnaires</li> <li>Holding dialogues</li> <li>Implementing social contribution programs together with NGOs and NPOs</li> </ul>

## Details of activities

<b>Customers and Casio</b>	<b>Suppliers and Casio</b>	<b>Shareholders and investors and Casio</b>
<a href="#">Quality Assurance</a> <a href="#">Activities to Improve Customer Satisfaction</a> <a href="#">Intellectual Property Initiatives</a>	<a href="#">Supply Chain Management</a> <a href="#">Respect for Human Rights</a>	<a href="#">Investor Relations</a>
<b>Employees and Casio</b>	<b>Local communities and Casio</b>	<b>Environmental Activities</b>
<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="#">Social Contribution Activities</a>	<a href="#">Realizing a Decarbonized Society</a> <a href="#">Building a recycling society</a> <a href="#">Living in harmony with nature</a>

# Corporate Governance

## Corporate Governance System

To achieve sustainable growth and enhanced corporate value over the medium to long term, Casio has positioned the strengthening of management oversight along with prompt decision-making and effective business execution as priority issues. Accordingly, as of June 27, 2019, Casio Computer Co., Ltd. moved from a company with a board of corporate auditors to a company with an Audit & Supervisory Committee.

This will strengthen the monitoring function of the Board of Directors, and speed up and streamline business execution under their appropriate supervision.

### Board Structure

Chaired by the president and representative director, the Company's Board of Directors is comprised of eight members, including three outside directors. There are:

- Five directors including one outside director (excluding directors who are Audit & Supervisory Committee members); and
- Three directors who are Audit & Supervisory Committee members (including two outside directors).

To ensure that management responsibilities are clearly defined and that changes in the business environment can be responded to quickly, terms for directors (excluding those who are Audit & Supervisory Committee members) are set at one year.

The Board of Directors is tasked with management decision-making and oversight of business execution. It discusses and decides important management issues as stipulated by laws and regulations, the Articles of Incorporation, and the rules governing the Board of Directors. To enhance the efficiency and responsiveness of business operations, the Board's authority is delegated to executive officers for matters that do not meet the agenda criteria as stipulated in the relevant laws and regulations, Articles of Incorporation, or the rules governing the Board of Directors.

### Audit & Supervisory Committee

The Audit & Supervisory Committee is made up of three members — two outside directors and an internal director who serves as chair of the committee.

To ensure the soundness and transparency of business operations, the Audit & Supervisory Committee members attend Board of Directors and other important officer meetings and committee sessions. They also express their opinions at these meetings as necessary to ensure proper decision-making. In addition to holding regular meetings with the president, the Audit & Supervisory Committee members conduct careful audits through interviews with, and reports from, directors (excluding their fellow Audit & Supervisory Committee members), and through inspection of documents pertaining to important Board resolutions.

## Nomination Committee

The Nomination Committee assists the Board of Directors in discharging its responsibilities relating to proposals to be submitted to the General Meeting of Shareholders for the appointment or dismissal of directors, and in formulating selection criteria for director candidates.

## Compensation Committee

The Compensation Committee assists the Board of Directors in discharging its responsibilities relating to director compensation proposals to be submitted to the General Meeting of Shareholders, and in setting the determinants of director compensation.

## Outside Directors

Outside directors are appointed with the aim of enhancing corporate transparency by incorporating external perspectives into management and further strengthening operations oversight. The Company invites experts who can provide diverse opinions and advice, including from a social contribution viewpoint to the Board of Directors meetings and other meetings.

The three outside directors make suggestions as needed to ensure the validity and appropriateness of decision-making by the Board.

### Roles of outside directors and reasons for appointment

Motoki Ozaki	Outside Director	Nomination Committee Chair	Mr. Ozaki has a wealth of management experience and deep insight into the Company's operations, based on many years as a chief executive of a major corporation.
Michiko Chiba	Outside Director	Audit & Supervisory Committee Nomination Committee Compensation Committee	As a certified public accountant, Ms. Chiba has extensive auditing experience along with expertise in finance and accounting. She was appointed for her ability to serve as an objective outside director and exercise the duties in a fair and neutral way.
Hiroto Abe	Outside Director	Audit & Supervisory Committee Compensation Committee Chair	Mr. Abe has far-reaching overseas business experience working for a general trading company, as well as specialized legal knowledge and experience as a graduate school professor. He was appointed as someone who can objectively fulfill the role of outside director from a standpoint of fairness and neutrality.

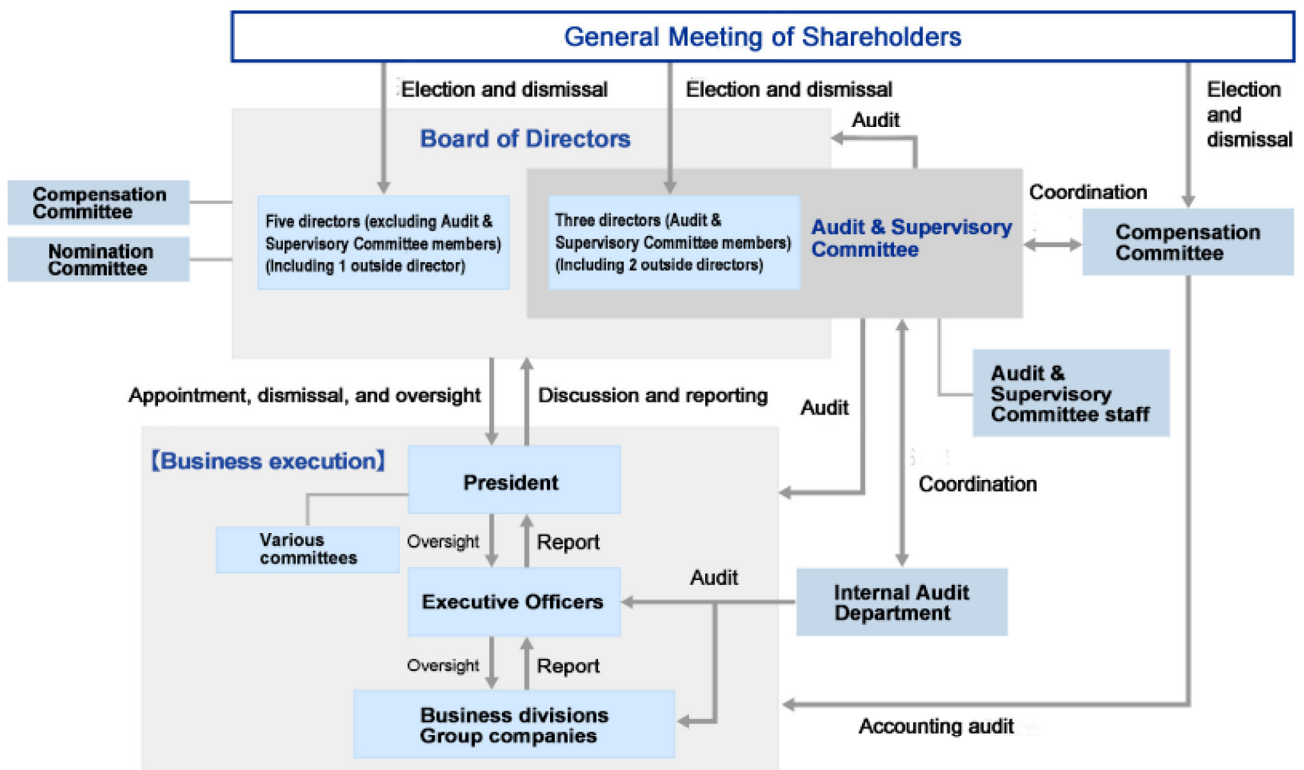


## Executive Officer System

In accordance with policy set by the Board of Directors, executive officers are delegated authority and run the company's business under the Board's supervision. Important matters related to business execution are discussed by the relevant executive officers and directors.

Candidates for executive officers are selected based on their talents and achievements, and their ability to further enhance the company's consolidated management. The term of office is one year.

### Corporate governance framework



## Executive Compensation

The Company's basic policy for executive remuneration is to maintain market competitiveness and provide incentives for sound entrepreneurship with the goal of sustainable corporate growth. In principle, fixed compensation in the form of monthly salary makes up 60% of individual remuneration, while performance-based pay, such as bonuses and stock options, is 40%.

For performance-based compensation, bonuses are determined based on the degree of sales and operating profit target achievement and the actual figures, and by taking into account qualitative factors such as business conditions. Regarding stock options, the Ordinary General Meeting of Shareholders passed a resolution for restricted stock compensation on June 27, 2019. Outside directors only receive fixed monthly compensation.

## Compensation in Fiscal 2019

Officer category	Total amount of compensation, etc.	Total amount by type of compensation, etc.	Number of officers eligible for compensation
Directors (excluding outside directors)	197 million yen	Fixed: 151 million yen Performance-based: 45 million yen	9
Auditors (excluding outside auditors)	13 million yen	Fixed: 13 million yen	1
Outside directors	33 million yen	Fixed: 33 million yen	5

### Director Training

The Company believes that directors need to constantly improve their skills and knowledge through self-study to fully execute their responsibilities and roles. By continually providing study information and opportunities while covering expenses, the Company is giving its directors the necessary support. In particular, outside directors sit in on important internal meetings, visit plants and offices in and outside Japan, and attend internal research presentations. The Company continuously plans and implements such activities so directors can obtain information and knowledge about the Company's business during their term. By gathering information and participating in seminars offered by the Japan Audit & Supervisory Board Members Association and other sources, directors who are Audit & Supervisory Committee members also work to further enhance the skills necessary for their role and responsibilities.

### Internal Auditing

The Internal Audit Department consists of four staff members who audit the status of organizational management based on common group standards, and work to strengthen internal controls. Dedicated staff have been allocated to directors of the Audit & Supervisory Committee (including outside directors) to assist them in their work, and they hold regular quarterly meetings and exchange information on a daily basis. The staff members also plan internal audits, provide summary reports 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 (excluding directors of the Audit & Supervisory Committee).

### Takeover Defense Measures

Takeover defense measures have not been implemented.

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## Board Effectiveness Analysis and Assessment

While recognizing that the Board of Directors' role has changed, the Company evaluates the Board's effectiveness and performs any revision necessary to further enhance governance over company organizations and operations. In fiscal 2019, the directors and Audit & Supervisory Board members were interviewed on ways to improve the role, function, and operation of the Board of Directors. Some of them indicated a need to revise the agenda criteria and enhance document content. Going forward, the Company will strive to further augment the Board's effectiveness based on the results of this evaluation, and make ongoing improvements.

## Dialogue with Shareholders

The Company believes it is important to actively communicate with shareholders in order to build long-term relationships of trust as part of efforts to continually increase corporate value. The executive officer responsible for investor relations oversees IR activities under the direction of the representative director.

### Organization

Based on a shared understanding of the importance of shareholder dialogue, the Company gathers the necessary information using a network of relevant departments and promotes coordinated response. In conversations with shareholders, the relevant director or executive officer responds as needed according to the theme and content. Shareholder opinions obtained through dialogues are reported as necessary to the Board of Directors. The information is also shared with the executive officers' committee, and is used to enhance measures for corporate value improvement.

To prevent the disclosure of insider information during stakeholder dialogue, the Company has established rules, which are strictly enforced, for the handling of important facts not yet publicly disclosed. As a practical measure, multiple company representatives handle interviews.

In addition to individual interviews to promote shareholder dialogue, quarterly financial briefings are provided to institutional investors and securities analysts. The representative director or the executive officer responsible for investor relations presents a summary of the company's financial results and future outlook. Business briefings are also held. To further enhance public understanding of the Company, a range of IR information is shared on the company's website, and there are contact points for shareholder inquiries. The aim is to establish even better communication with shareholders.

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

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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.
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 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 (including Audit & Supervisory Committee 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.

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- 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 Committee in the performance of their duties, and the independence of those employees from the directors (excluding directors who are Audit & Supervisory Committee Members)
    - a. Employees are appointed to assist Audit & Supervisory Committee in their duties.
    - b. Matters concerning the appointment, transfer, evaluation or discipline of employees who assist Audit & Supervisory Committee require prior consent from the Audit & Supervisory Committee.
  7. System for the Company's directors and employees and group companies' directors, auditors, and employees to report to the Audit & Supervisory Committee; other systems for reporting to the Audit & Supervisory Committee; and systems to ensure that audits by the Audit & Supervisory Committee 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 Committee.
    - 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 Committee.
    - 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 Committee.
    - e. The Company's Internal Audit Department periodically reports the results of audits of the Company and group companies to the Audit & Supervisory Committee.
    - f. The Whistleblower Hotline Secretariat reports the status of whistleblower reports and measures taken to the Audit & Supervisory Committee.
    - g. The Company and group companies ensure that people who have made a report to the Audit & Supervisory Committee 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 Committee.
    - i. Directors who are Audit & Supervisory Committee 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 Committee 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. Since then, the departments under the CSR Committee have developed themes and carried 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.

### Risk management system





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## Education and Awareness Raising

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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 2019, in addition to global CSR trends and resolving social issues through business, the programs put the spotlight on the SDGs and focused on materiality (significant CSR issues)—namely, Respect for Human Rights, Corruption Prevention Initiatives, Realizing 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.

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## Whistleblower Hotline

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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 2019, seven issues were reported to the Hotline. One of these was a deplorable act of fraud involving the fraudulent resale of Casio products and sales promotion goods. The details of this case were uncovered, and steps were taken to prevent a reoccurrence. Two cases involved violations of internal rules, and there were three reports of harassment. Two of these harassment reports were found not to be factual, and the other one was resolved by reprimanding the person reported on. Another case involved erroneous information provided in an internal announcement on final tax returns, and the problem issues reported by the whistleblower were promptly corrected and the matter resolved.

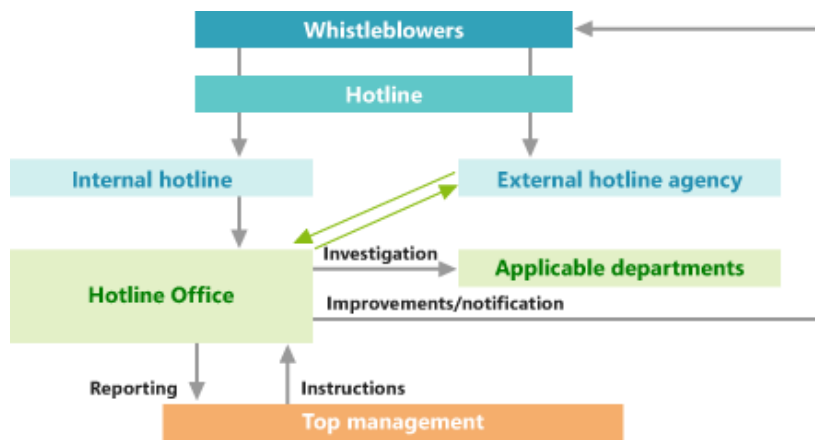
The contractor operating the external contact point of the Whistleblower Hotline was changed in April 2015. Now Casio employees can utilize online whistleblower consultation and report filing in English and Chinese, and telephone consultation and reporting is also available in English. This has given 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 2019 cases reported to Whistleblower Hotline

Breakdown of whistleblower report	Harassment	Fraudulent resale of Casio products and sales promotion goods	Internal rule violation	Erroneous information in internal announcement
No. of cases	3	1	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.

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.

In February 2018, Casio invited an instructor from the Japan Machinery Center for Trade and Investment and held a class on safe and secure export management at Yamagata Casio, a group company. Fourteen people from nine divisions involved in exports attended, and they learned the fundamentals and deepened their understanding of the key changes to compliance programs in 2017.

Under today's increasingly sophisticated trade situation, Casio always collects the latest information and strives to ensure safe export control.

## 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.

(Casio Group Code of Conduct: 5-3. Fair Competition and Transactions)

Casio Computer Co., Ltd. established a committee with members from all relevant departments tasked with ensuring compliance with Japan's Act against Unjustifiable Premiums and Misleading Representations. Casio is striving to ensure proper product descriptions and labeling through internal education provided via e-learning, guidance on compliance provided with a consultation desk, and the use of feedback from customers.

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.

As part of its sales education program, Casio continues to dispatch internal instructors to sales locations in Japan and offers internal courses to ensure compliance with competition laws for markets outside Japan.

In addition, a dedicated department conducts internal inspections to make sure that no unfair trade or action violating Japan's Antitrust Act and other laws are being taken and that product labeling and information would not cause misunderstanding on the part of customers, as part of regular monitoring.

### Casio Sales Compliance Card (revised version)

The image shows a 'Casio Sales Compliance Card' with a blue header and a white body. The header includes the title 'カシオ創造憲章' (Casio Creation Charter) and the 'CASIO' logo. Below the header, there are three main sections: '第1章 私たちは独創性を大切にし、普遍性のある必要を創造します。' (Chapter 1: We value our originality and create necessary universal values.), '第2章 私たちは社会に役立ち、人々に喜びと感動を提供します。' (Chapter 2: We serve society and provide joy and感动 to people.), and '第3章 私たちはプロフェッショナルとして、常に誠実で責任ある言動を貫きます。' (Chapter 3: As professionals, we consistently uphold honest and responsible actions.). To the right of these sections is a small graphic with the characters '創造' (Creation) and '貢献' (Contribution). Below these sections is a section titled 'カシオグループ倫理行動規範 (項目)' (Casio Group Code of Conduct (Items)), which lists 18 items in two columns. The items are numbered II-1 through II-6, with sub-items in brackets. The items cover various aspects of ethics, including respect for human rights, environmental protection, fair competition, and transparency.

**カシオ創造憲章** CASIO

第1章 私たちは独創性を大切にし、普遍性のある必要を創造します。

第2章 私たちは社会に役立ち、人々に喜びと感動を提供します。

第3章 私たちはプロフェッショナルとして、常に誠実で責任ある言動を貫きます。

**カシオグループ倫理行動規範 (項目)**

II-1 価値創造のために 【1-1 社会に有用な商品・サービスの提供】	II-5 自らの行動を正すために 【5-1 法令等の遵守】
II-2 社会への責任を果たすために 【2-1 人権の尊重】	【5-2 贈収賄の禁止、および接待、贈答の制限等】
【2-2 地球環境の保全】	【5-3 公正な競争と取引】
【2-3 サプライチェーン全体での健全な取り組み】	【5-4 インサイダー取引の禁止】
【2-4 社会との調和】	【5-5 安全保障貿易管理の徹底】
II-3 お客様の信頼を得るために 【3-1 お客様への安全・安心の提供】	【5-6 反社会勢力への関与の禁止】
II-4 良い職場を創るために 【4-1 働きやすい職場環境の構築】	【5-7 公私の区別】【5-8 情報の保護】
	【5-9 知的財産の創造・保護と活用】
	II-6 社会との信頼関係をつくるために 【6-1 社会とのコミュニケーションの促進】

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## 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 2019, 3,887 Casio employees attended in-house seminars, and 59 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, and will take all necessary steps to address the consumption tax hike in Japan, which went into effect in fiscal 2020.

In fiscal 2019, 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 production-related group companies in fiscal 2018, this tool was used to assess the corruption risk at 30 sales-related group companies in fiscal 2019. 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.

This survey also raises understanding of the corruption risk in one's own country based on the Corruption Perceptions Index of Transparency International, as well as the need for education to prevent corruption and risk analysis and assessment. 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 (currently the Corporate Governance Group in the General Affairs Department) in a company-wide reorganization in June 2018, which will oversee and drive the establishment of the following three systems:

### 1. Basic system

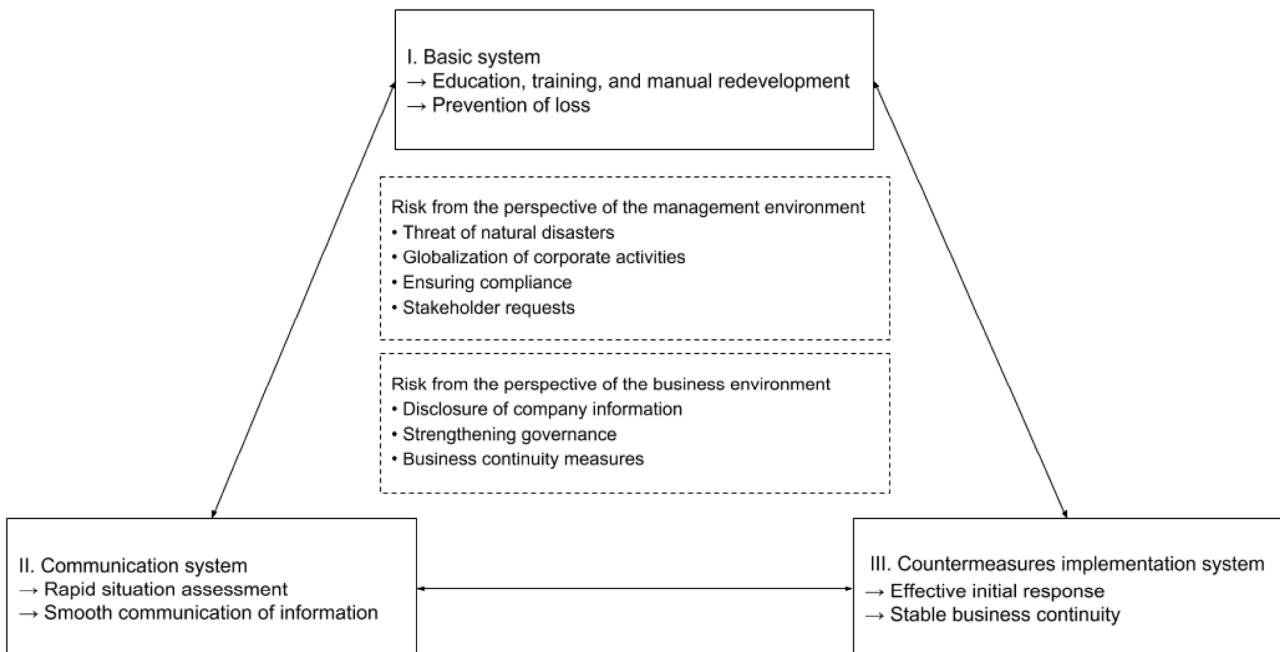
The education, training, and various manuals that are the foundation of company-wide risk management will be redeveloped in an effort to prevent the occurrence of loss and to minimize effects on the company's business in the event a loss does occur.

### 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.





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## Business Continuity Plan (BCP) Initiatives

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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.

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## 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, publicly 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 PDCA cycle is used to make ongoing improvements, and since the certification renewal audit in January 2017, the applicable scope has covered all group companies' IT systems, and certifications continue to be renewed.



JQA-IM0536

### Scope of application/operations for ISO27001 certification:

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

Planning, development, maintenance and operation of internal information systems supporting the manufacture, sale and service operations for electronic devices at Casio Computer Co., Ltd. and each group company, and the development, maintenance and operation of network infrastructure for 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.

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## 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 improve the efficiency of manufacturing and ensure stability by:
  - Improving manufacturing at the mother plant; and
  - Promoting manufacturing reforms (automation).

### 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

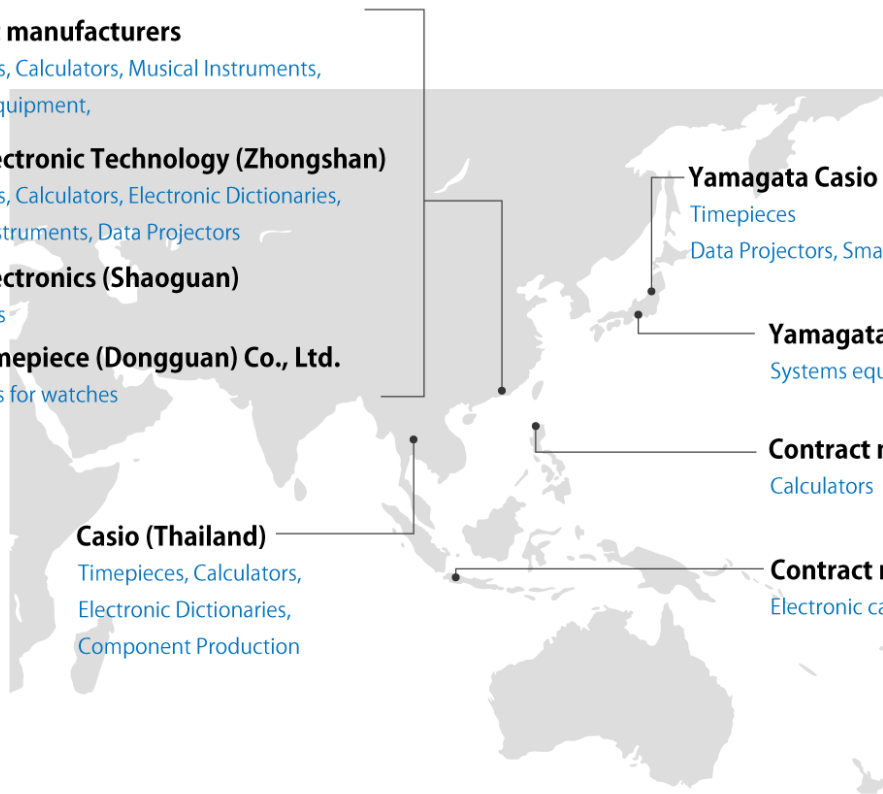
Calculators

### Contract manufacturers

Electronic cash registers

### Casio (Thailand)

Timepieces, Calculators,  
Electronic Dictionaries,  
Component Production



## Production Sites

### Yamagata Casio Co., Ltd.

Yamagata Casio, Casio's only manufacturing site in Japan, plays a key role as the Casio Group's "mother plant." Aiming for reforms to overseas production (by establishing manufacturing that is not overly affected by labor costs) through technical expansion from Japan (Yamagata), Yamagata Casio has a completely automated line for watches, and has automated sensitivity testing and introduced high-precision molding as well as strengthened its core technology by refining its processing technology and quality process. The company aims to create the Casio version of the smart factory, including at overseas plants.

### Casio Electronic Technology (Zhongshan) Co., Ltd.

Casio Electronic Technology (Zhongshan) is located in the Huanan region of China. It is one of the central hubs for manufacturing the main Casio products. As labor costs and production costs rise, the company is automating production and reorganizing by adopting technology from Yamagata Casio (the mother plant), striving to cut manufacturing costs. The company is taking steps to become a Casio-style smart factory.

# External Evaluation

## Independent Opinion on the Sustainability Report 2019

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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.

Casio uses management cycles for its CSR initiatives, with a focus on reducing the company's environmental impact and ensuring socially responsible procurement. Casio is now at a stage where we can expect 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 515 suppliers in Japan, China and Thailand and provided feedback based on the overall results. It also visited 13 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, in order for feedback to be utilized with even higher accuracy based on the level of supplier CSR initiatives, I hope that Casio will provide more opportunities and offer better methods for suppliers to learn best practices from one another, and that the company will consider and take action to help promote a circular economy.
- 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. 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 policies, tools and systems more effective on the frontlines in the future, I again 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 established high material goals and KPIs and is managing progress quantitatively. Going forward, I recommend that the scope of discussions by the CSR Committee be expanded based on the Medium-Term Management Plan. 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 would like to repeat my recommendation 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. While the efforts to prepare for science-based target (SBT) certification and for joining the RE100 (Renewable Energy 100%) initiative are commendable, I strongly urge Casio to create a long-term GHG reduction roadmap, and in particular, scenarios for dramatic reduction of GHG emissions over entire product life cycles. I also hope that these medium and long-term measures will be realized with the support of customers, including improvement of the recycling rate at the time of product disposal.
- I again applaud Casio for introducing more G-SHOCK models based on collaboration with NGOs to [preserve biodiversity](#), and for continuing to expand preservation activities based on surveys conducted at major sites in Japan. I have high expectations that, going forward, Casio will continue to release models that will help conserve nature and biodiversity worldwide. At the same time, I hope the company will advance efforts to procure paper with an emphasis on sustainability while reducing plastic waste, which has a substantial impact on rivers and marine ecosystems.
- 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 6.69%. I would also like to give Casio credit for improving the rate of employees following up on health risks identified during regular checkups, and for holding seminars to share home care leave cases with employees as part of the nursing care leave support system. At the same time, I recommend setting KPIs for initiatives related to lifestyle-related diseases, smoking, and mental health, and sharing with employees and workplaces the progress made against them.

## Points for improvement

- In the area of [promoting employee diversity](#) across the entire Casio Group, I have continued concerns that policies, targets, plans, and persons responsible have not been established, no global HR meetings have been held, and KPIs continue to be 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 during 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.
- I am concerned that Casio did not meet Japan's legally mandated rate of [employment for persons with disabilities](#) in 2019. Along with regular interviews of employees every quarter, I hope the company will continue to build communities for each type of disability and occupation, while promoting even more supportive workplaces.
- 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 do more than just explain its programs. It should 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.

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





## 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.



## 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.



## 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.



# 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

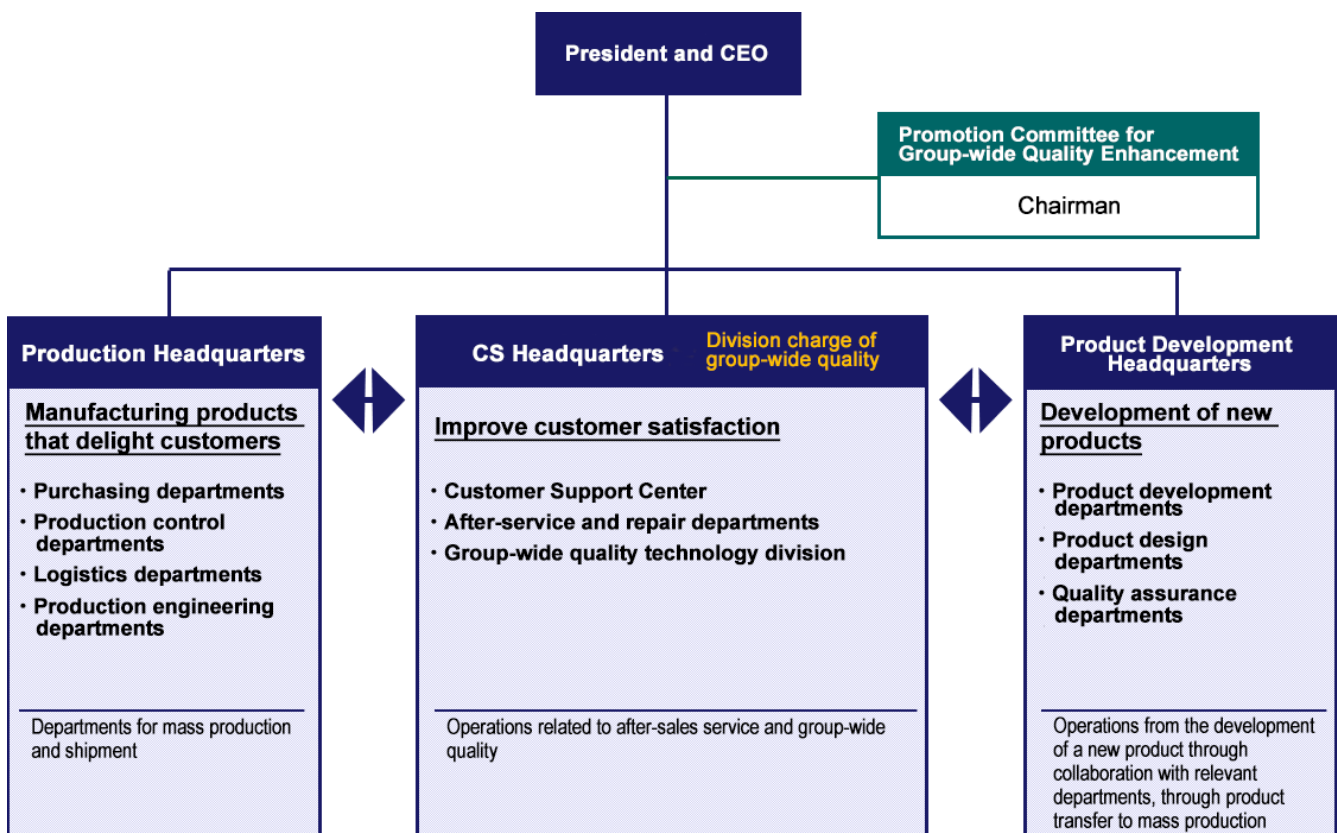
- To build a good corporate image, we offer products and services that please and impress our customers, gain their strong trust, and ensure their peace of mind.
- We respond to our customers' requests and inquiries with sincerity and speed, and reflect their valuable comments in our products and services.
- 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

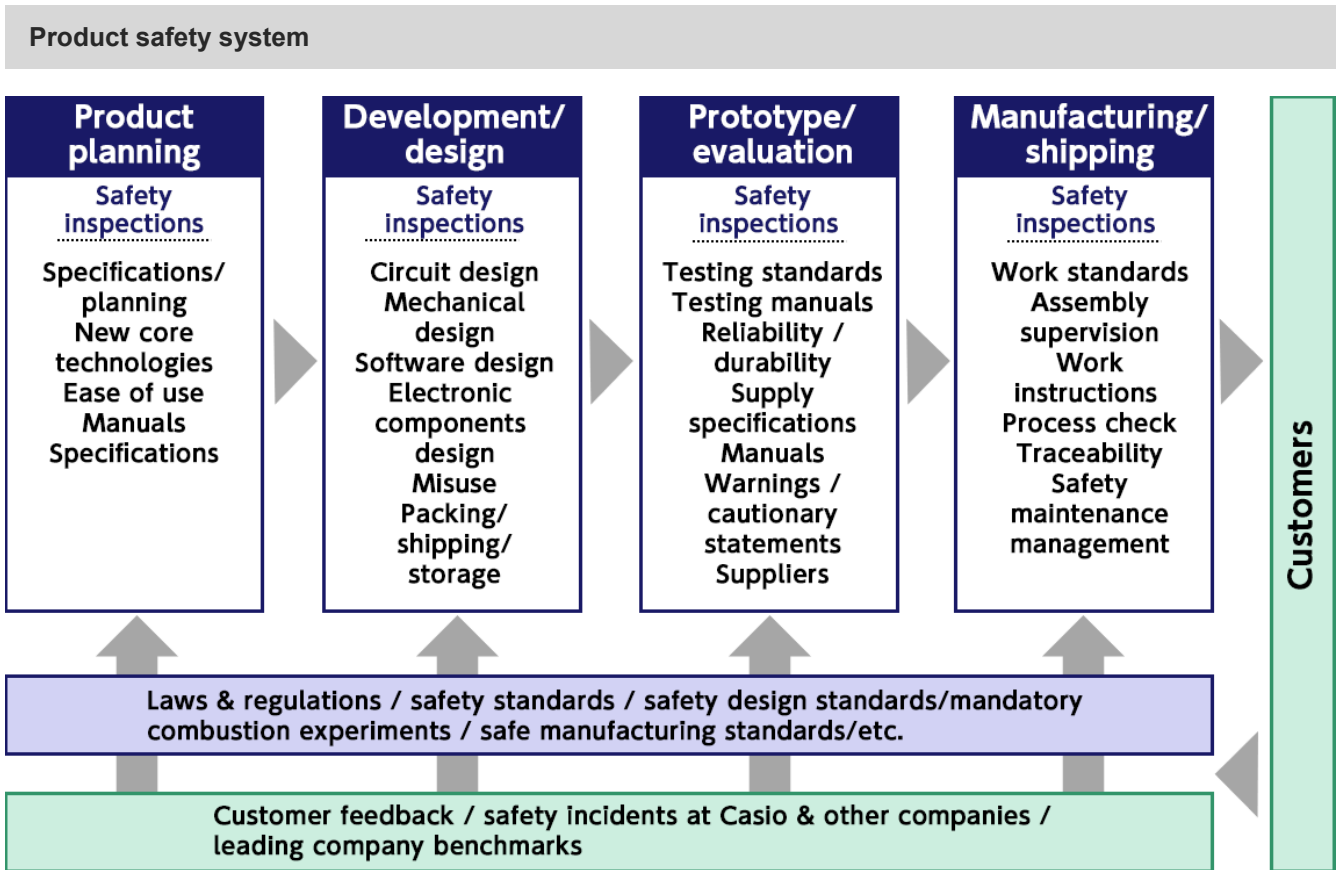
## Activity Results

### 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.



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.

In fiscal 2019, a new notice was posted in "Important Notifications on Product Safety." This was a precautionary statement on the safe and appropriate use of products, not a major case regarding product safety or quality defects.

### Education and Awareness Activities

The first quality education is given to all new employees.

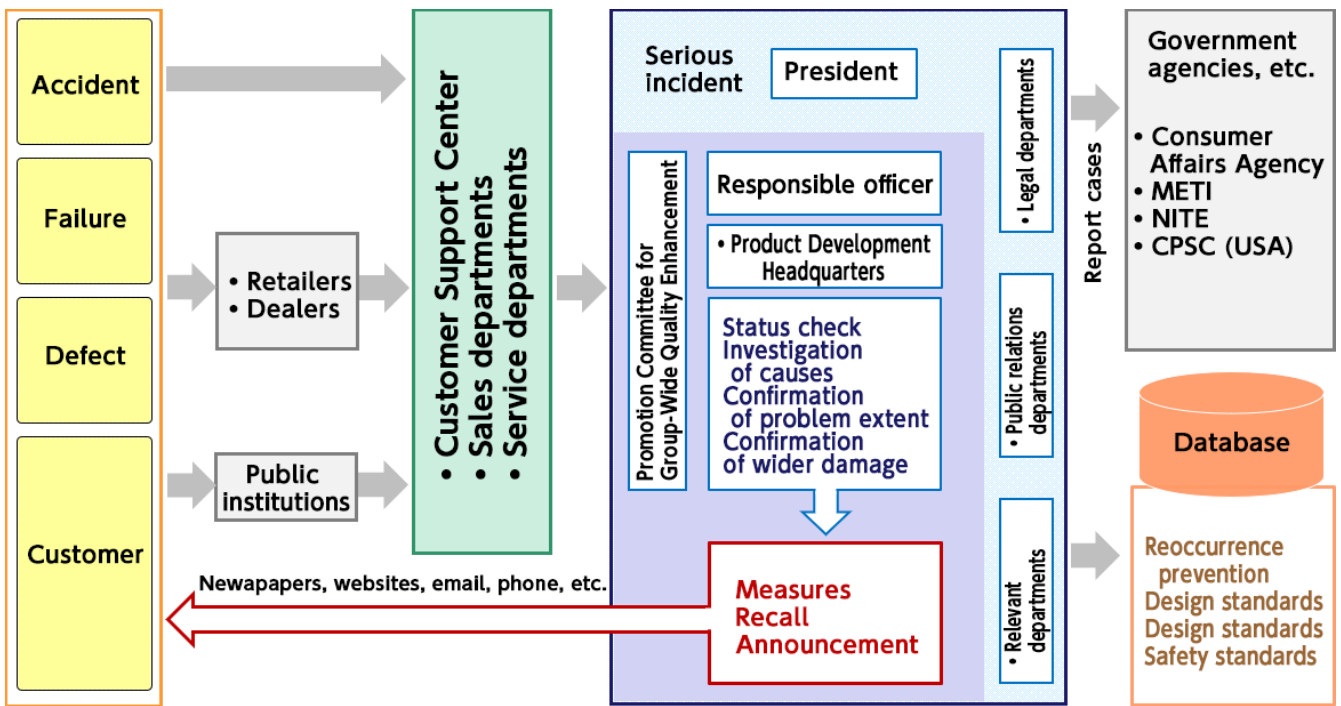
1. Quality management education: Importance of maintenance management in manufacturing and practical explanations
2. Quality assurance education: Practical training from the quality assurance supervisors on improving quality

New employees experience quality management for themselves with on-the-job training in manufacturing at Yamagata Casio.

After they are assigned to their divisions, they participate in actual quality meetings and on-the-job training is given, covering issues in the market as well.



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).

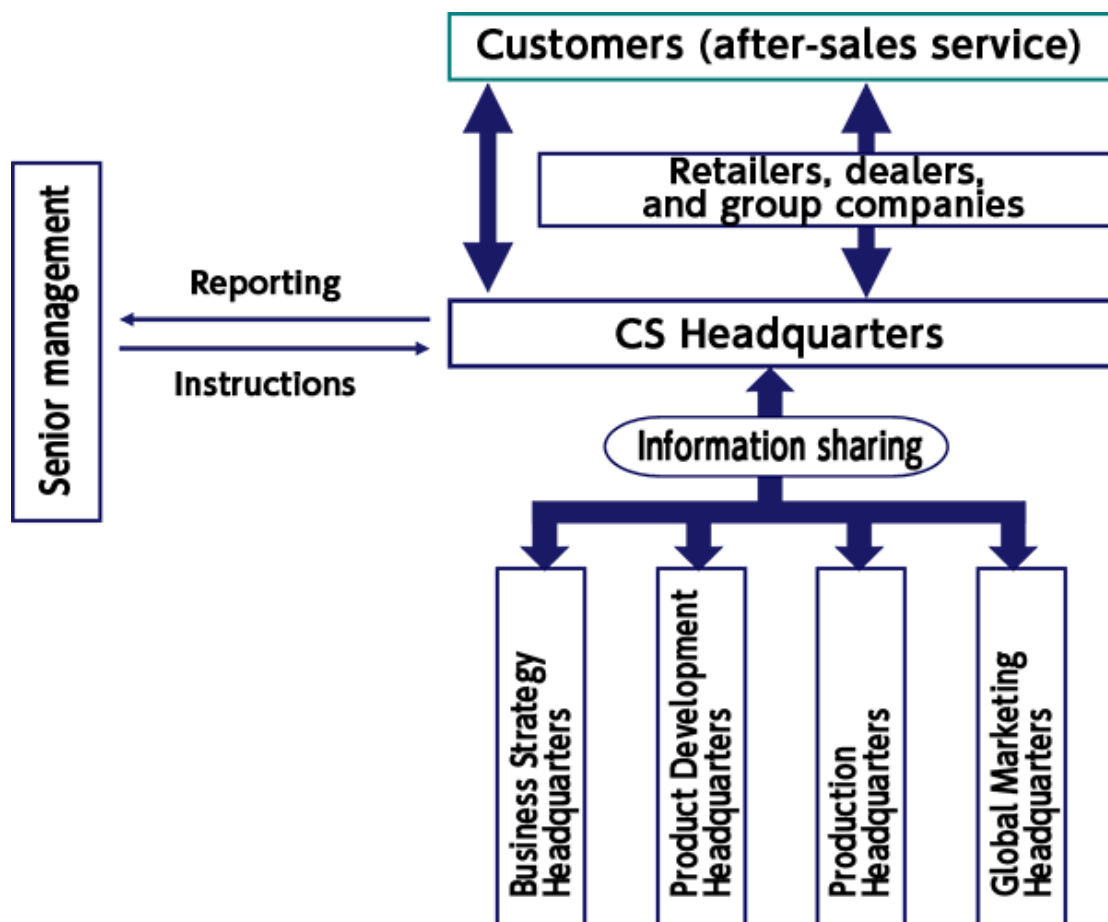
Casio compiles and analyzes information on customer inquiries and product defects in and outside Japan. It focuses on early detection, rapid response and prevention of recurrence of problems (quality CS).

## 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.



## 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.

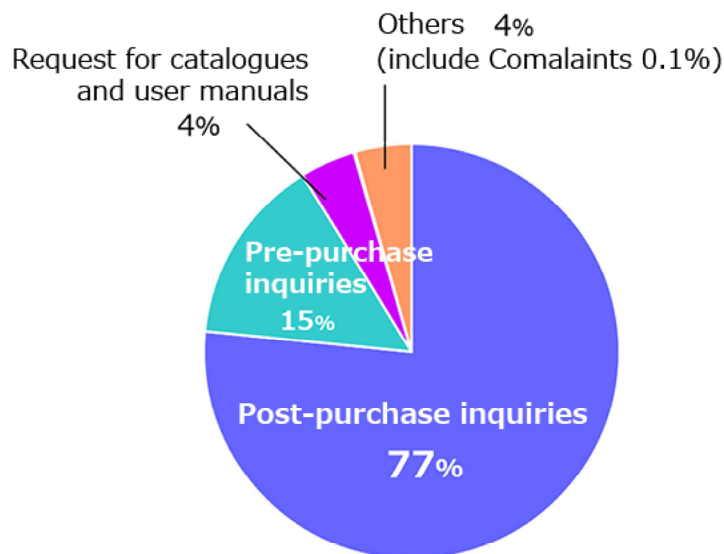
To meet the increasingly diverse needs of customers, chat support is being introduced, in addition to conventional customer service by telephone and email. Casio will continue to expand the products that this covers and augment the subjects that customers can consult on.

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 2019, Consumer Products)

## Supporting Customers Outside Japan

The Customer Support Center in Japan strives to raise customer satisfaction in all regions in which it operates by working closely with similar centers set up at local sales companies in each region.

### Reinforcing infrastructure for collecting customer feedback outside Japan

Casio is working to expand the regions in which it introduces the global tracking system to collect and share feedback from customers in regions all over the world. In February 2019, this system began operating in the U.K., after its adoption in the US. Casio plans to steadily roll out these systems to reinforce its infrastructure for collecting feedback.

Item	Fiscal 2019	
	Overseas	Japan
Timepieces	66.2%	42.3%
Digital Cameras	2.5%	7.0%
Calculators	12.3%	3.5%
Other Consumer Products	13.3%	27.3%
System Equipment	5.6%	20.0%
Total	100.0%	100.0%

Breakdown of Product Inquiries (Fiscal 2018, Overseas/Japan)

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## 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 now allows customers to pay for repairs made using the online repair request service, which has been in operation since 2015, by cash as well as the original method of credit card payments. This is an attempt to expand the functions of the services provided for customers picking up their repaired products at FamilyMart convenience stores in Japan. This new system allows all customers to pick up their repaired items at any of the approximately 16,000 FamilyMart convenience stores across Japan.

The Akihabara and Osaka Service Stations offer a quick battery replacement service (batteries can be replaced in about 60 minutes), and have also started a rush repair service for students who need their electronic dictionaries repaired on the same day. This service significantly shortens the time that students have to leave behind their electronic dictionaries — which are essential for their daily studies and test preparation — for repairs, and mitigates the impact on their studies.

In addition, a chat system in which staff respond to inquiries regarding electronic dictionaries has been introduced to the Customer Repair Consultation Center to expand customer touchpoints. Casio has improved the speed at which it resolves issues by providing an environment enabling customers to make inquiries at any time and any place.

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. Casio Techno has adopted educational programs on subjects such as the product industry's history, customer service techniques and Casio product philosophy, and develops 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

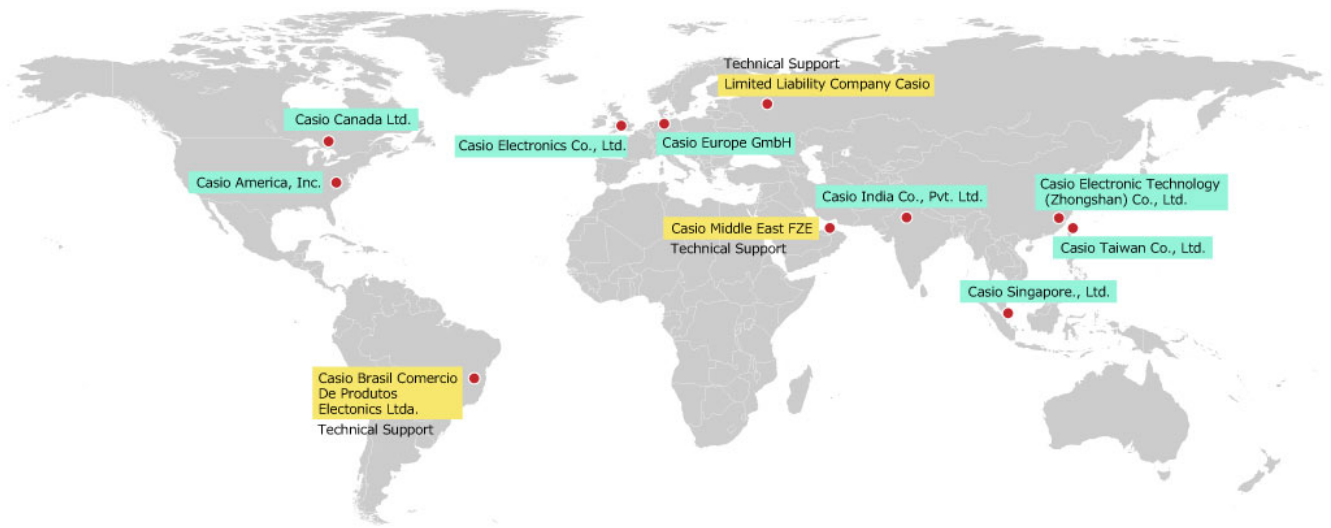
Outside Japan, a total of 966 companies, including 12 local subsidiaries and 954 repair partners, carry out after-sales service for Casio brand products (as of March 2019).

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. In addition, Casio constantly surveys and improves repair times, quality and costs at its repair centers. Moreover, meetings are regularly held in each region for service managers from regions around the world to ensure that the three major customer satisfaction (CS) activities aimed at improving CS are entrenched worldwide.

In May 2018, an overseas sales company service meeting was held in Tokyo, followed by a meeting for service representatives of Hong Kong distributors in July 2018.

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



Dubai: Timepiece repair technique training  
September 2018



Germany: Timepiece repair technique training  
November 2018



Overseas sales company service meeting in Tokyo  
May 2018



Meeting for service representatives of Hong Kong distributors  
July 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.

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. This fiscal year, Casio improved customer convenience by providing video user manuals on YouTube and preparing a quick manual that can be read on smartphones. Casio has also added to its FAQ on musical instruments.





# 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.

### Risks and Opportunities for the Casio Group

Intellectual property is an intangible asset created through the intellectual creativity of people, and it cannot be monopolized in a visible manner. If it cannot be protected in some manner, there is a risk that it will be easily stolen or copied by others. When investing large sums into research to complete an invention, only to see it stolen away, the whole point of the investment is lost, and there is a risk that investment could decline, resulting in a decrease in new technology development. As a result, Casio's technical and business divisions work together in line with its management strategy on intellectual property initiatives. Casio actively pursues intellectual property application rights for priority technology areas and newly developed products aimed at the future, and utilizes these rights to protect intellectual property globally in key countries. These efforts are designed to protect Casio's business and contribute to corporate profits.

### 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.

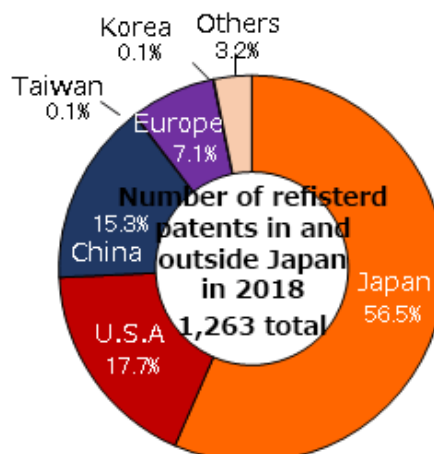
## Activity Results

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 2019)



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## 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 1,715 registered trademarks in 192 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, 2019)

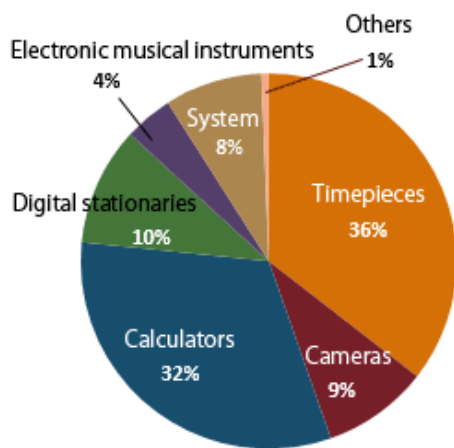


Casio has registered the Casio brand for product trademarks in the countries indicated in green. In the countries indicated in yellow, trademark examination has been delayed in some fields, there is no trademark registration system, or applications are not being accepted due to the politician situation.

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

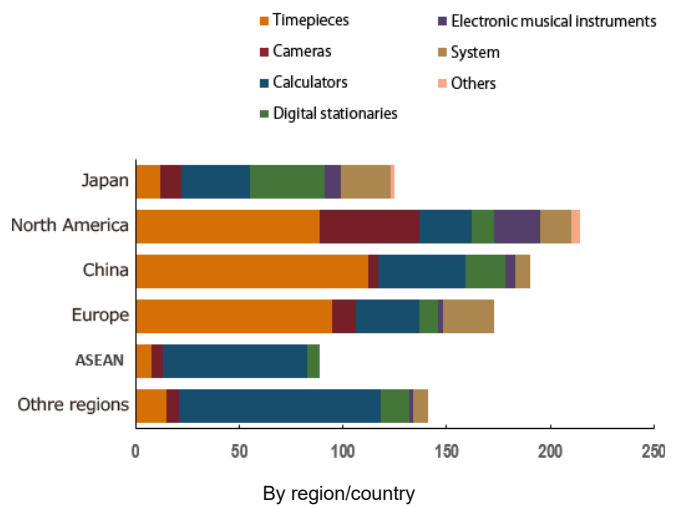
While avoiding the risk of infringing upon the design or trademark rights of other companies, Casio is actively promoting business support activities based on the strengthening of Casio's own design and trademark rights.

#### Design rights acquisition (as of March 31, 2019)



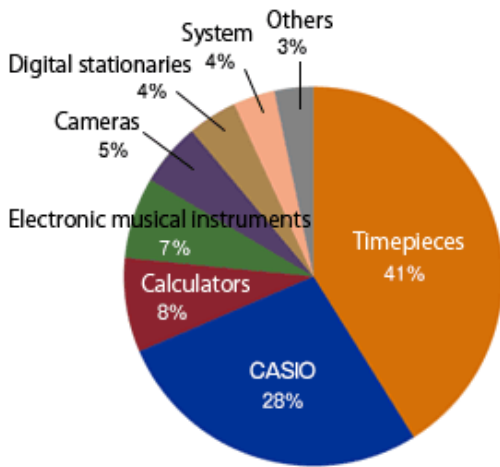
Current number in effect:  
**932 design rights**

By product type

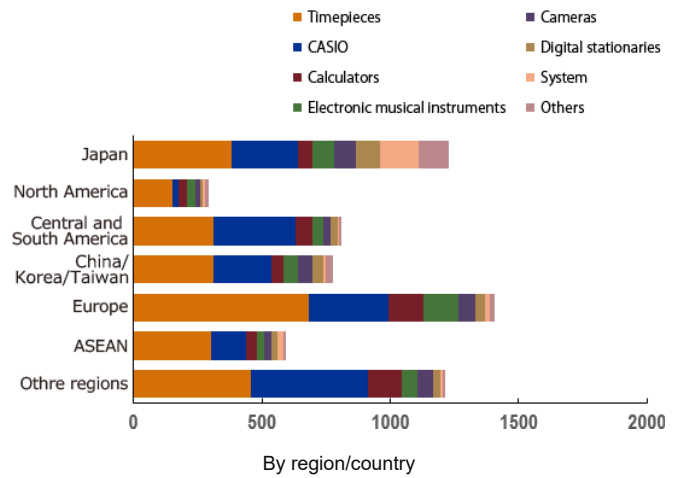


By region/country

## Trademark rights acquisition (as of March 31, 2019)



By product type



By region/country

## 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.

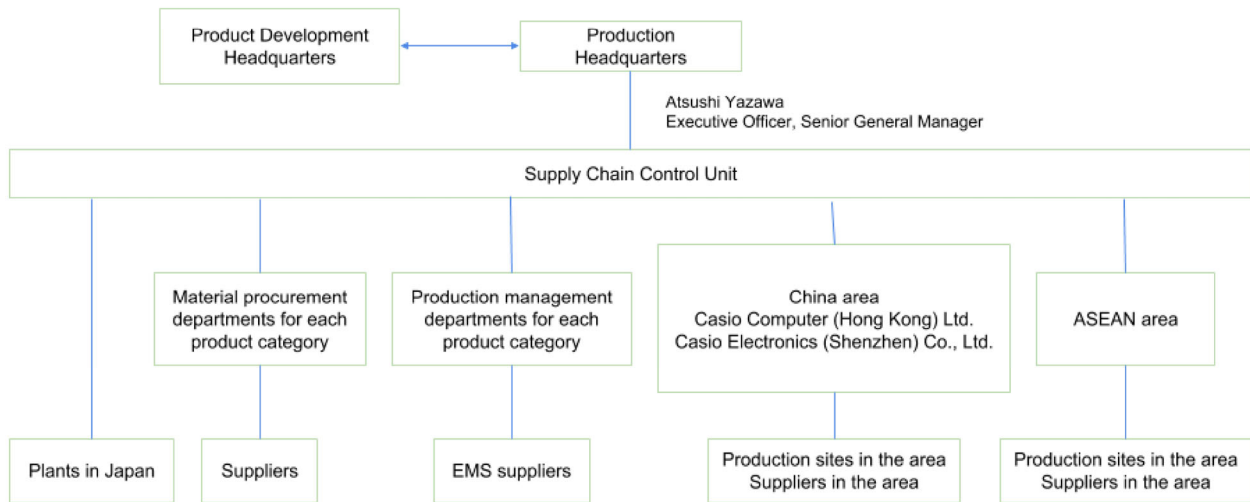
[Supplier Guidelines](#)

## 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	FY2019 Targets and KPI	FY2019 Performance	Evaluation	FY2020 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 5 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

## 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.

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.

A business strategy briefing was also held in Japan to explain Casio's procurement strategy and policies. In this way, Casio has set up opportunities to explain its Procurement Policies to major suppliers all over the world and is actively sharing and exchanging information to build close reciprocal relationships.

## Briefing on Procurement Policies in Japan

This year, Casio invited 200 participants from about 150 business partners to a business strategy briefing for the first time in Japan. The future direction for products, development and technologies were laid out for each product category, and Casio asked business partners to actively make proposals with the aim of “co-creation.”



## Supplier message



Hideo Ito  
President, Nihon Seimitsu Co., Ltd.

With manufacturing sites in Vietnam and Cambodia, Nihon Seimitsu Co., Ltd. is the only company in the ASEAN countries that has an integrated manufacturing system for palm-size decorative metal pieces that encompasses the mold design, mold manufacture, press, polishing, and surface processing (coloring). We are working hard to ensure thorough human resource development and compliance to support further growth, and hope to grow into a corporate group that supports global manufacturing together with the ASEAN countries, where our manufacturing sites are located. We will spread CSR activities throughout the company so that we can help protect the environment and give back to society. We will support Casio's Procurement Policies as a partner going forward, and will actively take part in further CSR activities. We hope to help improve the added value of Casio products to the best of our abilities.

## Briefing on Procurement Policies in China

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. Business partners who have made particularly impressive contributions are recognized at these briefings.



H.W.Chan, , Managing Director, FAIR FUTURE INDUSTRIAL LTD.

### Comments on CSR by H.W.Chan, , Managing Director, FAIR FUTURE INDUSTRIAL LTD.

I want to work together with Casio on CSR activities to create a future in which both companies flourish. With this goal, I consider various aspects such as human rights, safety and the environment.

## 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 2019 questionnaire was sent to 183 companies in Japan, and the response rate was 100%, clearly indicating suppliers' high level of interest in CSR fulfillment. Responses were received from 332 companies (268 companies in China and 64 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 2019, Casio conducted onsite inspections at 8 companies in China. In Thailand, it conducted onsite inspections at 5 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.

CSR inspections were also conducted at the request of a major distribution customer at four of Casio's plants.

\* 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 515 suppliers

Responses to all questions received from 515 suppliers (100% response rate)

### Status of responses by CSR category

China and Thailand

An abstract five-point evaluation system (for example: 5 = sufficient measures, 3 = not enough measures, and 1 = no measures) was used until fiscal 2018. Starting in 2019 however, specific achievement levels are listed for each and every question, just like in Japan, which started doing this in fiscal 2018. 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 an urgent response. 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	3.8
I Human Rights and Labor	4.5
II Occupational Health and Safety	4.4
III Environment	4.5
IV Fair Trading	4.4
V Product Quality and Safety	4.6
VI Information Security	4.4
VII Contribution to Society	3.7
Total	4.4



## Japan

Points for improvement were progressively clarified for each supplier and, after discussion, improvement measures were requested.

### 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	4.0
V Product Quality and Safety	4.3
VI Information Security	4.1
VII Contribution to Society	3.4
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](#)





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## 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, 616 responses were received in fiscal 2019. 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 and subsequent years, 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. Casio is committed to addressing issues like the aging population and declining birthrate, decrease in the working population, and growing diversity of work-styles, and recognizes that this will require building a workplace environment that empowers each and every employee to perform at an even higher level.



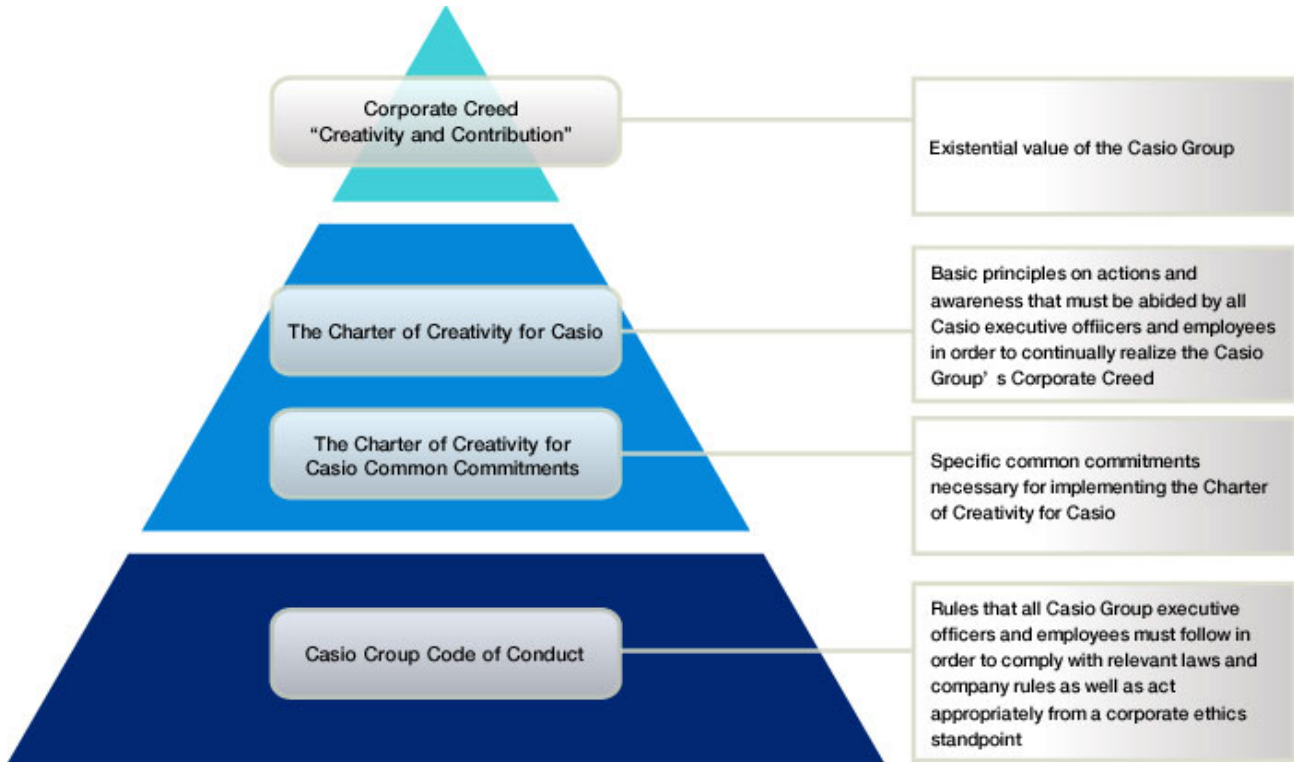
### Risks and Opportunities for the Casio Group

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

#### Human affairs reform to establish a new corporate culture

Casio has launched human affairs reform initiatives to establish a corporate culture that ensures that sustainable growth and development are linked to management strategies. Casio aims to revitalize the organization and human resources with the following three basic principles.

- Create an innovative and exciting workplace in which everyone can constantly create new customer value
- Employ a benefits and evaluation system that stimulates creative and innovative behavior and appropriately rewards contributions and performance
- Build a human resource development system that supports employees' independent pursuit of their job responsibilities and career development

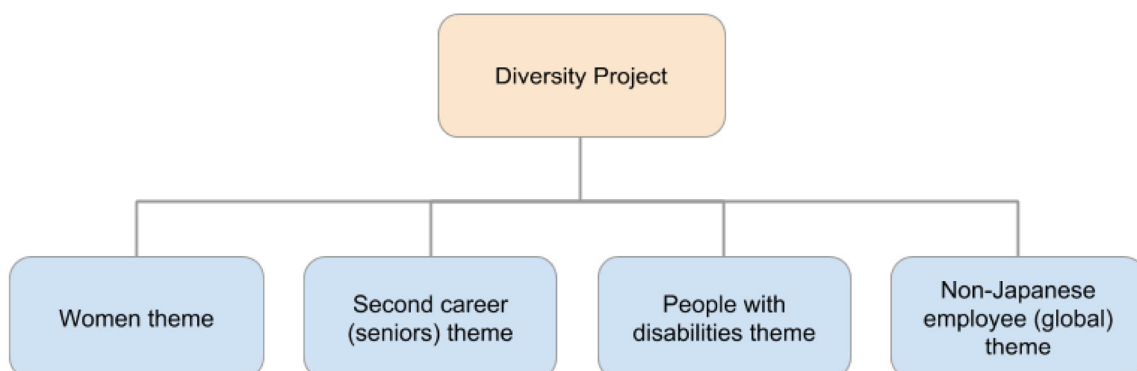
#### Pursuit of job satisfaction reform

In order to foster a culture where employees are satisfied with their jobs and highly motivated, Casio has launched a job satisfaction reform project. Under this project, Casio is currently working to build an environment that encourages interaction between people and generates innovation, including awareness reforms (changes to culture) and the development of satellite offices.

#### Diversity initiatives

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.



## KPIs and Performance for Material Issues

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

FY2019 Targets and KPI	FY2019 Performance	Evaluation	FY2020 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% (Regular employees)</li> </ul>	◎	<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>
Achieve a female employee recruitment rate of 20% or more * Reset target to encourage recruitment of women in all areas	14 of the 54 employees who joined the company in April 2019 were women (25.9%)	○	Achieve a female employee recruitment rate of 25% or more
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>	<ul style="list-style-type: none"> <li>Employment rate for the Casio Group (consolidated group in Japan): 1.99% (as of April 1, 2019)</li> <li>Participated in joint interviews sponsored by Hello Work and companies supporting the employment of disabled people</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 Maintain legally mandated employment rate of people with disabilities at 2.2% or more <ul style="list-style-type: none"> <li>Hire nine people with disabilities at Casio Computer</li> <li>* Number of people determined by a point system</li> </ul>

## Activity Results

### Supporting Advancement of Women

Casio actively and continuously carries out a variety of measures with the aim of supporting all women on the job 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 26 in fiscal 2019.

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 compared to the percentage in 2016. The company plans to actively implement measures to foster ambition for promotion among women who are candidates for senior staff positions and to take measures to support the career formation of young women.

Additionally, in some years, the percentage of engineer hires who are women 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 women who apply to be engineers by aggressively targeting technically minded women in its PR.

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

(FY)	2011	2012	2013	2014	2015	2016	2017	2018	2019
Number of woman in senior staff positions (number of managers)	4(3)	13(5)	16(8)	20(10)	20(9)	24(10)	24(11)	27(10)	26(11)
Percentage of woman 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%)	2.9% (2.3%)

\* Casio regards senior staff as professional staff and classifies them as managers or specialists in positions other than managerial jobs.

\* 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, 2016	As of April 1, 2017	As of April 1, 2018	As of April 1, 2019
Casio Computer Co., Ltd.	1.84%	1.87%	1.98%	1.88%
Group companies in Japan	2.04%	2.00%	2.14%	1.99%

## 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)



Prayer room

## Encouraging Seniors to Play an Active Role / Supporting the Lives and Employment of Seniors

In accordance with the revised Act for Stabilization of Employment of Older Persons, Casio's Senior Employee Program provides 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. Under the 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. We will continue to build workplaces in which seniors can play an even more active role.

### 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.



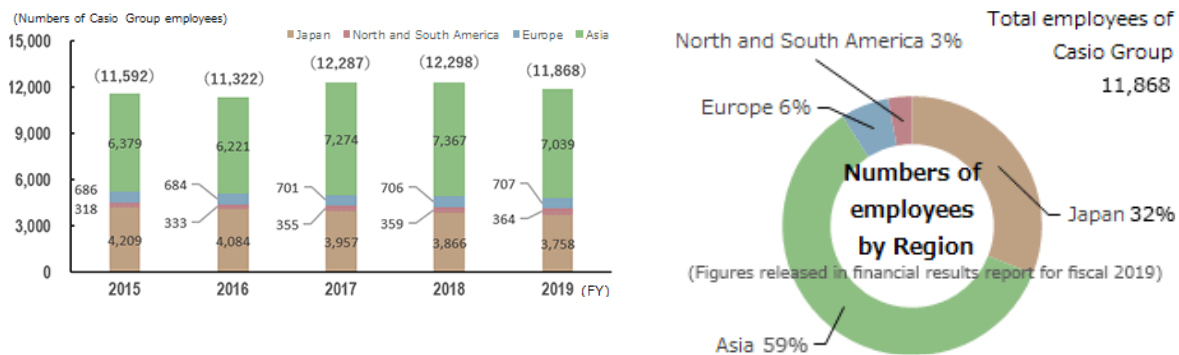
## Raising awareness of the need for career planning when looking ahead to 50s and 60s

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, a lecture is provided 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.

## 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 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.

## Ensuring 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

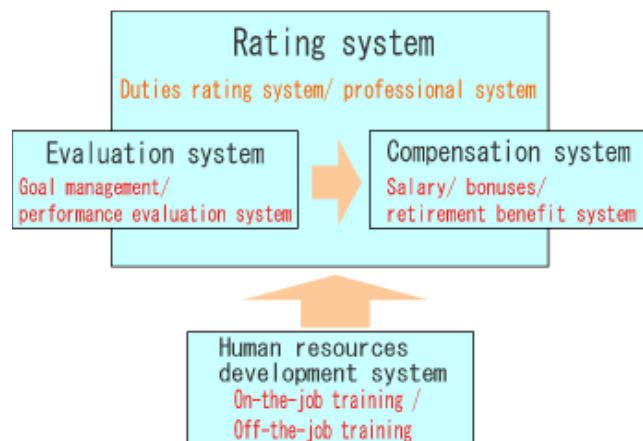
In addition to the above policy, Casio will place a premium on these points of view as it pushes ahead with innovative personnel measures. By taking this approach, Casio aims to strike the optimal balance between the growth and revitalization of society and the expansion and growth of the company.

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. Goals are also being shared among colleagues in addition to 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, 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 2019)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Men	2,384	712	3,096 ( 82% )
Women	458	204	662 ( 18% )
Total	2,842	916	3,758

(Reference)

Non-regular employees	523	667	1,190
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#### Number of employees hired in Japan (April 1, 2019)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Men	40 (74%)	13	53
Women	14 (26%)	3	17
Total	54	16	70

### Average years of service in Japan (As of end of March 2019)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Men	19.7	18.4	19.4
Women	14.9	22.5	17.3
Total	18.9	19.1	19.0

### Average employee age in Japan (As of end of March 2019)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Men	47.8	49.6	48.2
Women	41.8	47.8	43.6
Total	46.8	48.7	47.3

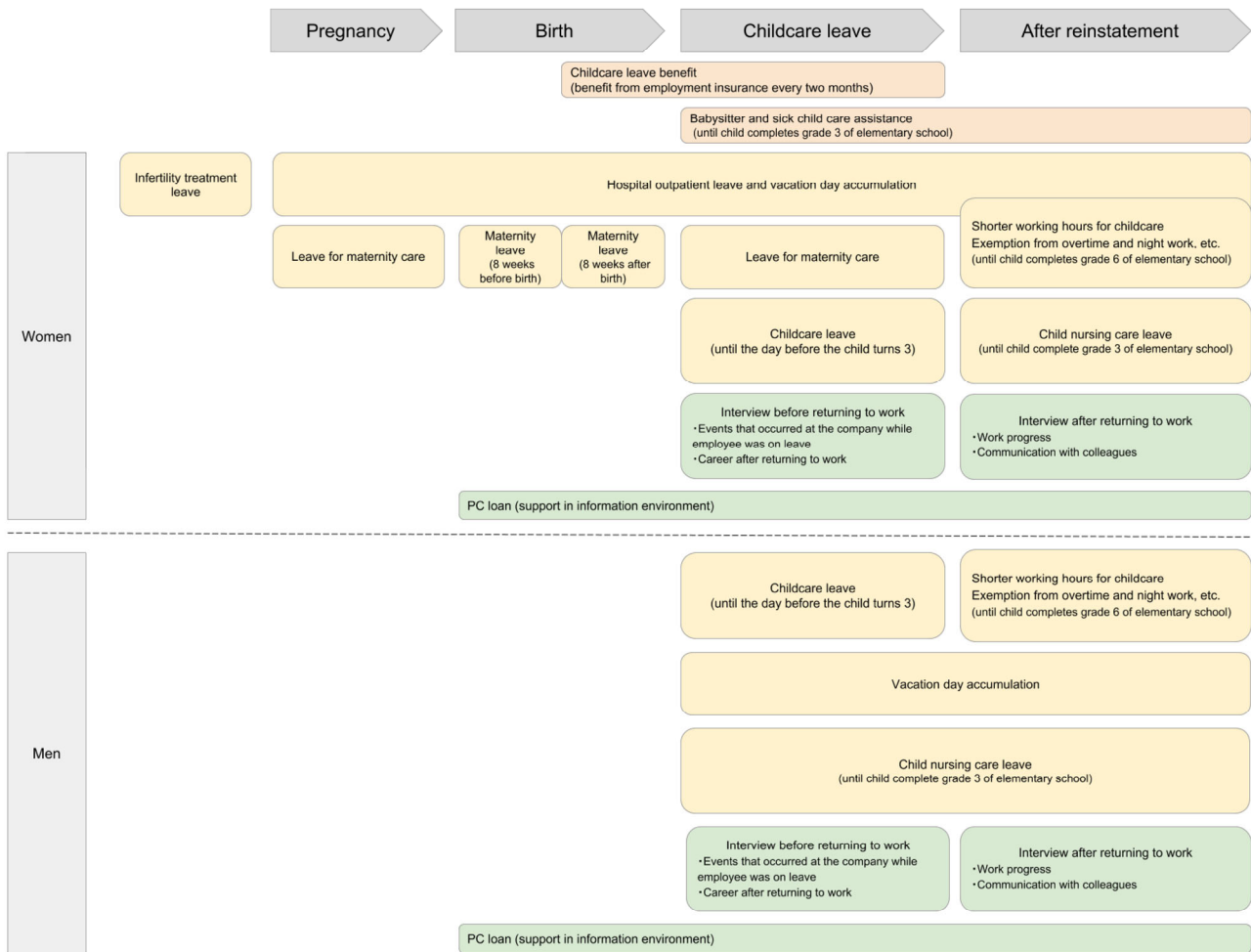
## Initiatives to Support Work-Life Balance

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.)



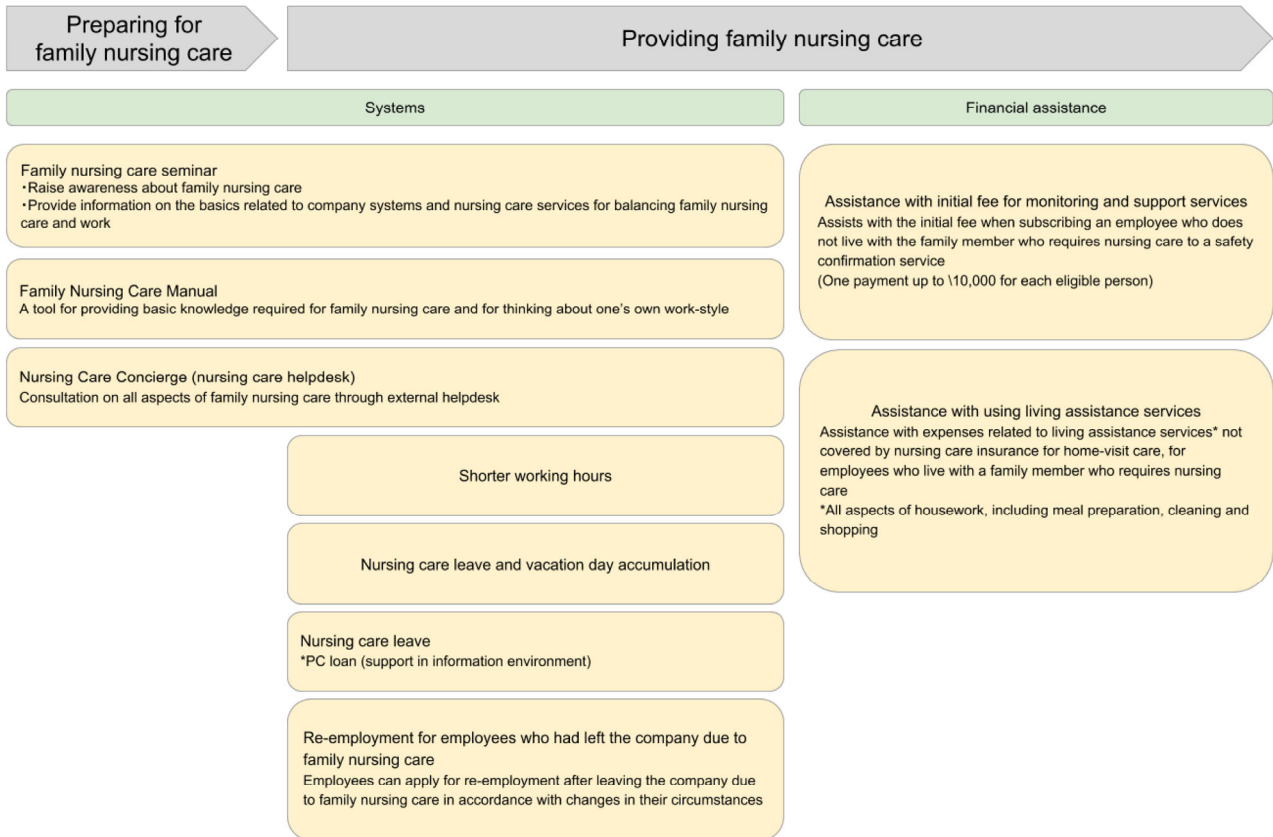
### Helping employees balance work and family nursing care

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 streamed live to sales offices around Japan on the Internet, and many employees participated. In 2018 the topic was “family nursing care based on real life examples,” a topic requested by many past participants. After explaining the nursing care insurance system, which had undergone legal changes, the seminar provided information based on real life examples on key issues that many people face when taking care of family members at home. In a questionnaire given after the seminar, 97% of participants said that it was useful. 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)				
	FY2015	FY2016	FY2017	FY2018	FY2019
Childcare leave and return program	45(1)	46(0)	55(0)	69(2)	67(7)
Percentage of employees that return to work after taking childcare leave	100%	100%	100%	100%	100%
Childcare leave and return program	2(2)	3(1)	3(2)	5(2)	4(3)
Shorter working hours system for childcare and nursing care	76(0)	77(0)	78(1)	85(0)	92(2)
Child nursing care leave	6(1)	13(1)	15(2)	23(4)	21(2)
Nursing care leave	3(2)	3(2)	4(4)	8(5)	6(5)

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

### Hourly paid leave system

Casio provides a system that permits all employees to take annual paid vacation in hourly increments. The system 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.)

	FY2015	FY2016	FY2017	FY2018	FY2019
Rate of taking paid vacation	65.5%	71.1%	72.2%	74.9%	75.5%

\* 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 continues to strive 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.

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

	FY2015	FY2016	FY2017	FY2018	FY2019
Overtime hours (consolidated)	16.1	15.7	14.7	16.2	12.2
Total annual working hours (non-consolidated)	1,950	1,931	1,917	1,905	1,891

## 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.)

	FY2015	FY2016	FY2017	FY2018	FY2019
Percentage of all employees	64%	64%	64%	65%	65%
Percentage excluding managerial positions	97%	98%	98%	98%	97%

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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

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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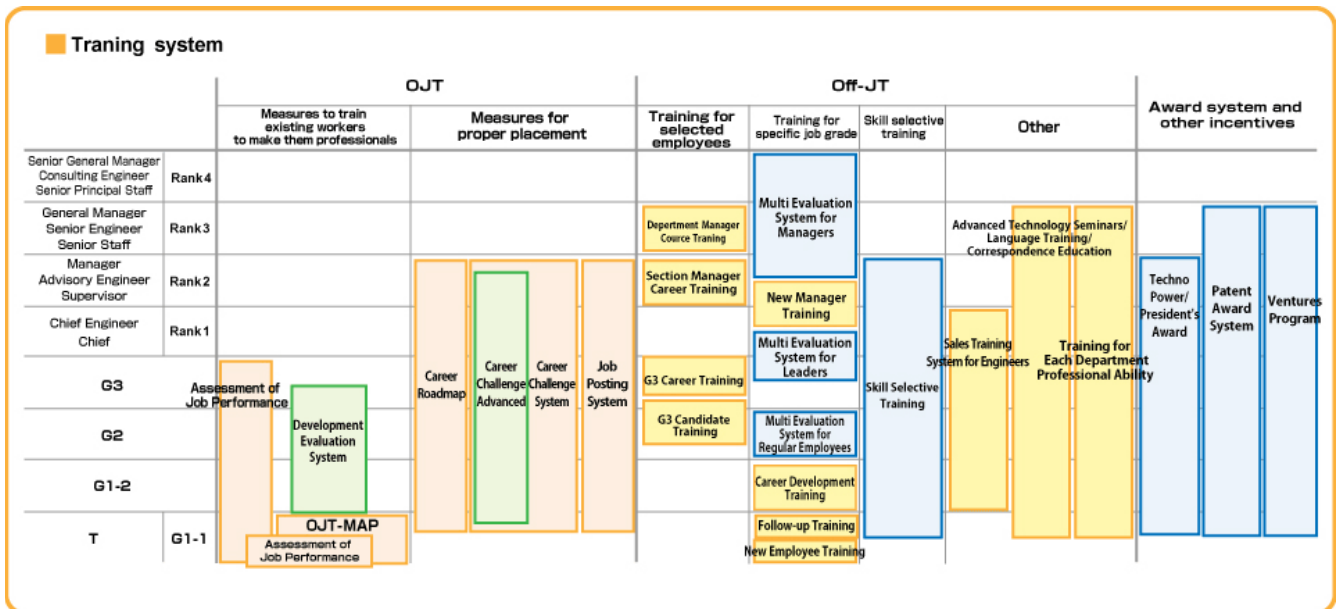
### System

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.

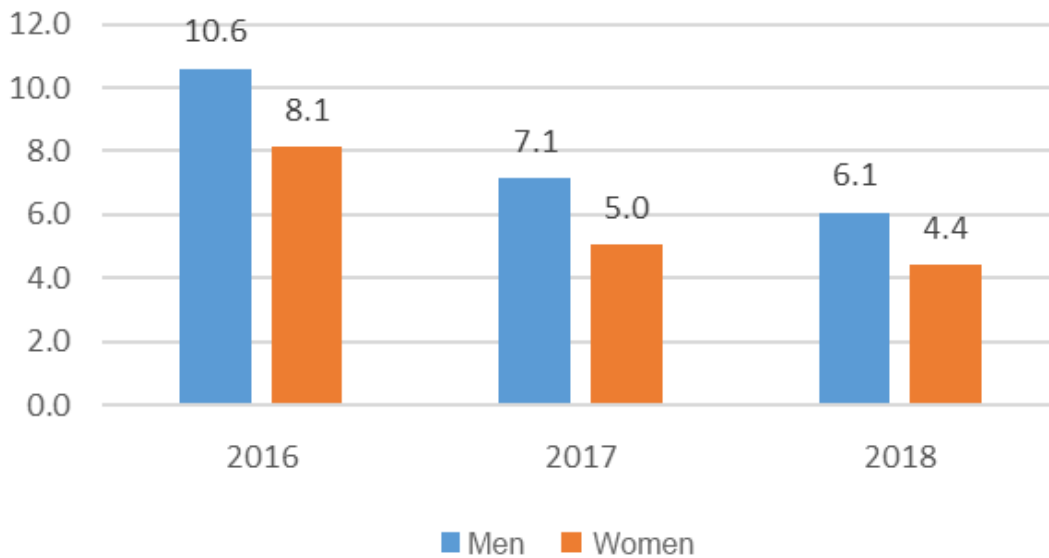
The company emphasizes on-the-job (OJT) training to improve practical skills, complemented by off-the-job (off-JT) training to provide theoretical knowledge.

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 (245 employees in fiscal 2019: 127 aged 53 and 118 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. Going forward, in addition to the content described above, Casio plans to further augment career support for retired employees.

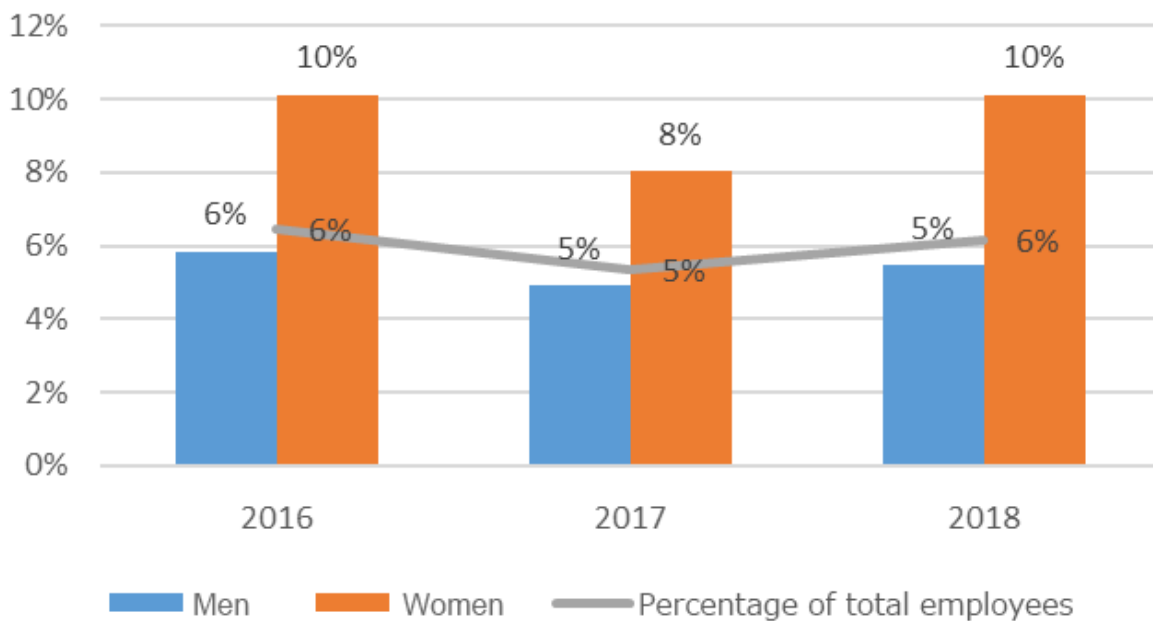
#### Annual average number of hours of training (Casio Computer Co., Ltd.)

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 2019.)



\*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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## **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.

### **New Employee Training, Follow-up Training, Second-Year Training**

Training for young employees is offered for new entrants as well as for first-year and second-year employees so that they can learn the basics of being a Casio employee and look back at their own approach to work.

### **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 exhibition 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 technology and/or excellence of concept. This encourages venturing into new technology by establishing a forum for announcing results and offering recognition.

### **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 200 employees took part.

### **Language training and language exams**

Casio offers language training in a range of formats tailored to employee needs, such as online English conversation training and seminars on speaking and writing, with the aim of raising employees' language skills. Opportunities to take language exams such as TOEIC and VERSANT are offered three times a year, and their motivation to study is raised by regularly providing opportunities to measure the effect of their studies.

## Right Person for the Right Job

In fiscal 2019, Casio introduced the Job Challenge System to place the right people in the right jobs by valuing employees' intentions and support their independent career planning. 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.

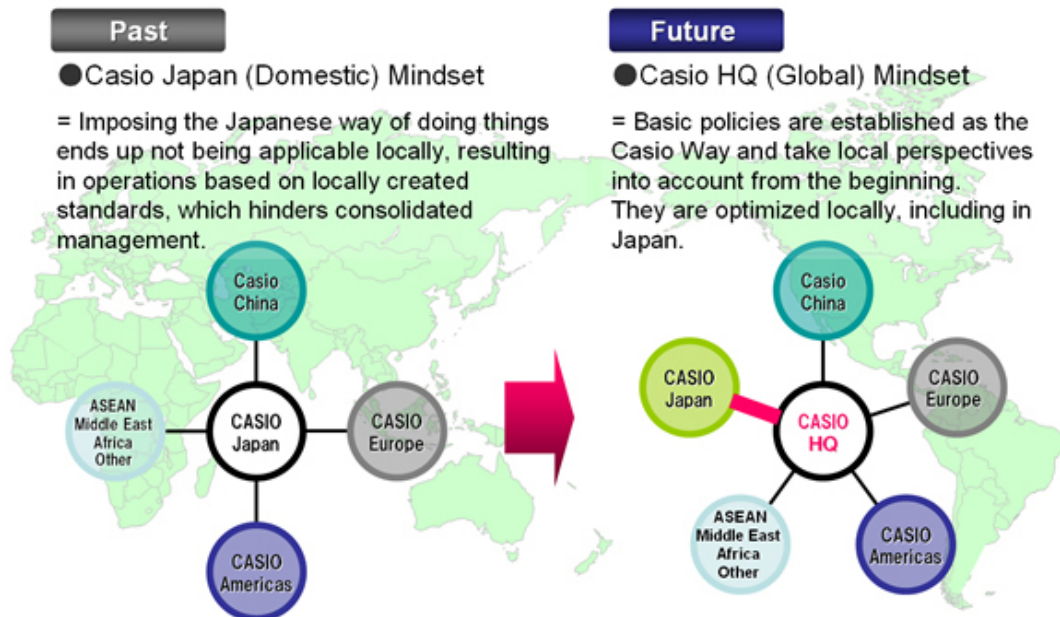
## Global Human Resources Strategy

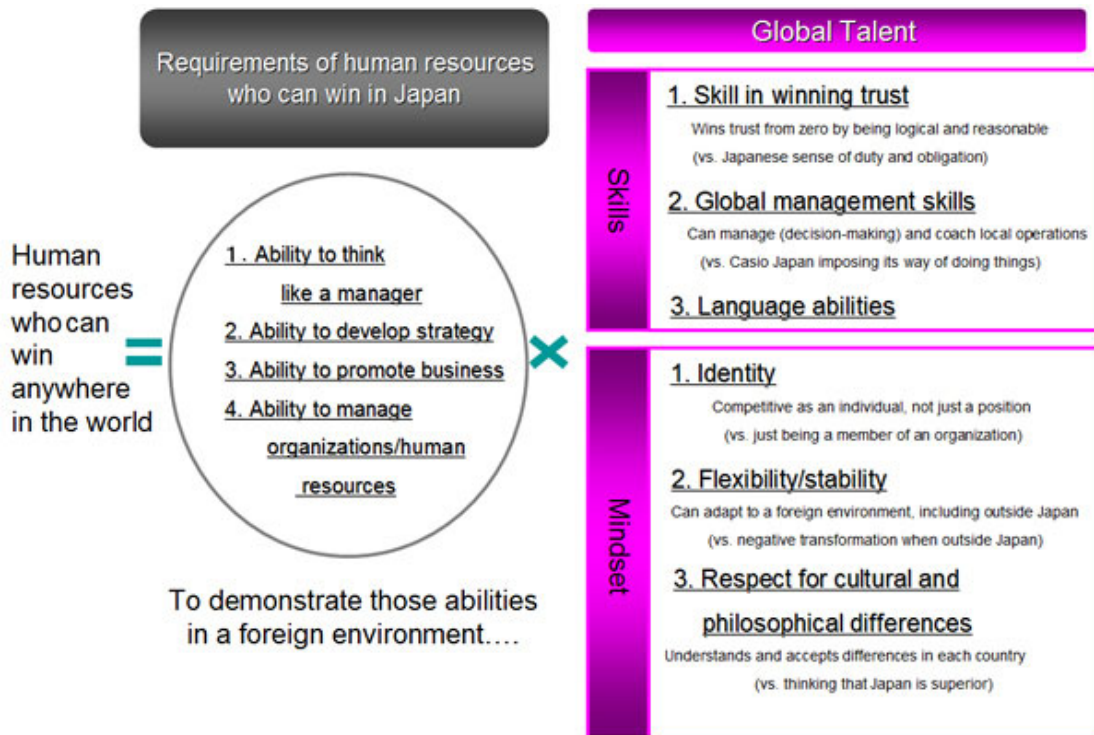
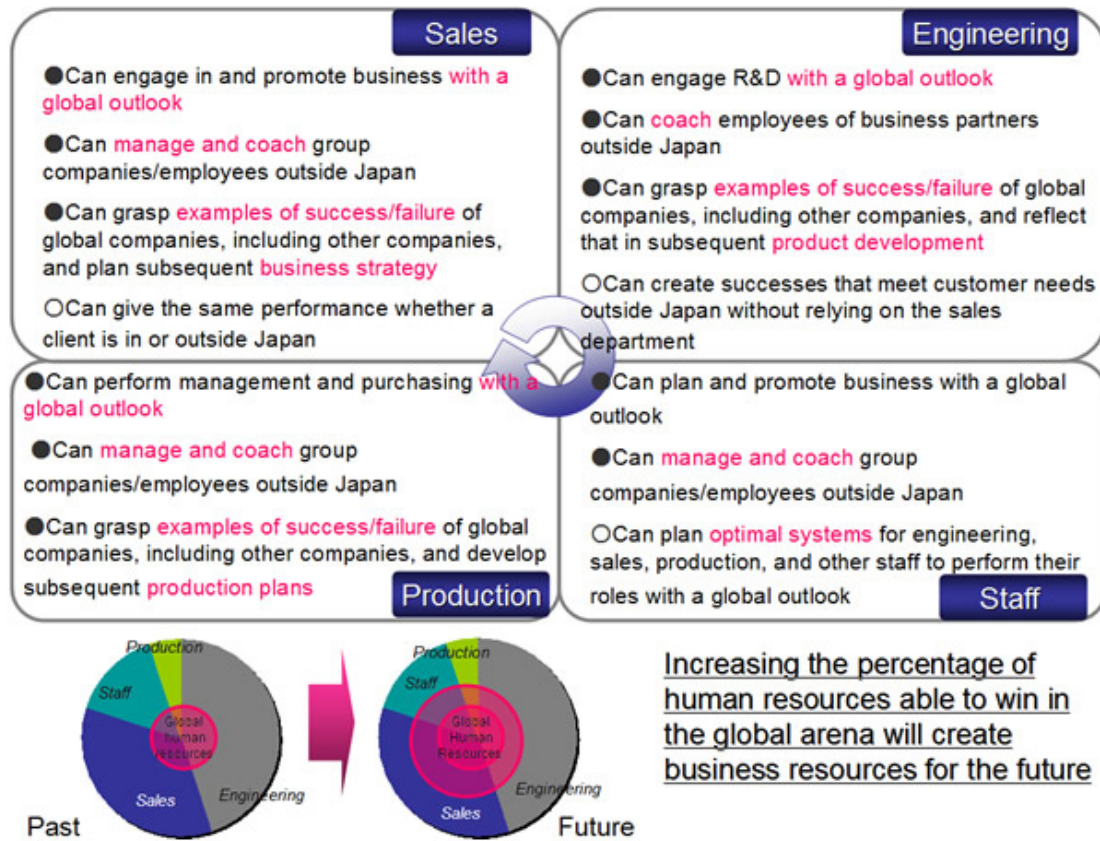
Casio is reinforcing its global expansion in all business fields, including existing and new businesses. In light of its continuing business expansion outside Japan, Casio has started creating a global human resources strategy. This project includes the enhancement of human resources functions at group 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

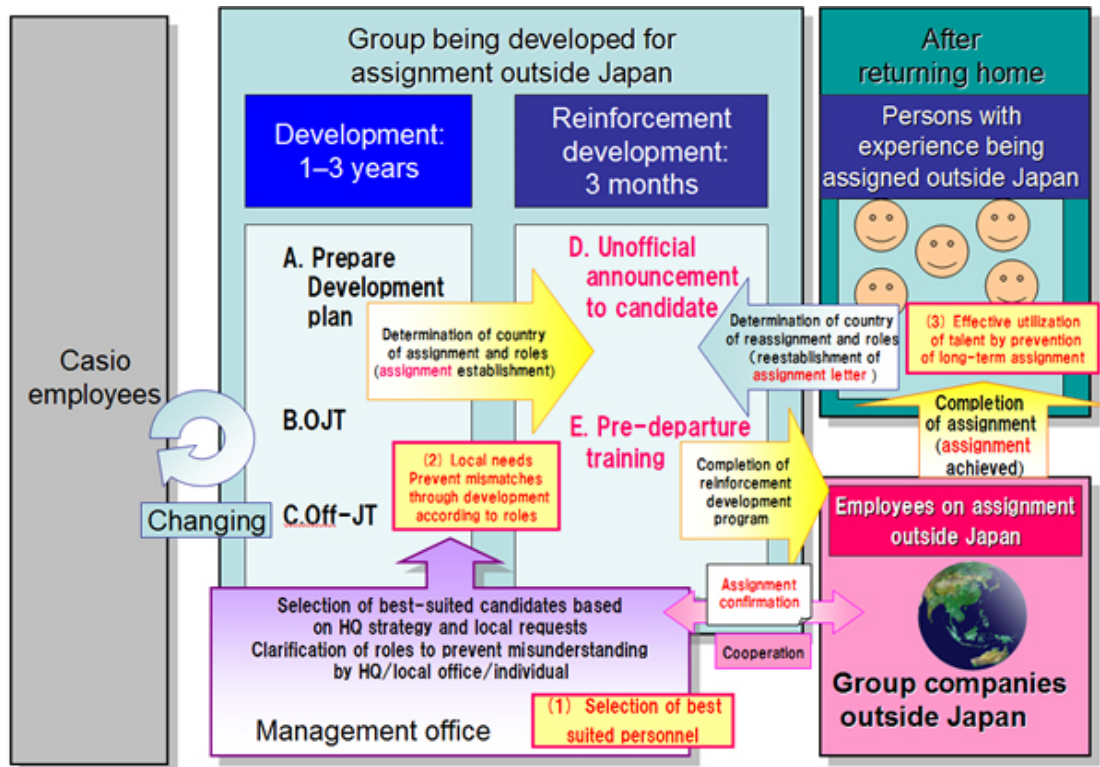




### Establishment of standards for the roles of persons sent on assignment outside Japan

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**



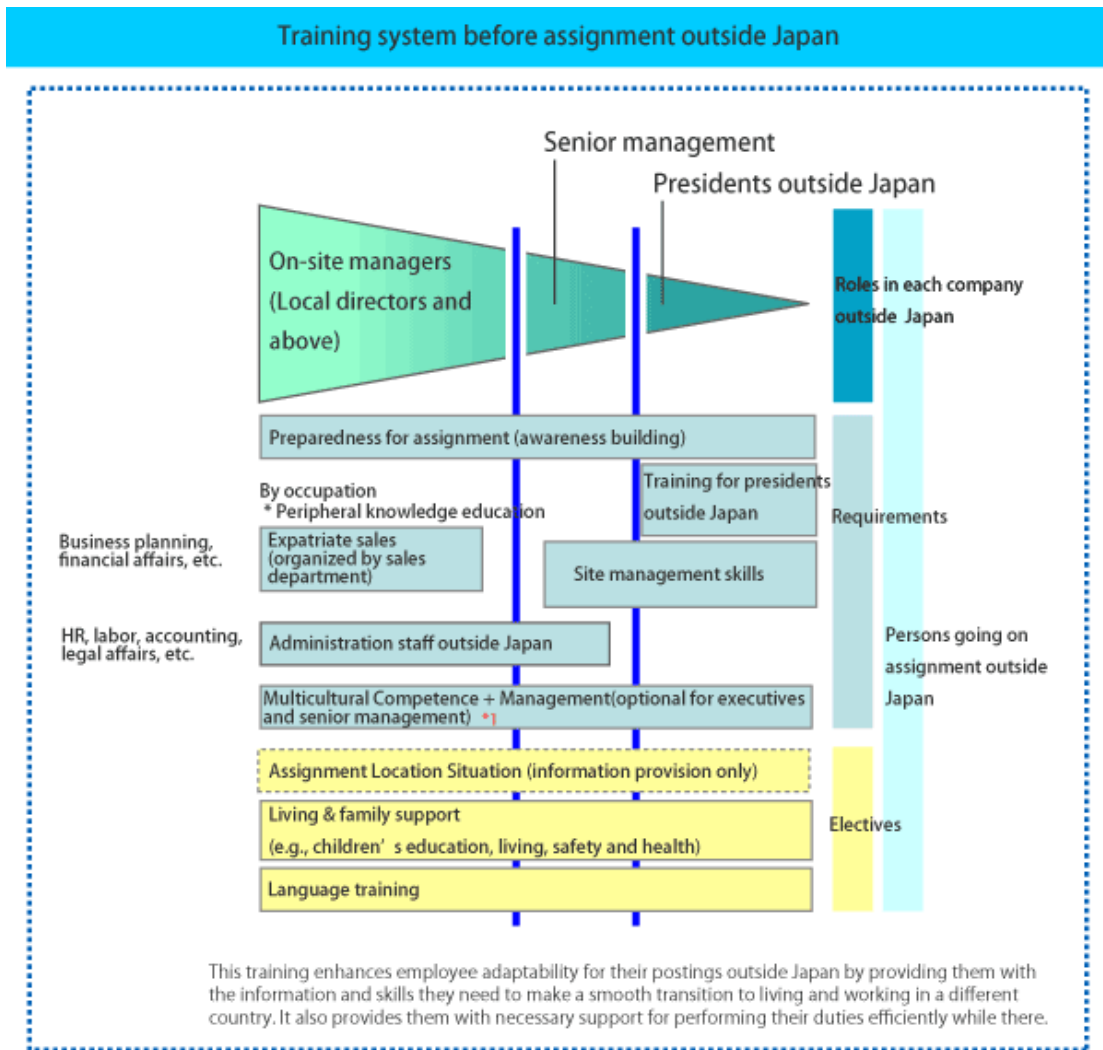
**Provision of local information to persons going on assignment outside Japan and development of multicultural management skills**

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

The company provides Training for Presidents outside Japan for top management, Site Management Skills Training for senior management, and Multicultural Management Skills Training and Lectures on Assignment Location Situation for all persons going on assignment outside Japan. Additionally, Casio provides educational information for accompanying children, and other efforts to strengthen on-location living support.

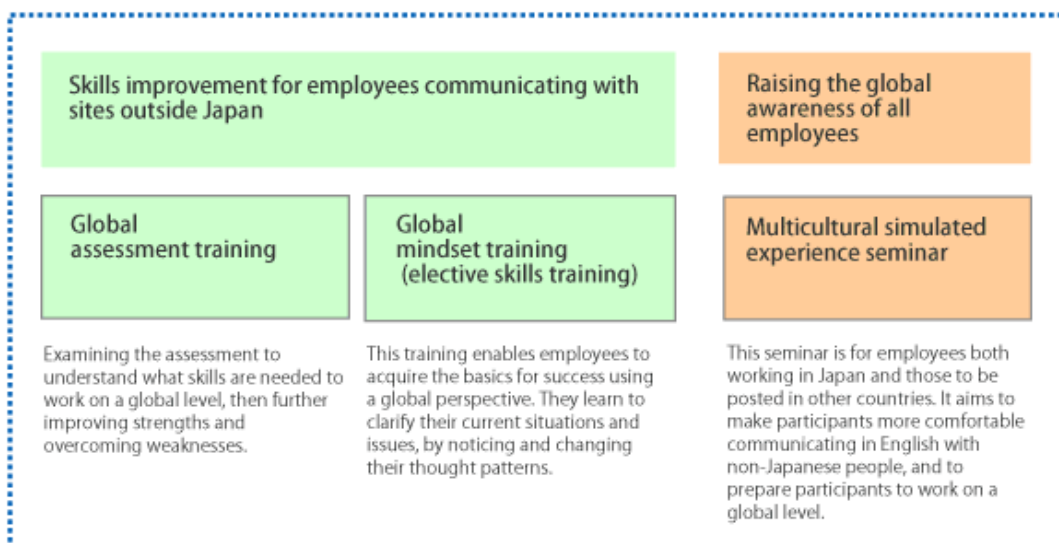


## Training system before assignment outside Japan



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

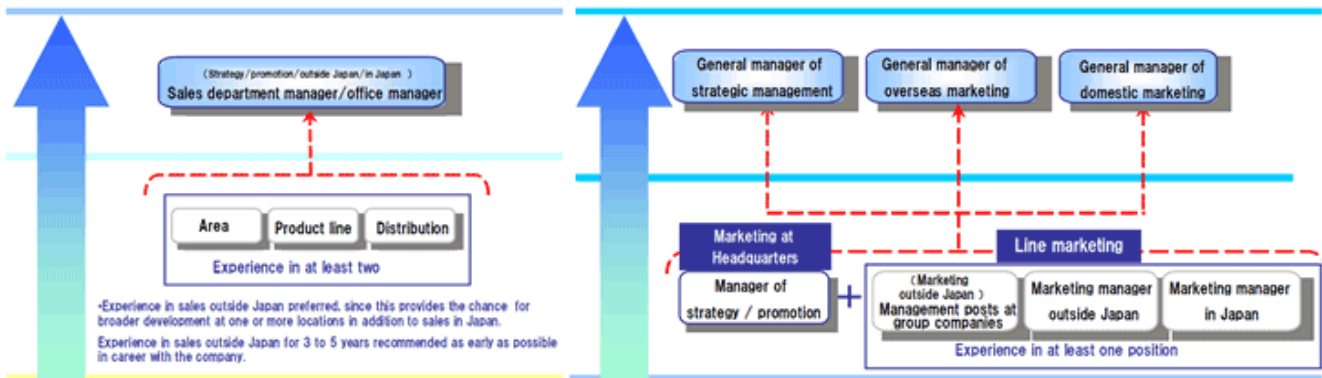
## Fostering a global mindset among employees in Japan



## 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)

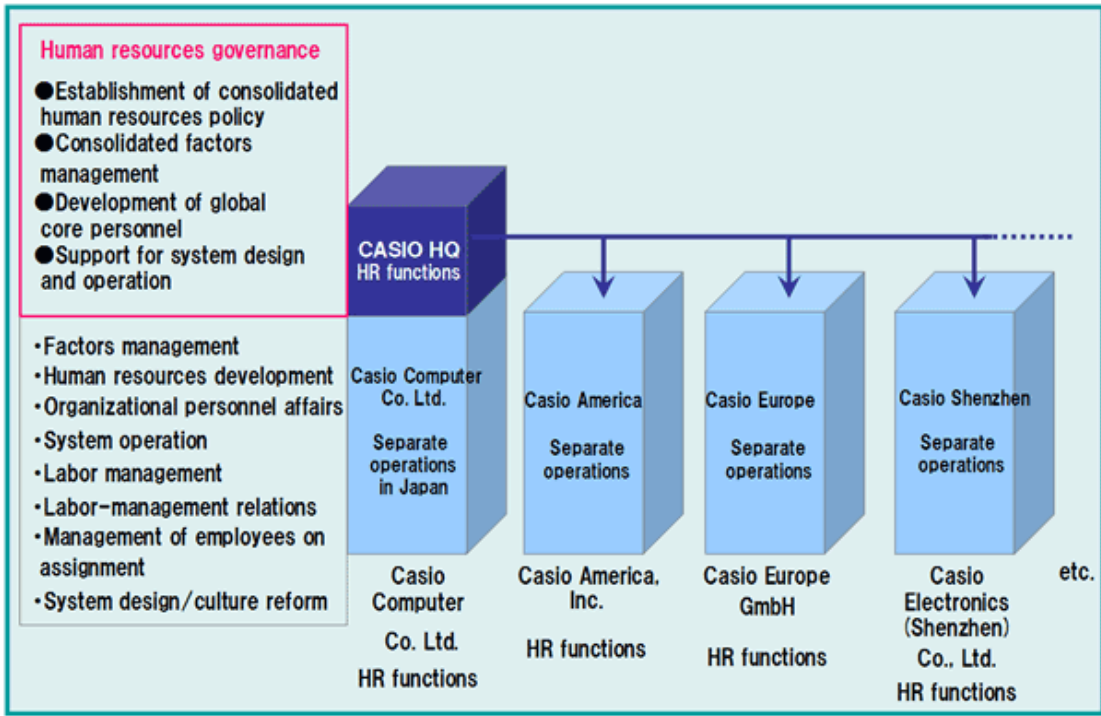


## Strengthening human resources functions at group companies outside Japan

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

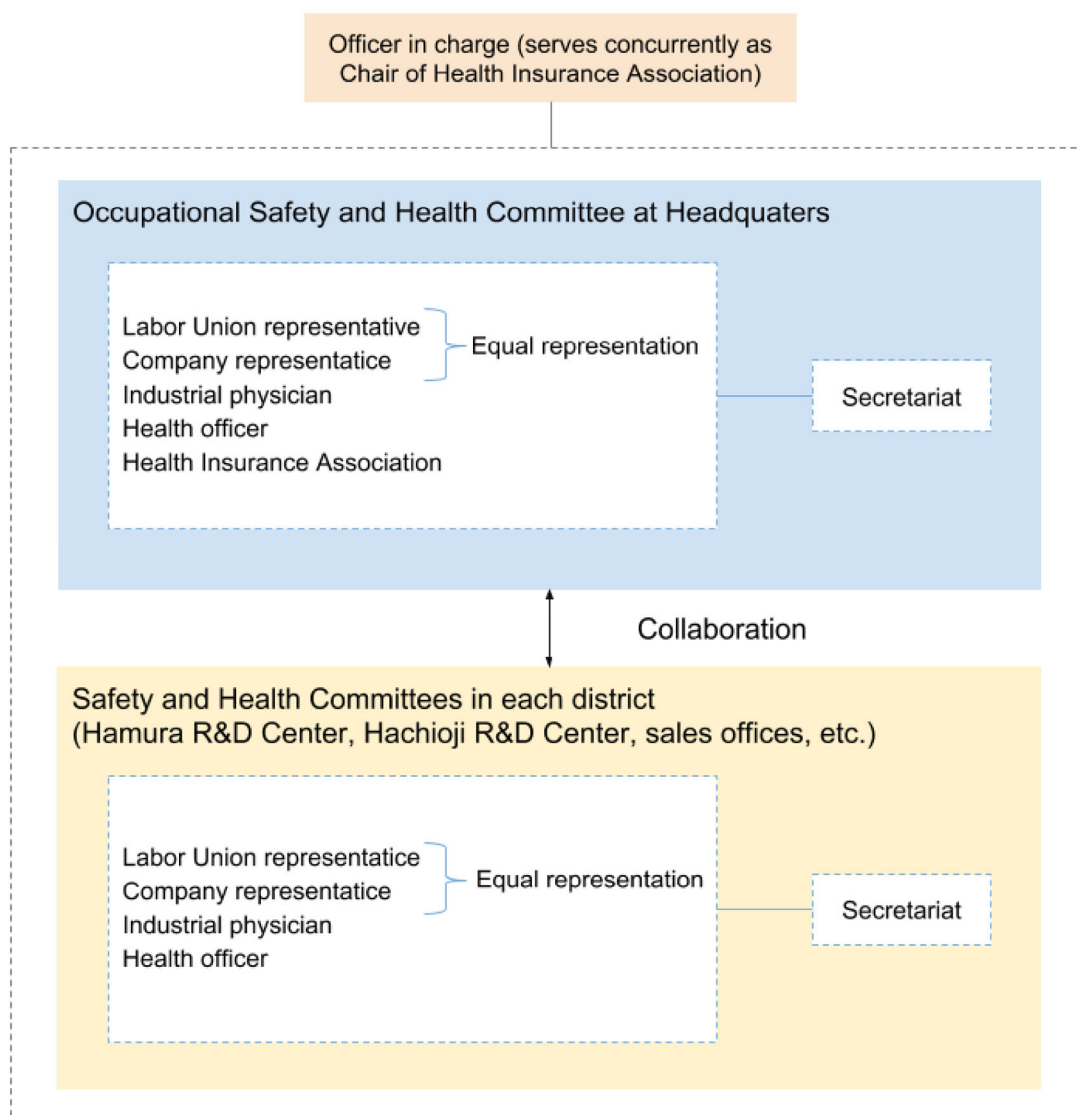
### System

#### 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

FY2019 Targets and KPI	FY2019 Performance	Evaluation	FY2020 Targets and KPI
<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>	<ul style="list-style-type: none"> <li>Follow-up measure implementation rate: 80.6%</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>
<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>	<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 work skill improvement training for young employees (including self-management) (June)</li> </ul>	○	<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 job-specific level-up training for young employees (August)</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 for interested employees and/or 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>	<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>Ascertain the rate of employees with high stress (February)</p> <p>Implement industrial physician consultations for interested employees (February to April)</p> <p>Ascertain health risk rates by department (April)</p> <p>Implement workplace analysis and feedback (May)</p>

## 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. The mobile health check clinic equipped with digital high-resolution X-ray equipment visits worksites for regular health checks of younger employees. Employees 35 and older 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. 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. In addition, Casio introduced a program that rewards employees who work to improve their health by giving them points for achieving goals set in advance. This is aimed at educating individual employees about their health and encouraging them to make improvements. 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.

### 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 believes that it is important to prevent infectious diseases as part of its programs for employee health. The company provides information on infectious diseases, raises awareness, and issues reminders in its in-house bulletins, and it also began providing influenza vaccinations to those employees who wanted one in fiscal 2019. 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, 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. For those in leadership positions, a separate e-Learning Program, Mental Health Management Training, and the Manual for Managers are provided 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.

## 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	0.79	1.06	0.01	0.09	0
2015	0	1.06	0	0.06	0
2016	0.39	1.15	0	0.07	0
2017	0	1.02	0	0.08	0
2018	0	1.20	0	0.10	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		
	Men	Women	Total	Of which, number of worker days off	Headquar ters	Develop ment departme nt	Sales office
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
2018	5	3	8	0	3	1	4

# 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 / 42KB )

[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

FY2019 Targets and KPI	FY2019 Performance	Evaluation	FY2020 Targets and KPI
Check human rights issue and implement feedback: All group production companies (100%)	Checked human rights issue and implemented feedback: Implemented at all 29 group production companies (100% complete)	○	Check human rights issue and implement feedback: All group sales companies (100%)
Implement human rights education for Sustainability leaders Casio Computer Co., Ltd. (100%)	Not implemented in 2018 (0%) *Due to large-scale organizational changes, it was carried out in May 2019.	○	Implement human rights education for Sustainability 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

## Activity Results

### 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.

Since fiscal 2017, Casio has been checking for human rights issues, alternating year by year between checking all group production companies, and checking Casio Computer Co., Ltd. and all group sales companies.

In fiscal 2019, a human rights checkup was conducted at eight group production companies and feedback was provided by the secretariat.

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In the fiscal 2019 checkup, the total number of non-compliant items decreased from 33 in fiscal 2017 to 26 for the same assessment items, resulting in the assessment that seven improvements had been completed.

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**

In fiscal 2019, 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 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 2019.

## **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, who are participants in society and have a major social influence, are expected by the public 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.

## 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 also promoting initiatives in collaboration with university research institutions and NPOs.

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



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





Partnership agreement signed with Indonesia's Ministry of Education  
For details, see: <https://world.casio.com/news/2018/1018/>

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

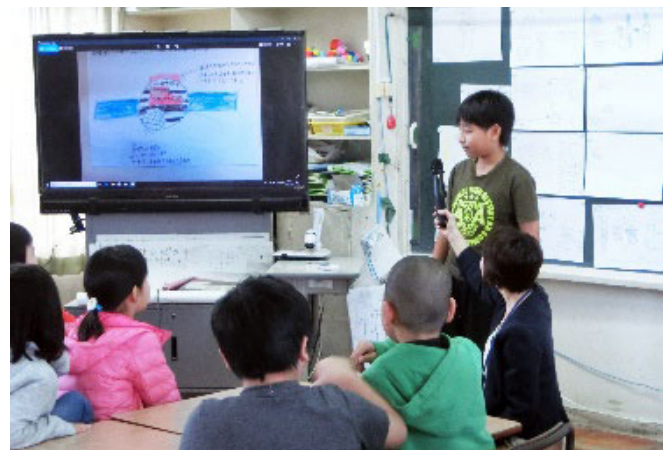
Since 2017, developers at Casio Computer Co., Ltd. have been serving as instructors for the Invention Ideas Workshop for elementary school children to have fun while thinking up an invention that is useful for someone.

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 grows arms to help you swim, a watch that warms up like a heat pack for people who live in cold places, a watch that thinks up menus tailored to physical condition for athletes, and a watch whose numbers can be increased in size to help elderly people.

In fiscal 2019, the touring workshop visited six elementary schools across Japan from Hokkaido to Kyushu, and a total of 320 pupils from grades two through 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

## Participation as a theme sponsor in Mono-Coto Innovation 2018

Casio Computer Co., Ltd. participated as a theme sponsor in Mono-Coto Innovation 2018, sponsored by Curio School Co., Ltd. Casio's Design Division and Musical Instrument Business Unit spearheaded the cooperation. This is a participatory program that brings together talented junior high and high school students from around the country to work on teams to compete in solving an issue proposed by companies. This is part of the CSR activities aimed at raising corporate value that the Design Division has carried out as part of its Open Innovation framework.

Casio participates in the program with three objectives. The first is to demonstrate that Casio is committed to programs like these to the talented human resources of the future—called “generation Z”—by supporting students on all fronts as they take the initiative in solving problems that actually confront companies. The second goal is to raise motivation by having the young Casio employees who represent the next generation openly express honest views with the students and draw out answers, while the third goal is to find seeds for new businesses in the flexible ideas unique to junior high and high school students.

The young designers and engineers who participated spent about four months seriously engaging with junior high and high school students and getting a sense of the essence of making things. It was also a good experience for the students to learn about Casio's commitment to Creativity and Contribution. At the final contest in December, when the eight teams who made it to the finals competed, the Casio team won the grand prize.

This program was an opportunity to identify the needs of the future by working together with the students of the next generation, and has led to activities that will put users first in the future. Casio plans to continue this activity as a theme sponsor in 2019.



Team Casio



Designers and engineers supported the team of students as their mentors.

## 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 2018 and April 2019, 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.



Workshop

## 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 2019, 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. A total of 31 employees visited classrooms and engaged with the students. In addition, as a new initiative, Casio held meetings with other companies that also support Key Person 21 to exchange views, and 21 people participated.



## Industry-academia partnership with Musashino Art University

Casio began an industry-academia partnership project with Musashino Art University in fiscal 2018 to support foreign students in their Japanese language studies.

In fiscal 2019, the project, which aims to get the word out about the many cultures coexisting in Japan, got underway with interviews conducted by university students of organizations active on the front lines. The students are supervised by Jumpei Miyo, Associate Professor of Japanese Applied Linguistics, and Shinichi Yonetoku, Professor of Moving Images, and a Casio employee works with the student project team as a mentor. They worked closely with an employment agency that connects Japanese companies and foreign students, a foreigner support organization in which parents and their children participate, and a Japanese language school at which students learn Japanese and IT skills at the same time. The interviews, conducted from the students' unique perspective, were recorded on video.

In February 2019, the results were presented at Musashino Art University's Design Lounge (Akasaka, Minato-ku), where students gave their presentations and shared documentary films to representatives from 25 organizations, including The Society for Teaching Japanese as a Foreign Language, publishing companies, Japanese language schools, and the university.

Casio values the efforts of non-Japanese to learn the Japanese language, and the company will continue to support Japanese language education through this kind of industry-academic collaboration.



## 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 2019

- An elementary school in Sandu Village, Jiangxi, China



In addition, an event was held to look back at Casio's activities thus far in which 12 teachers and students (six pairs) from five schools that Casio has visited in the past were invited to Shanghai to discuss their many “first” experiences.



Visit to Casio (China)



Visit to elementary school in China

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.”

## Co-sponsorship of education contest

Casio (China) Co., Ltd. provides support for efforts to train the next generation of human resources by co-sponsoring an education contest.



Thirty-fifth All-China Physics Contest



Eleventh Shanghai International Studies University Casio Cup Speech Contest for Chinese university and graduate students in the Japanese language department



Eleventh Casio Cup for Best Japanese Studies Master's Thesis



Ninth Casio Cup Contest for Japanese Teaching Skills awarded to young Chinese teachers of Japanese



Thirty-second Chinese Chemistry Olympiad

## 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 cutting-edge device research in electronic and mechanical engineering to natural sciences related to telecommunications, AI, IoT, environmental electronics, health, sports, and health engineering—as well as in the cultural sciences including human resources development and human behavior.

Over the last 36 years, the Foundation has provided a total of about ¥1,788.64 million in 1,371 grants.



The 36th grant presentation ceremony (fiscal 2019)

## Grants in fiscal 2019

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.

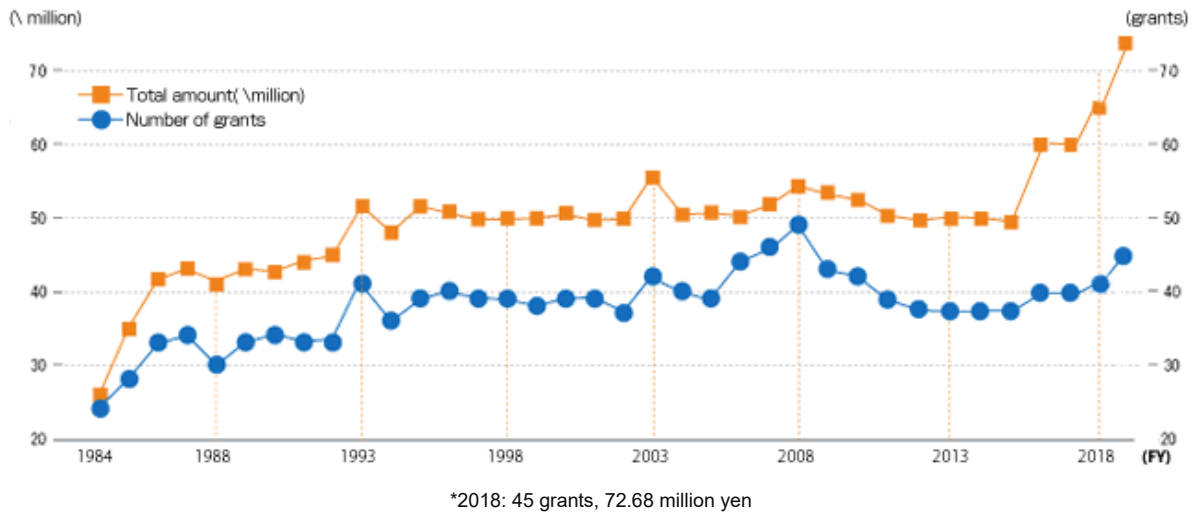
After asking 204 universities to submit research topic proposals, 313 proposals were received from 114 universities. Based on a rigorous selection process, a total of 72.68 million yen in grants was awarded to 45 different proposals.

More than 80% 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 2, 2018.

Special topic	7 grants	34.74 million yen
Group A (Electronics and Mechanical Engineering)	22 grants	21.98 million yen
Group B (Medicine and Physiology)	10 grants	9.98 million yen
Group C (Humanities)	6 grants	5.98 million yen



## Grants from the Casio Science Promotion Foundation



### Message from a grant recipient

Our research is focused on infectious diseases. In recent years, drug-resistant pathogens and new and re-emerging infectious diseases have occurred frequently, and infectious diseases remain a major threat to humanity. These developments create a need for the development of treatment methods, but antibiotic drugs are not effective against viruses, which means that we must gain an understanding of each pathogenicity at work in a wide range of viruses, and must develop treatments for each virus. Understanding the pathogenicity, determining the molecule that will be the therapeutic target, and developing a method to impede its functions requires extremely laborious basic research. The Casio Science Promotion Foundation's research grant concentrates its support on young researchers' cutting-edge, creative research in the early stages, and as a young researcher myself, I am profoundly grateful for this grant.

Unlike the painstaking basic research which takes so much time, infectious diseases spread rapidly and rob many people of their lives. In this increasingly globalized world, infectious diseases rampant overseas can infiltrate Japan any time in just 24 hours, so we researchers must carry out our research with a sense of urgency. I hope that this grant will help my team work together so that our basic research can contribute at least a little to humanity's health. Thank you very much.

Takao Hashiguchi, Associate Professor  
Faculty of Medical Sciences, Graduate School of Medical Sciences, Kyushu 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



ワイルドライフプロミシング



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. 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 17th annual marathon held in 2018, 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



Cherry Marathon runners

## 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 Shizensaibai Party that encourages corporations to support rice cultivation at a welfare center for one season. The project supports welfare centers with their projects to convert abandoned farming land into rice paddies and 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 increase income (to support financial independence) for people with disabilities, revitalize abandoned farming land, and provide safe food.

Endorsing the aims of the project, Casio has been supporting two tenths of a hectare's worth of rice per year since 2017. As a part of its educational programs, 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 162 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. Harvested rice was provided in employee cafeterias to spread awareness of this activity within the company and also given to three children's cafeterias close to Casio headquarters.



Planting rice



Harvesting rice in a team with everyone from the welfare center



Harvested rice provided in employee cafeteria

## 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 the Respite Trip in fiscal 2017, and a total of 29 employees volunteered through fiscal 2019, including in the Sibling Camp. Casio has provided full-scale support, including donations, as the first corporate sponsor, since fiscal 2018.

Four families were invited to the Respite Trip held in August 2018, and four employee volunteers took part. Casio will continue to provide support for this program, which creates time and space to completely relax for children and families who need to recuperate, as a valuable activity that fulfills the SDG pledge to “leave no one behind.”



## 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 dessert 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 desserts 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 handmade breads and desserts. 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 will 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 2019, Casio donated 2 million yen, as it did the previous year (accumulated total: 19 million yen). Casio plans to continue to donate to the campaign through 2020.

#### 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, "We work over a broad area, but Logosease allows us to easily identify other teams' locations. We can also communicate directly more easily with this than with underwater slates."



Logosease



Logosease supports the underwater work of Sanriku Volunteer Divers



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**●Support for relief and recovery from the heavy rains of July 2018 in Japan**

Casio donated funds as described below to support relief for the victims of the heavy rains in July 2018 and to help with the reconstruction of the affected areas. The company also provided matching funds for any donations made by employees.

1. Support donation: 5 million yen  
Donated to Japan Platform, an emergency humanitarian aid organization
2. Relief donation: About 5.84 million yen (about 2.84 million yen in donations from employees and 3 million yen in contributions from Casio Computer Co., Ltd.)  
Donated to Japanese Red Cross Society
3. Additional support for Kochi Prefecture  
Relief donation: 2 million yen  
Donated to Kochi Prefecture

**●Support for earthquake and tsunami damage that occurred in Indonesia's Sulawesi Island**

Casio made donations, as noted below, to aid disaster victims and support the recovery in the afflicted areas following the earthquake and tsunami that occurred on Sulawesi Island in Indonesia in September 2018.

Relief donation: 1.0 billion Indonesian Rupiah (about 7.5 million yen)  
Donated to the Indonesian Red Cross

# Environmental Report



**Environmental  
Management**

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

**Realizing a  
Decarbonized Society**

**Building a Recycling  
Society**

**Living in Harmony with  
Nature**

**Environmental  
Performance Data**

**Environmental  
Compliance**

**Environmental FAQ**

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# Environmental Management

## Environmental Vision and Environmental Policy

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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, and has carried out a variety of initiatives since then. During that time, the move toward decarbonization has accelerated worldwide since the Paris Agreement of 2015. Since the concept of “low-carbon” is now out of step with its long-term vision, since 2019 Casio has been pursuing the revised vision of “realizing a decarbonized society.” Casio’s environmental policy has also been revised and reestablished as the new Casio Group Environmental Policy.

In line with the Environmental Vision and Environmental Policy, given below, Casio will strive to become a leading environmental company, as demonstrated by its commitment to visionary global initiatives to help build a more sustainable world.

### 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 decarbonized society
- Building a recycling society
- Living in harmony with nature

## Casio Group Environmental Policy

### Basic Philosophy

In light of the intent of the Paris Agreement and the SDGs, and based on the Casio Environmental Vision 2050, the Casio Group will help build a more sustainable world by appropriately recognizing environmental challenges that Casio's business affects and attempting to solve those challenges through its main business.

### Basic Policies

1. Aiming to help build a more sustainable world, we will commit ourselves to the following objectives, which will be tackled strategically in response to requests from the international community, looking to realize them through fresh approaches by thinking outside the box, and by addressing issues throughout the entire value chain:
  - 1) Realizing a decarbonized society: Achievement of medium- to long-term goals in the reduction of GHG including CO<sub>2</sub>
  - 2) Building a recycling society: Minimization of environmental impact throughout the value chain
  - 3) Living in harmony with nature: Minimization of negative impact to biodiversity through our main business
2. To achieve the above objectives, we will work at establishing effective and efficient organizational structures and systems that will translate into improvements in environmental performance.
3. In addition, we will steadily respond to environmental challenges, social demands, and the expectations of stakeholders.
  - 1) We will strive to prevent environmental pollution by complying with environmental laws and regulations as well as other requirements that we have agreed to.
  - 2) We will engage in social contribution activities in the environmental field.
  - 3) We will participate in and contribute to environmental conservation activities, including efforts to adapt to and mitigate climate change.
  - 4) We will make the Environmental Policy well-known to all members of the Casio Group.
  - 5) We will make the Environmental Policy available to stakeholders.

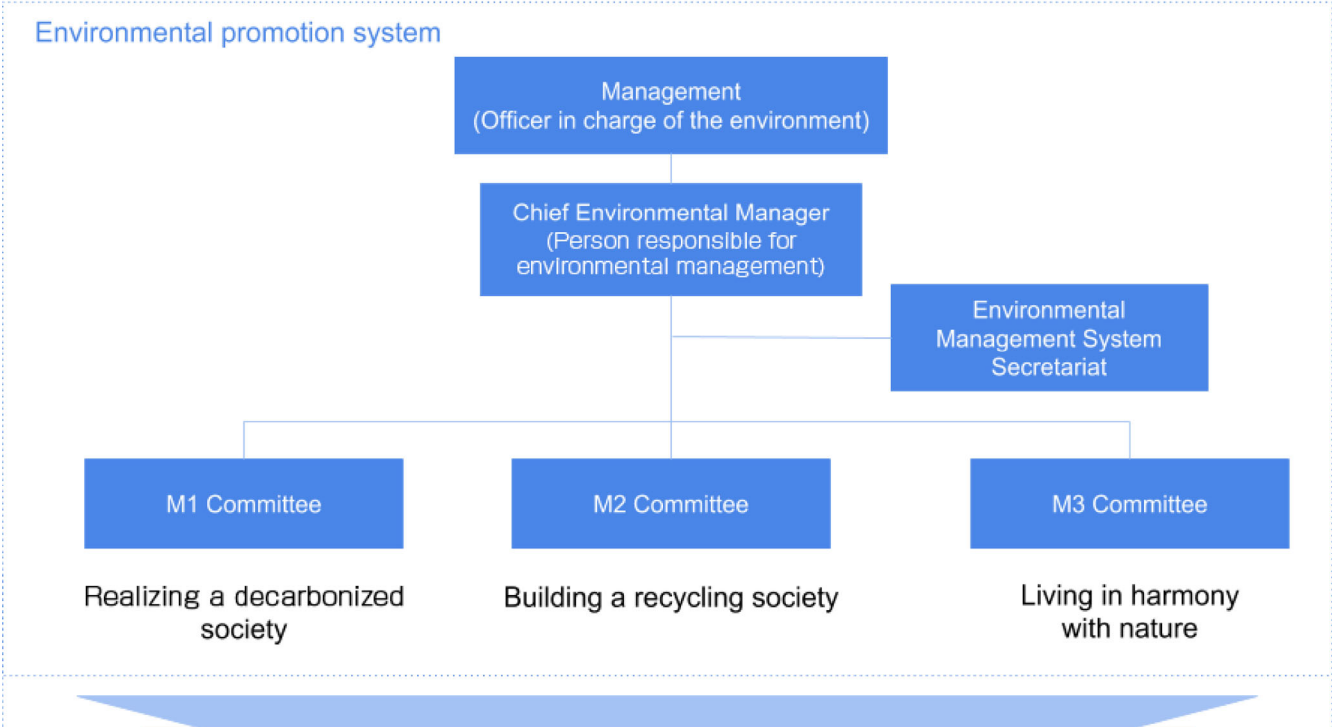
## Implementation System

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 2017. In addition, the company established committees to handle its three areas of material environmental goals and, as necessary, set up working groups underneath them in which committee members participate and engage in activities related to their respective areas. 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.

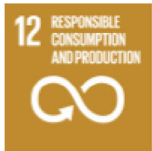
CSR Committee

Reporting and resolving ↑



Promote effective environmental activities based on materiality in order to improve environmental performance of Casio as an entire Group

Translate into contribution to SDGs through steady implementation of materiality



Environmental goals under the SDGs

## List of ISO 14001 Certified Sites

Certified and registered site		Date acquired	Remarks
Casio Computer Co., Ltd.	Headquarters (including seven sales sites)	December 2000	In April 2017, Casio integrated ISO 14001 certifications for these 3 sites
	Hamura R&D Center	October 2000	
	Hachioji R&D Center	October 2000	
Yamagata Casio Co., Ltd.	Headquarters	November 1997	
Casio Business Service Co., Ltd.	Headquarters	January 2000	
Casio Techno Co., Ltd.	Headquarters	May 2002	
Casio Human Systems Co., Ltd.		December 2001	
Casio Computer (Hong Kong) Ltd.		December 1999	
Casio (Thailand) Co., Ltd.		July 2012	
Casio Taiwan Co., Ltd.		December 2001	
Casio Electronics (Shenzhen) Co., Ltd.		February 2002	
Casio Electronic Technology (Zhongshan) Co., Ltd.		April 2002	
Casio Electronics (Shaoguan) Co., LTD.		January 2018	

\*The percentage of Group employees at sites with ISO certification has reached 76%.

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## Environmental Education

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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 2019, along with the targets for fiscal 2020 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	FY2019 Targets and KPI	FY2019 Performance	Evaluation	FY2020 Targets
Realizing a decarbonized 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	Create scenarios to reduce CO <sub>2</sub> emissions and achieve medium and long-term targets	Created reduction scenarios	○	Acquire SBT certification and join RE100
	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	Reduce the FY2018 CO <sub>2</sub> emissions for the entire Casio Group by 7.95% compared with FY2014	Achieved a 8.08% reduction	◎	Reduce the FY2018 CO <sub>2</sub> emissions for the entire Casio Group by 9.6% compared with FY2014
	To have 70% or more of main suppliers establish GHG reduction targets by FY2025	-	-	-	Establish a supplier survey
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 70% or more	Casio Green Star Product sales ratio: 72%	◎	Maintain the Casio Green Star product sales ratio at 74% or more
	Achieve 100% recycling rate for business site waste by FY2031	Achieve a recycling rate for business site waste of at least 92%	Achieved a recycling rate of 86.2%	△	Achieve a recycling rate for business site waste of at least 90%
	-	Use no more than 500,000m <sup>3</sup> of water	417,900m <sup>3</sup>	◎	Reduce water usage by 1% compared to FY2019



Living in harmony with nature	To increase the use of sustainable paper to 100% by FY2031	Ensure that 65% of product catalog paper used in Japan is FSC® certified paper	Ratio of certified paper in catalogs in FY2018: 81.9%	◎	Ensure that 80% 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	Considered the definition of "sustainable paper"	△	Finalize definition of "sustainable paper"

# Realizing a Decarbonized 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. The objective of the Paris Agreement is to keep a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. To achieve that goal, the agreement set out the target of net zero emissions of greenhouse gases by the second half of this century.

Moreover, in October 2018, the Intergovernmental Panel on Climate Change (IPCC) released the Special Report on Global Warming of 1.5°C, which stressed that many of the impacts of climate change could be avoided by limiting global warming to 1.5°C instead of 2°C. This debate was continued at COP24 held in December 2018, resulting in ever-greater demand from the international community for decarbonization.



### Risks and Opportunities for the Casio Group

As the move toward decarbonization gains momentum, a variety of future risks and trends become conceivable, including carbon pricing and tighter energy-saving regulations as well as climate changed-induced natural disaster such as typhoons, torrential rain, and flooding. To help avoid such risks, going forward Casio will seek to reduce greenhouse gases generated in its business operations by, among other measures, pursuing greater energy savings, expanding the introduction of renewable energy, and securing alternatives in the value chain.

Since its establishment, Casio has made use of technology to make products smaller, lighter, thinner, and more energy efficient. In this way, it has created a wide variety of eco-products. Anticipating the market needs for energy-saving products to increase even more in the future, Casio will push its technical development ahead further in light of these environmental challenges in an effort to create products with high environmental performance and in pursuit of business growth.

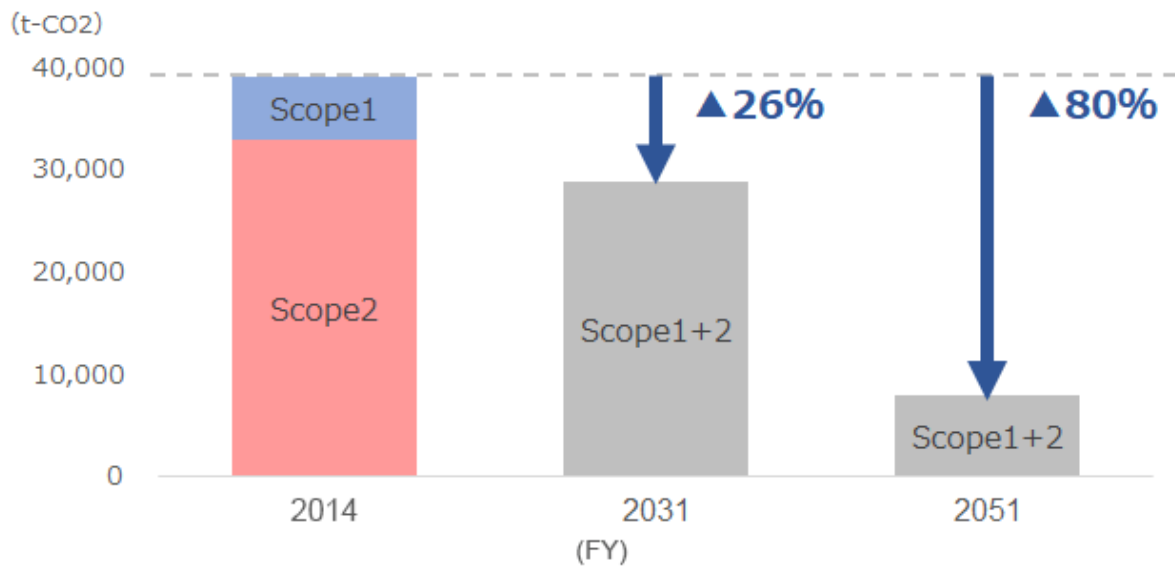
In order to minimize the various risks mentioned above, and expand opportunities, Casio must contribute to the sustainability of the planet and its human societies. Casio recognizes that this is an extremely important issue for further strengthening its business foundation, and will make even more strenuous efforts to realize a decarbonized society.

## Policy

Aiming to realize a decarbonized society, Casio is committed to reducing greenhouse gas emissions across the value chain. It has established the goals of reducing greenhouse gas emissions from business operations (Scope 1 and 2) by 26% by fiscal 2031, compared to fiscal 2014, and by 80% by fiscal 2051. To achieve those targets, Casio will promote the introduction of high-efficiency/energy-saving equipment, the improvement of work processes, and the adoption of renewable energy.

Since emissions from purchased goods and services (Category 1, Scope 3) account for 60% or more of Casio's CO<sub>2</sub> emissions throughout the value chain, suppliers' initiatives to reduce greenhouse gas emissions are important. Going forward, Casio will start surveying the reduction of greenhouse gas emissions by its main suppliers and encourage initiatives leading to reduction of greenhouse gas emissions across the value chain.

### Reduction targets for greenhouse gas emissions (Scope 1 and 2)



## 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	FY2019 Target	FY2019 Performance	Evaluation	FY2020 Targets and KPI
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	Create scenarios to reduce CO <sub>2</sub> emissions and achieve medium and long-term targets	Created reduction scenarios	○	Acquire SBT certification and join RE100

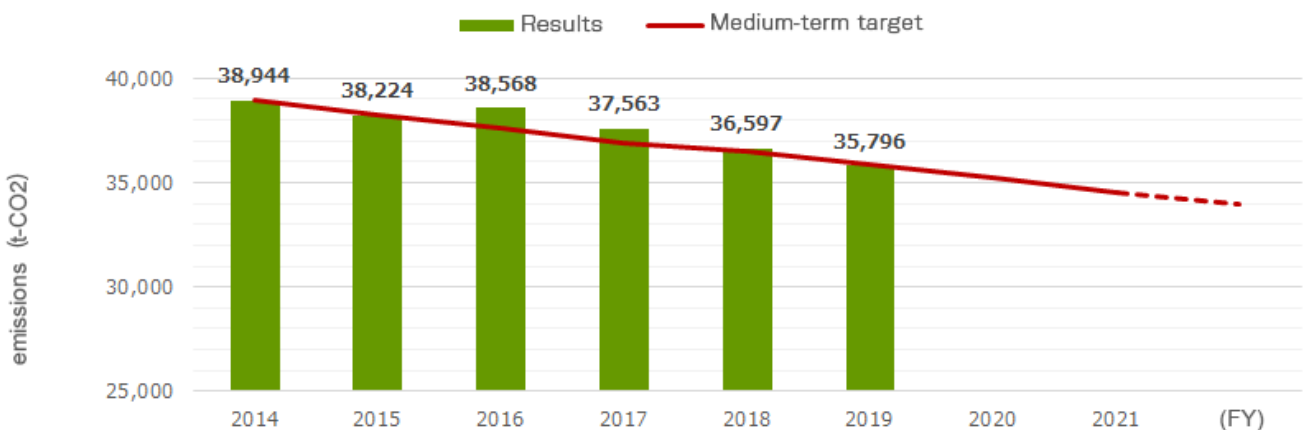
Medium-term target: To reduce the total volume of the Casio Group's greenhouse gas emissions (scope 1 and 2) by 26% compared to FY2014 by FY2031	Reduce the FY2018 CO <sub>2</sub> emissions for the entire Casio Group by 7.95% compared with FY2014	Achieved a 8.08% reduction	⊙	Reduce the FY2018 CO <sub>2</sub> emissions for the entire Casio Group by 9.6% compared with FY2014
To have 70% or more of main suppliers establish GHG reduction targets by FY2025	-	-	-	Establish a supplier survey

## Activity Results

### Greenhouse gas emissions in business operations (Scope 1 and 2)

The Casio Group has established medium-term reduction targets for CO<sub>2</sub> emissions from each office and Group company based on its medium-term targets for greenhouse gas emissions in business operations (Scope 1 and 2). Each site carried out energy-saving activities to achieve those targets, resulting in an 8.56% reduction in greenhouse gas emissions for fiscal 2019, compared to fiscal 2014, thus achieving the annual target. Going forward, in addition to practicing energy-saving activities and introducing high-efficiency equipment, Casio will also work on making use of renewable energy and will aim to acquire SBT certification and join RE100.

### Changes in greenhouse gas emissions (Scope 1 and Scope 2)



( t-CO<sub>2</sub> )

		FY2014 (Base year)	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2031
CO <sub>2</sub> emissions	CO <sub>2</sub> emissions	38,944	38,224	38,568	37,563	36,597	35,796	-	-	-
	Reduction rate	-	1.85%	0.97%	3.55%	6.03%	8.08%	-	-	-
Medium-term target	CO <sub>2</sub> emissions	-	38,261	37,589	36,929	36,509	35,847	35,197	34,403	28,819
	Reduction rate	-	1.76%	3.48%	5.17%	6.25%	7.95%	9.62%	11.66 %	26.00 %

### Scope 3

Casio monitors and calculates greenhouse gas emissions in its own business operations (Scope 1 and Scope 2) and also emissions throughout the entire value chain, upstream as well as downstream (Scope 3). Since emissions from “purchased goods and services” (Category 1) account for 60% or more of Casio’s Scope 3 CO<sub>2</sub> emissions, the Casio Group will promote activities to reduce greenhouse gas emissions across the value chain, chiefly by encouraging its main suppliers to establish targets for greenhouse gas reduction.

#### [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.

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 Decarbonized Society

## Business Sites Initiatives

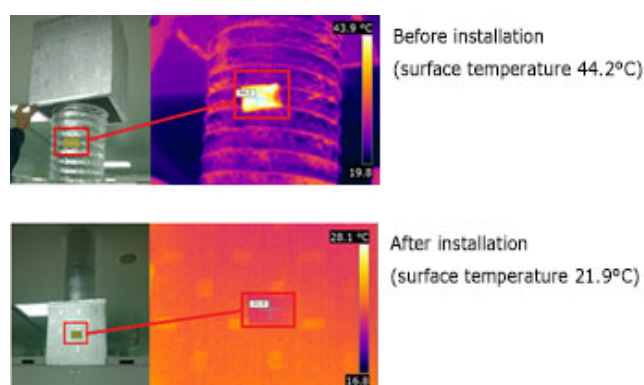
### Initiatives at Casio (Thailand) Co., Ltd.

#### 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



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
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\*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.



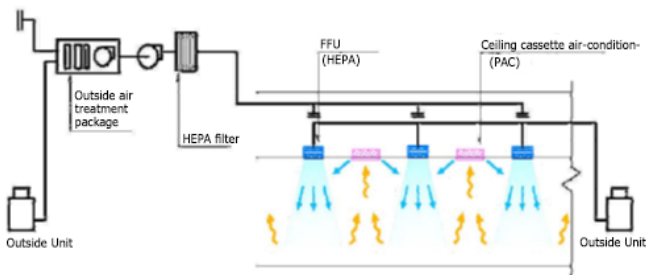
Commuting buses at Casio (Thailand)

## 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.

\*1 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 2018, the company again 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 fifth the company has received, following 2012, 2013, 2016 and 2017. Going forward, Casio America 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, currently, 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 has entered Hachioji's Green Wall of Vegetation Contest in the "organization grouping" since 2017 and won awards two years running, including the first place award in 2017.



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. Thus far, it has installed LED lighting at many Casio sites, including 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., 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

# Realizing a Decarbonized 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

### 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. In recent years, moreover, the low effective utilization rate for waste plastic and environmental pollution caused by ocean plastic waste have become issues of global concern. To address these issues, 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 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 strives 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	FY2019 Target	FY2019 Performance	Evaluation	FY2020 Targets and KPI
Increase Casio Green Star product sales ratio to 90% by fiscal 2026	Maintain the Casio Green Star product sales ratio at 70% or more	Casio Green Star Product sales ratio: 72%	◎	Maintain the Casio Green Star product sales ratio at 74% or more
Achieve 100% recycling rate for business site waste by fiscal 2031	Achieve a recycling rate for business site waste of at least 92%	Recycling rate: 86.2%	○	Achieve a recycling rate for business site waste of at least 90%
-	Keep water usage below 500,000 m3	417,900 m3	◎	Reduce water usage by 1% from FY2019 level

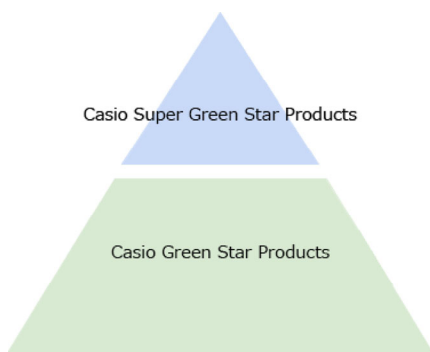
# Building a Recycling Society

## 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 developed many environmentally friendly products.

Since fiscal 2010, Casio has offered products that achieved outstanding evaluations under more rigorous assessments of environmental performance as Casio Green Star Products. In fiscal 2017, the Group started offering Casio Super Green Star Products, which have even greater environmental performance. Since then, Casio has been working to develop even better environmentally friendly products.

### Casio Green Star Products System and Assessment Items



Casio Super Green Star Products	Products that have higher environmental performance
Casio Green Star Products	Products with a particularly good assessment

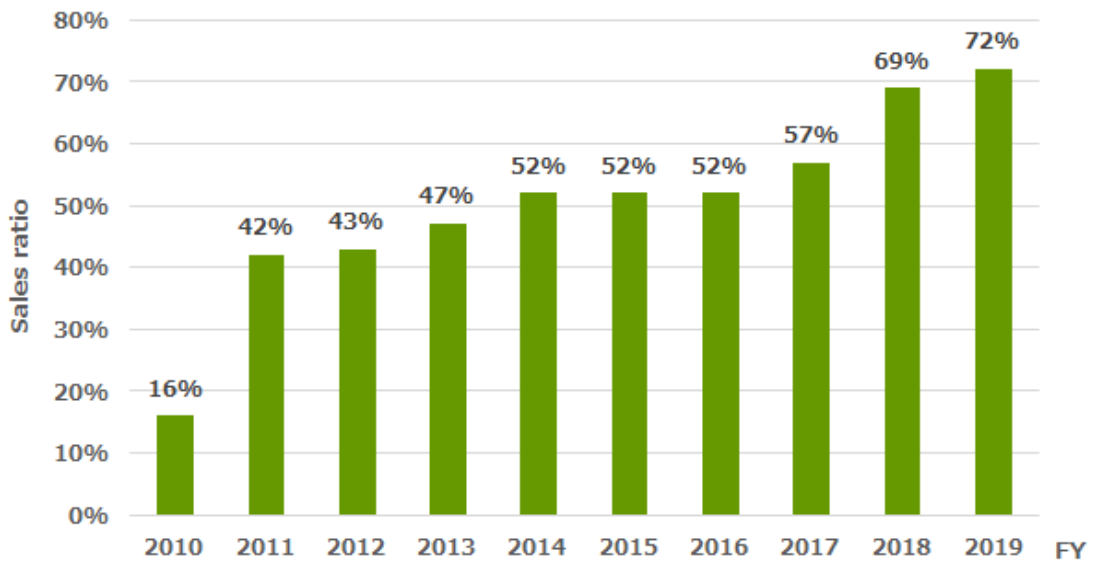
#### Product environmental assessment items

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

## Casio Green Star Product Sales Ratio

Casio is accelerating the development of environmentally friendly products, aiming to see Casio Green Star Products make up 90% of total sales by fiscal 2026. Their share of sales reached 72% in fiscal 2019, achieving the target for that year of 70% or higher. Additionally, one new model was certified as a Casio Super Green Star Product, the highest rank of environmental products. Going forward, Casio will continue to develop products that are even more environmentally friendly.

### Casio Green Products and Casio Green Star Products



## Casio Super Green Star Products

So far, 36 product models have been certified as Casio Super Green Star Products. Some of the certified products (product series) are featured here.

### FY2019

#### Scientific Calculator [Graph 35+E II](#)

##### Environmental Features

- Energy consumption during use reduced by 50%
- Product volume reduced by 23%  
(compared to Casio's CY-802AY9 model)



**FY2017**

**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 some products 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](#)**



*Environmental Features*

- Solar battery powered
- Contains at least 40% recycled plastic (gross weight ratio of plastic)

**Electronic dictionary [XD-SR4800](#)**



*Environmental Features*

- Transport efficiency increased by 122% by reduced packaging (compared to Casio's AZ-SP-4800 model)

### Scientific Calculator [FX-JP900](#)



#### *Environmental Features*

- Solar battery powered
- Transport efficiency increased by 34% by reduced packaging (compared to Casio's FX-375ES model)

### Label printer [EC-K10 \( Lateco \)](#)



#### *Environmental Features*

- Blank space at the beginning and end of the tape reduced by 76% compared to the conventional model (compared to Casio's KL-G2 model)
- Reduced plastic waste from cartridge disposal by using a tape refill method

### Data projector [XJ-F211WN](#)



#### *Environmental Features*

- We do not use a mercury light source

### Electronic musical instrument [GP-500BP](#)



#### *Environmental Features*

- Energy consumption during use reduced by 24% (compared to Casio's AP-500 model)

### Watch [OCW-S5000/SHW-5100CG](#)



#### *Environmental Features*

- Solar battery powered

### Handheld terminal [DT-X400](#)



#### *Environmental Features*

- Energy consumption during use reduced by 47% (compared to Casio's IT-G400 model)



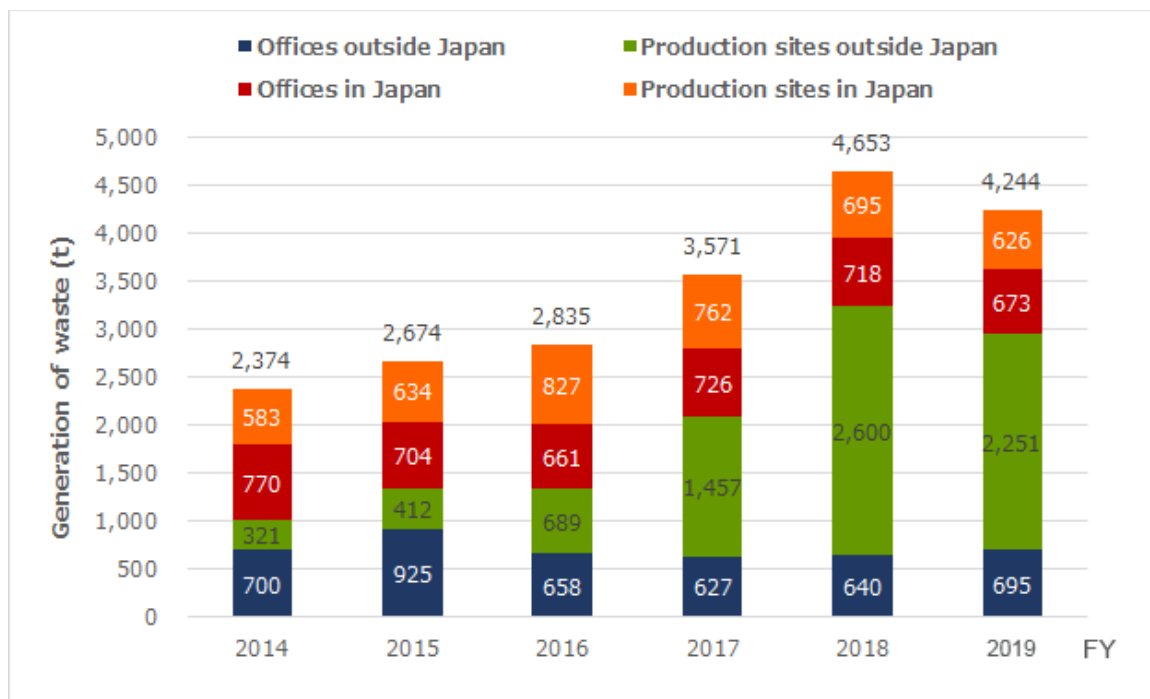
# Building a Recycling Society

## Reducing and Recycling Waste

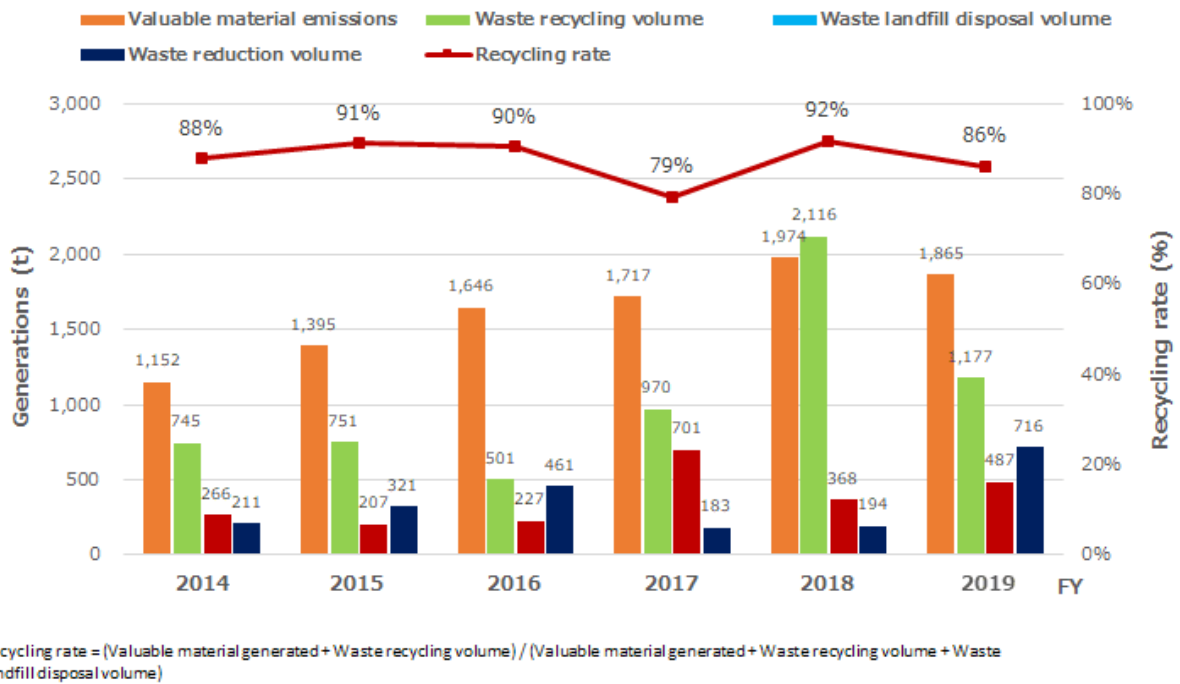
Casio is working to reduce and recycle the waste generated in its business activities. Generation of waste, etc. (total of waste and valuable material) has been on the rise since fiscal 2017, but the main reason for this is the increasing number of production sites outside Japan. In fiscal 2019, the total amount was reduced from the previous year as a result of efforts to reduce the generation of waste, especially at production sites outside Japan.

In addition, Casio has set a target recycling rate of 100%, aiming for zero landfill disposal. In fiscal 2019, the recycling rate dropped to 86% due to a decline in the amount of waste that is recycled, leaving the fiscal 2019 target of 92% unattained. The majority of landfill disposal is non-industrial waste, and it is disposed based on the administrative management of each country or region. Going forward, however, Casio will make efforts to increase its recycling rate by considering switching to recycling consignment according to the status of recycling facilities in each area.

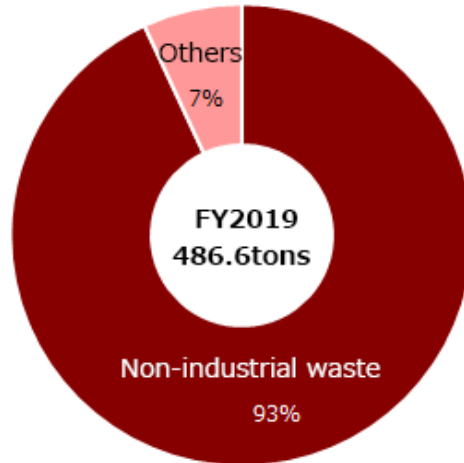
### Generation of waste



## Disposal breakdown and recycling rate for generation of waste, etc.



## Breakdown of landfill disposal (by category)



# 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

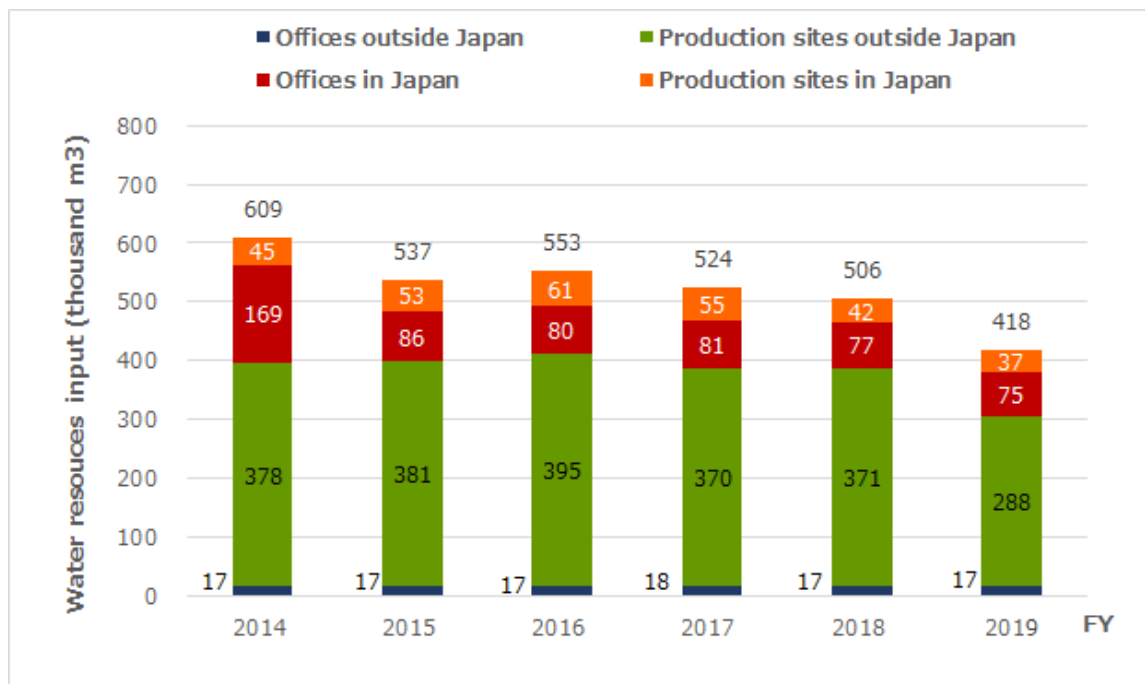
## Reducing water usage

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.

In fiscal 2019, water usage was 418,000 m<sup>3</sup>, a 17% reduction from fiscal 2018, driven by the establishment of targets for production sites and efforts to reduce water usage. Going forward, Casio will keep working to reduce water usage.

### Changes in input of water resources



# Living in Harmony with Nature

## Approach

### Social Background

A company's relationship with biodiversity in its business operations depends on the industry it is in as well as business conditions. No matter the kind of company, however, sustenance from the ecosystem, including oxygen, water, and food, is vital to the lives of the employees who work there and the people who are its customers. If ecosystem services were to collapse and the earth's biodiversity were to decline further, it would have major implications for the business operations of any company. In other words, since a company's business activities depend on human beings, there is no company for which biodiversity is totally unrelated. The most important aspect of the social challenge represented by biodiversity is the fact that many people do not fully appreciate the value and the risks of the blessings received from the ecosystem, which are taken for granted. That is why "mainstreaming biodiversity" has become an internationally critical issue.



### Risks and Opportunities for the Casio Group

Manufacturing of Casio products consists mainly of assembling the final products. Casio does not operate businesses in the raw materials and component devices that are used in its products. For this reason, as it stands now, the major factors that directly impact biodiversity are not a part of Casio's operations. It is clear, however, that direct impacts on biodiversity could take place in the supply chain from which Casio procures raw materials and devices. If biodiversity-associated issues within the supply chain were to occur, they would represent a risk that could interfere with Casio's business by making it difficult to procure devices and raw materials.

Furthermore, if the condition of ocean plastic pollution, which has received increasing attention in recent years, were to worsen, or if the bioaccumulation of hazardous substances, for example, were to be verified, it would increase the likelihood of tighter regulations on the plastics used in product bodies and packaging. That would likely make it difficult to keep using plastic materials as before, creating a risk that Casio would have to address.

Meanwhile, Casio sells the G-SHOCK and Baby-G watch brands, which stand up to use in harsh natural environments, as well as the PROTREK watch brand, which is equipped with sensors that are useful in outdoor activities. In the G-SHOCK and Baby-G lineup, Casio came out with Dolphin & Whale models, made since 1994 in collaboration with International Cetacean Education Research Centre (ICERC) Japan, with a view toward environmental protection. Casio's collaboration with ICERC Japan reached the milestone of 25 years in 2019. Under the PROTREK brand, Casio has collaborated with The Nature Conservation Society of Japan (NACS-J) since 2018 and released a Golden Eagle model as well as a model dedicated to *Shijimiaeooides divinus*, which is an endangered butterfly found only in Japan. Through this collaboration, Casio has started to support efforts to protect these endangered species. These activities involve contributions made by Casio's main business to help solve the social challenge of biodiversity. If the mainstreaming of biodiversity makes progress in the future and gains social momentum, more users could come to support these Casio products.

## Policy

In March 2011, Casio formulated the Casio Group Biodiversity Guidelines, under which it carries out various activities. Given that Casio operations have little direct impact on biodiversity, due to the characteristics of its business, the company established the Paper Procurement Policy in June 2015, as one way to focus on its indirect impact in the supply chain.

Going forward, Casio will introduce new biodiversity initiatives, carrying out activities with an “outside-in” approach and “multi-stakeholder partnerships” in mind, seeking to create shared value (CSV) that focuses on opportunities. In addition, since the United Nations Decade on Biodiversity comes to an end in 2020, Casio anticipates that reviews of this past decade will be made worldwide, and Casio plans to revise its guidelines as needed in light of the results.

### 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.

### **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.

## Management Approach

In 2015, Casio identified three environmentally material issues. To address one of these, “Living in harmony with nature,” the third material issue, it established the “M3 committee” in 2017. The M3 committee is driving Casio’s adoption of paper certified by the Forest Stewardship Council (FSC®) for product catalogues used in Japan. It conducted a biodiversity survey of Casio’s main business sites in Japan, leading to the discovery of rare species of plants included on the Red Lists published by Japan’s Ministry of the Environment. To promote the mainstreaming of biodiversity from within the company, protection teams of employee volunteers carry out conservation activities for these rare plants.

## 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	FY2019 Target	FY2019 Performance	Evaluation	FY2020 Targets and KPI
Living in harmony with nature	To increase the use of sustainable paper to 100% by FY2031	Ensure that 65% of product catalog paper used in Japan is FSC® certified paper	Ratio of certified paper in catalogs in FY2018: 81.9%	◎	Ensure that 80% 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	<ul style="list-style-type: none"> <li>Gave an interim report in the M3 committee on the definition of “sustainable paper”</li> <li>Gathered information on the procurement status of product packaging (cardboard)</li> </ul>	△	Develop scenarios for achieving medium-term targets relating to usage ratios for sustainable paper



# Living in Harmony with Nature

## Using Sustainable Paper

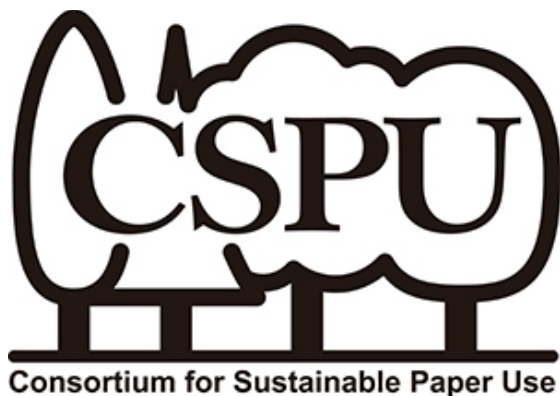
Nowadays, a variety of raw materials are used to make paper, but generally, widely available paper products are made from wood. Depending on the kind of forest from which that wood was cut, there might be adverse effects on biodiversity, such as the destruction of forests with a high conservation value as the habitat for precious wildlife, or cases that infringe on the rights of indigenous peoples.

Focusing on indirect impacts on biodiversity within the supply chain, Casio established a Paper Procurement Policy in June 2015. Based on this policy, Casio is especially committed to refraining from using paper products that come from paper manufacturers that are suspected of destruction of any forest with high conservation value or of involvement in raw material procurement that ignores the rights of indigenous peoples. Casio preferentially uses reliable certified paper to help increase the use of socially sustainable paper.

### Participation in the Consortium for Sustainable Paper Use

In June 2014, Casio joined the Consortium for Sustainable Paper Use. 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.



Member of Consortium

Details regarding the consortium can be found on the WWF Japan website below.

["Consortium for Sustainable Paper Use" WWF Japan website](#)

## Paper Procurement

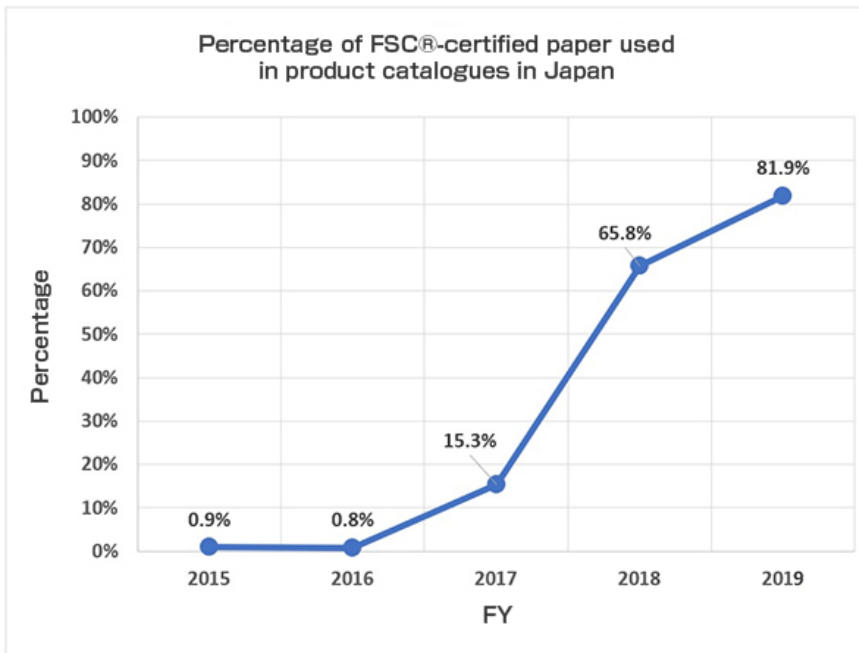
To make sure that it does not use paper products that are especially problematic, Casio periodically confirms that its suppliers do not use paper products from paper manufacturers that have been identified as dubious based on an independent investigation conducted by an international NGO related to the protection of wildlife. If it turns out, based on the confirmation results, that a product comes from one of the papermakers in question, Casio switches to products from a different paper manufacturer. By continuing such confirmation and switching of paper products, Casio exercises its indirect influence on the supply chain in an effort to minimize its indirect negative effects on biodiversity.

[Paper Procurement Policy](#)

## 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 2018, Casio used 65% certified paper for product catalogues, exceeding the target of 40%. In fiscal 2019, the numerical target was to maintain at least the same level as in the previous fiscal year. The result was 81.9%, exceeding the target of 65%. This was attributable to an increase in the FSC®-certified paper lineup as well as the influence that the company's working group for promoting use of certified paper had on procurement choices by its internal advertising division.



The mark of  
responsible forestry  
FSC® N002433

# Living in Harmony with Nature

## Biodiversity Preservation at Business Sites

In 2017, Casio commissioned an expert outside agency (Ryokusei Research Institute Inc.) to conduct a biodiversity survey at the Group's main sites in Japan. As shown in Table 1, the results found that many species of insects and plants make their home at these sites. Most notably, Golden Orchid (*Cephalanthera falcata*), which is included on the Ministry of the Environment's species Red List, and Silver Orchid (*Cephalanthera erecta*) and stalked adder's-tongue (*Ophioglossum petiolatum*), both of which are on Tokyo's Red List of threatened species, were 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 Yamanashi Prefecture's Red List of threatened species, were found at the Yamanashi Office of Yamagata Casio Co., Ltd. in the city of Fuefuki. In light of these results, employee volunteers are continuing to undertake conservation activities with advice from the expert agency.

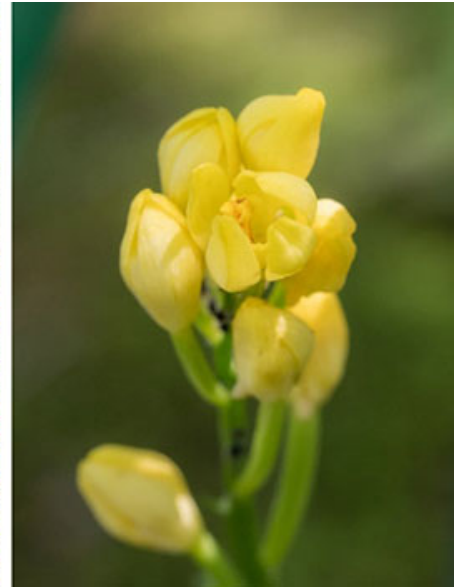
**Results of a survey of biodiversity at main business sites in Japan (Table 1)**

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, ophioglossum petiolatum
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 )



Golden Orchid (*Cephalanthera falcata*)



Silver Orchid (*Cephalanthera erecta*)



adder's-tongue (*Ophioglossum petiolatum*)



*Lespedeza tomentosa* / *Canthophorus niveimarginatus*

## Preservation Activities at Hamura R&D Center

In 2019, a protection team of employee volunteers once again observed and photo-documented the Golden Orchid and Silver Orchid, which were confirmed to be growing at Hamura R&D Center, from the time they sprouted until they flowered and fruited. The team strove to raise awareness, seeking to help mainstream biodiversity, by disseminating their photos of the orchids within the company. As a result of these ongoing efforts, in the spring of 2019, new individuals (one Golden Orchid and two Silver Orchids) were found, which had not been discovered at the time of the survey by the expert outside agency two years earlier.



The newly discovered Silver Orchids (two on left) and Golden Orchid

Among the several Golden Orchids on the center's grounds, some individuals did not flower, seemingly due to insect damage. Meanwhile, since it was anticipated that one Golden Orchid that showed the most stable development would flower when the center was closed during a string of holidays in May called Golden Week, the protection team set up an unmanned camera to take photos at intervals and thereby documented the orchid's growth until it flowered.



The protect team setting up a camera

Growth record through interval photography (4/25–5/7, 60-min. interval)

## Preservation Activities at the Yamanashi Office of Yamagata Casio

On the advice of the expert agency, labels were used to mark protected species including the plants *Lespedeza tomentosa*, which is listed in Yamanashi Prefecture's Red Data Book, as well as *Potentilla chinensis*, Siberian *Lespedeza juncea*, *Thesium chinense*, which is the larval food plant for the insect *Canthophorus niveimarginatus*, and other grassland plants. As these plants were carefully left when weeding, they were confirmed to have flowered and fruited.



Chinese cinquefoil



Siberian *Lespedeza juncea*

In April 2019, a protection team of employee volunteers was launched at the Yamanashi Office and began propagating individuals from seeds collected the previous fall. The seeds planted in the bare earth as well as those planted in pots sprouted and grew.



Planting seeds



Yamanashi protection team after planting seeds



Siberian *Lespedeza juncea* planted in bare earth



Siberian *Lespedeza juncea* planted in a pot

The grassland plants, including rare species, seen at the Yamanashi Office are thought to have been living in this location since before it become the business site's grounds. The periodic mowing conducted for grounds upkeep since the site was established is thought to have fostered a favorable habitat. Accordingly, the grounds were mowed as usual in May 2019.





Before mowing



After mowing



Before mowing



After mowing

# Living in Harmony with Nature

## Contributing Through Casio's Business to Social Issues Related to Biodiversity

### Preserving Biodiversity through Collaboration with Environmental Protection Groups

Casio has developed many brands of watches such as G-SHOCK, Baby-G, and PROTREK.

Through these brands, the company provides functions, performance, and designs suited to the many and diverse activities and situations in which people use them. Many of those envisioned situations are based on rich natural environments (a wide range of ecosystems from the land to the oceans). Casio believes that it is its responsibility as a manufacturer to contribute to the protection of those natural environments.

Aiming to leverage Casio's business to make a contribution to social issues related to biodiversity, Casio supports environmental protection groups and others through such means as sales of collaboration models.

### G-SHOCK and BABY-G Collaboration Models for the "Love the Sea and the Earth" Project

Based on a theme of "Love the Sea and the Earth," the G-SHOCK and BABY-G brands support the activities of environmental protection groups such as the International Cetacean Education Research Centre (ICERC Japan), Aqua Planet, Earthwatch Japan, and Wildlife Promising, with collaboration models that promote these groups.

In its collaboration with Aqua Planet, Casio acted as an official supporter of the International Year of the Reef, promoted by Japan's Ministry of the Environment, in 2018.

Casio's support of ICERC Japan, which began with the dolphin and whale models in 1994, reached its 25th year in 2019.



"Love The Sea And The Earth" logo



ICERC Japan: Models commemorating 25 years of collaboration



Aqua Planet collaboration model



WILDLIFE PROMISING collaboration models



Earthwatch Japan collaboration model

### Official Supporter of the International Year of the Reef 2018



The International Coral Reef Initiative, which is a framework for international cooperation in the preservation of coral reefs and related ecosystems, designated 2018 as the third International Year of the Reef (IYOR). In response, Japan's Ministry of the Environment, in collaboration with diverse actors, carried out activities in Japan in the name of IYOR 2018. The slogan for those activities was: "Connect, Spread, and Support Each Other."

Casio is supporting the preservation of coral reefs through its BABY-G collaboration model with Aqua Planet. Meanwhile, Yamagata Casio's underwater transceiver product, Logosease, also contributes to coral reef preservation activities. In this way, Casio acted as an official supporter, keeping in mind contribution within a multi-stakeholder partnership, as expressed by the slogan.

### Casio Coral Field

In 2018, Casio began providing support for Aqua Planet, an NPO that preserves coral, which is chaired by actress Ritsuko Tanaka. In January 2018, 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.

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 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.



Aqua Planet collaboration mode



Casio Coral Field

### Contributing to Coral Reef Conservation Activities with Logosease

On October 14, 2018, WWF Japan's Coral Reef Conservation and Research Centre organized the First Kikaijima Reef Check on the island of Kikaijima in Kagoshima Prefecture, Japan. As part of its activities as an official supporter of the International Year of the Reef appointed by the Ministry of the Environment, Yamagata Casio cooperated by providing Logosease as equipment to be used during the reef check.

Reef Check is a coral reef monitoring program conducted on a volunteer basis using an internationally uniform technique to investigate the soundness of coral reefs worldwide. The purpose is to reduce the human impact on coral reefs by recording the condition of fish and other creatures living on coral reefs as well as the condition of the seafloor to assess the health of coral reefs and raise awareness about their protection.



underwater transceiver , Logosease



The coral coverage at the reef check point was 51.25%, with a lot of massive coral, especially a species called *hamasango*, in the family Poritidae, being seen. Some 10 years ago, a variety called Araki *hamasango* was discovered to be 432 years old based on a core sample taken by The University of Tokyo. That coral was confirmed to be alive during this reef check and, at over 440 years old, is the oldest *hamasango* in Japan.

Yonemori Diving Service, which provided photos from the reef check, commented: "At first, it was hard to talk and hear with the Logosease, but we got used to them soon enough and then it became easy to hear and talk. Especially on a dive involving work, such as a reef check or a class, Logosease is really useful and, moreover, it allows us to communicate with the ship. It is a wonderful product."



In March 2019, the final debriefing session for the International Year of the Reef was held in Tokyo. Many companies and organizations that took part as official supporters, as well as groups of young people—high school and university students—reported on the coral reef conservation activities that they took during the year and received certificates of appreciation from the Minister of the Environment. While activities conducted under the name International Year of the Reef came to an end with the close of 2018, Casio will continue to support coral reef conservation.



March 2019: Presenting at the final debrief of official supporters of the International Year of the Reef and receiving a certificate of appreciation



Representatives of the companies and organizations that were official supporters



Certificate of appreciation from the Minister of the Environment

## PRO TREK Collaboration Model with The Nature Conservation Society of Japan (NACS-J)

In 2018, Casio began providing support for The Nature Conservation Society of Japan (NACS-J) through its outdoor watch brand PRO TREK.

As the first move, in 2018, the company released a collaboration model with the motif of a golden eagle (listed as an endangered species (IB) in the Ministry of the Environment's Red Data Book 2019), for which NACS-J is conducting preservation activities in Akatani no Mori, Minakami-machi in Gunma Prefecture and Minami Sanriku-cho in Miyagi Prefecture. As the second move, Casio released a collaboration model with the motif of the *Shijimiaeoides divina*, an endangered butterfly found only in Japan (listed as an endangered species (IA) in the Ministry of the Environment's Red Data Book 2019).



### Participating in NACS-J Studies

Prompted by the start of support with the launch of The Nature Conservation Society of Japan golden eagle-themed collaboration model, Casio employees began to participate in actual protection activities. In a study conducted by

NACS-J in Nagano Prefecture in May 2018, participants 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. By participating in this study, Casio employees could get a feel for the kind of collaboration that is possible for them in the future to help protect the *Shijimiaeoides divina*.

Casio also collaborated in the *Shijimiaeoides Divina* Summit that NACS-J held in Tokyo in March 2019. People who are engaged in protection activities in their respective hometowns in Nagano and Kumamoto prefectures, where the two remaining habitats in Japan are located, interacted for the first time at the summit. It was also explained that promoting the pasturing of red cows as a livestock business in the Aso area protects the habitat of the *Shijimiaeoides divina*. By participating in this event, Casio could learn that consumption of red cow as a food, which seems unrelated, can contribute to protection of the *Shijimiaeoides divina*.



Counting *Shijimiaeoides divina* eggs laid on shoots of the larval food plant *Sophora flavescens*



*Shijimiaeoides divina* eggs



*Shijimiaeoides divina*



*Shijimiaeoides Divina* Summit

# Living in Harmony with Nature

## Education

### Casio Forest

On August 29, 2018, Casio signed a “Tokyo Waterworks: Corporate Forest (Naming Rights)” agreement with the Tokyo Metropolitan Government’s Bureau of Waterworks.

Based on this agreement, 2.46 hectares of water source forest (located in Koshu City, Yamanashi Prefecture) managed by the Tokyo Metropolitan Government’s Bureau of Waterworks were officially named the “Casio Forest.” Casio contributes to the maintenance and management of the water source forest and provides opportunities to employees to volunteer. In fiscal 2019, a sign was set up on-site and then, as the first activity, in October, employees and other volunteers prepared the site and conducted a survey to produce a map of the area. As the second activity, in November, birdhouses made from FSC®-certified Japanese cedar were set up in the area.



Setting up the “Casio Forest” sign



Site preparation: working by hand to gather up branches and foliage scattered on the ground



After site preparation: cleared ground where trees can be planted





Building birdhouses out of FSC®-certified Japanese cedar



Finished birdhouses made from FSC®-certified Japanese cedar



Setting up birdhouses in the area

In the second year of activities, 2019, as the first activity of the year, in May, broad-leaf trees (Japanese maple and Mongolian oak) were planted and the “Hundred Year Forest” managed by the Tokyo Metropolitan Government’s Bureau of Waterworks was toured. The area of the water source forest managed by the Bureau of Waterworks had become deforested for a time during the confusion of the Meiji Restoration, and various forest functions declined as a result. Later, however, through the efforts of the Bureau of Waterworks, conservation activities were started, and they have continued for over 100 years. This area, covering some 24,000 hectares, plays an important role in conservation of the global environment, with functions related to various social issues such as conservation of biodiversity and absorption of CO<sub>2</sub> in addition to watershed protection. The part that we have agreed to look after—the Casio Forest—is no more than about one-ten-thousandth of that area. Even so, it takes a lot of hard work to manage this amount of land, bringing home the realization of just how immense is the task of managing the whole water source forest.



Planting Japanese maple and Mongolian oak



Touring the "Hundred Year Forest"

After finishing the tree planting, the main work in the Casio Forest after spring 2019 was summer weeding. Weeding, which needs to be continued for several years after tree planting, is the most back-breaking work in growing a forest. It could also be described as the perfect opportunity to learn first-hand why forests across the country have become degraded.

The contributions to social issues that companies are expected to make to help achieve the SDGs must go beyond just grasping social issues as mere knowledge; each and every employee must embrace various social issues their own and address them earnestly. On-site experiences in the Casio Forest lead to deeper understanding of the needs and level of difficulty of social issues and can be used as an outside-in trigger to create new business activities that will contribute solutions. Additionally, in the near future, Casio will make use of multi-stakeholder partnerships related to the company to search for solutions to complex social issues that are too difficult to solve alone.



## Arakawa River Clean-aid

The focus on the problem of plastic waste in the oceans has been growing year by year. It has been known for a long time that plastic waste causes adverse effects, for example, when eaten mistakenly by ocean creatures. However, one cause of the increasing attention given to this problem in recent years is the fact that microplastic (less than 5 mm), created through the action of ultraviolet light and waves breaking plastic waste released into the oceans down into fine particles, could result in hazardous substances dissolved in seawater becoming concentrated up through the food chain of ocean creatures. As for methods to dispose of plastic waste, methods that rely on combustion cannot avoid the generation of CO<sub>2</sub>, which causes concern about climate change. While the effects on human health of consuming marine products have not been elucidated in detail, if a precautionary approach is to be taken, the same as with climate change, measures must be implemented on a global scale before it is too late.

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.

Furthermore, making use of this experience, in the biodiversity working group of Japan's four electrical and electronic industry associations, Casio proposed an "investigational clean up," which was implemented in March 2019.

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.



Classroom learning led by Kazuyuki Imamura, Executive Director of ACF



Collecting garbage while counting each type of garbage



It was tough work under the blazing sun, but that brought home the depth of the problem all the more.



## In-house Lecture on the Problem of Ocean Waste

The problem of ocean waste is becoming worse around the world. To spread awareness within the company of this issue, Casio invited Professor Shigeru Fujieda of Kagoshima University's Regional Co-creation Center For Industry and Society, who has studied this problem for many years, to give a talk, entitled "Let's Think about the Problem of Ocean Waste," at a company-wide environmental conference held in May 2019. Professor Fujieda, who is also a director of the Japan Environmental Action Network (JEAN), has continued to visit various locations around Japan to investigate the sources of ocean waste. His research tracking sources of waste internationally, focusing on lighters handed out at eating and drinking establishments (with the name and phone numbers of the establishments printed on the lighters) as an original survey method, was very helpful to know as a company that conducts business globally. Professor Fujieda also stressed the importance of "knowing the problem + taking action." In light of the need to continually collect ocean waste and reduce its generation, Professor Fujieda revealed expectations on Casio, including corporate support for activities and the use of technology to contribute to solutions.



Professor Shigeru Fujieda of Kagoshima University's Regional Co-creation Center For Industry and Society



Attendees listening to the lecture

# 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 of 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. In fiscal 2020, seminars about how to use the LTB publication were held three times for companies that are members of the four associations.

Details regarding the working group can be found on the JEMA website below.

[The Biodiversity Working Group, The 4 Electrical and Electronic Industry Associations](#)



LTB cover



Seminar about how to use the LTB

Casio's initiatives related to biodiversity conservation were registered in a database of examples of biodiversity conservation activities produced by the Biodiversity Working Group of the 4 electrical and electronic industry associations. Along with the database, Casio's initiatives are also registered in the Nijyu-maru Project (Double 20 campaign) of the Japan Committee for the International Union for Conservation of Nature.



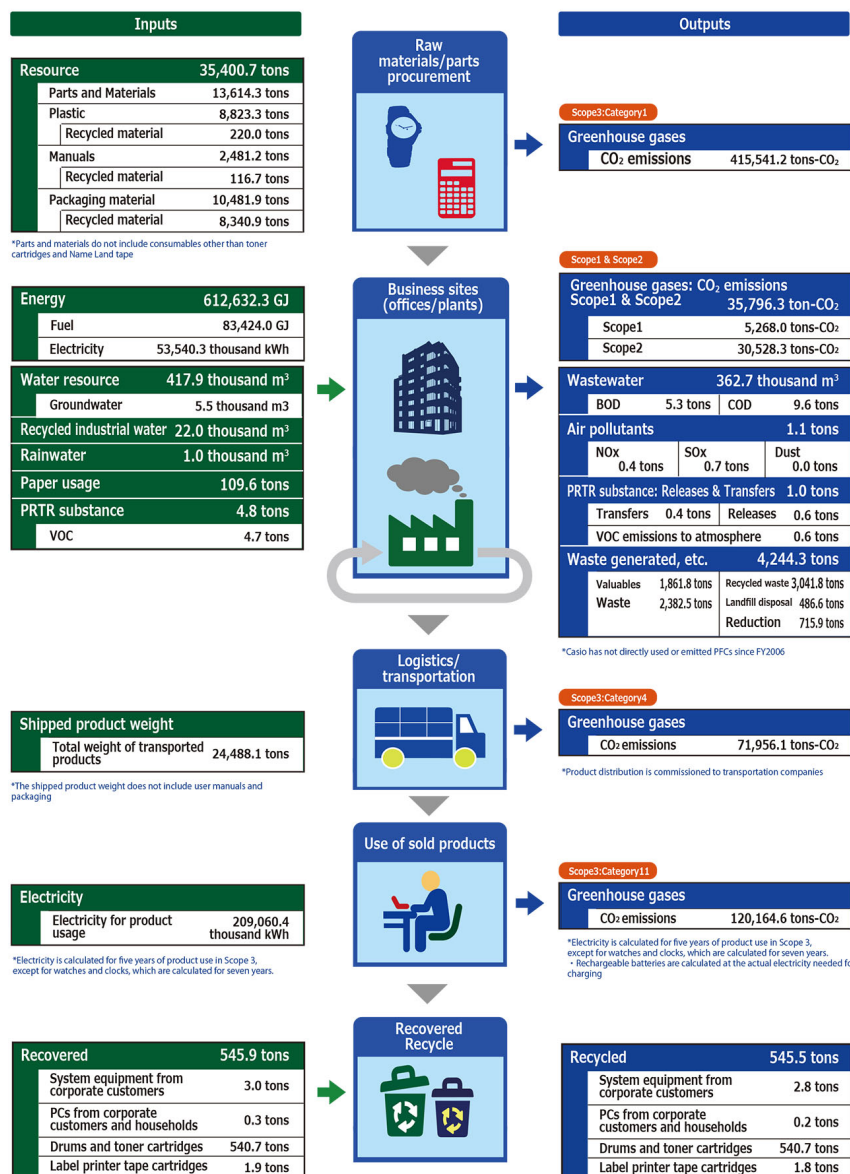
[Database of examples of biodiversity conservation activities](#)  
[Nijyu-maru Project](#)

# 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).

### Material balance in business activities (fiscal 2019)



[View as PDF \(210KB\)](#)

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## 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 2019. 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 (NOx, SOx and dust). Of the sites covered, on-site surveys were conducted at the Hamura R&D Center and Yamagata Casio Co., Ltd.

Sites at which water usage and waste were difficult to ascertain, such as leased offices, are not included in the scope of calculation.

[See the third-party verification statement for fiscal 2019.](#) ( PDF / 131KB )

Environmental Performance Data of Each Site

[Group Companies in Japan \( 118KB \)](#)

[Overseas Group Companies \( 122KB \)](#)



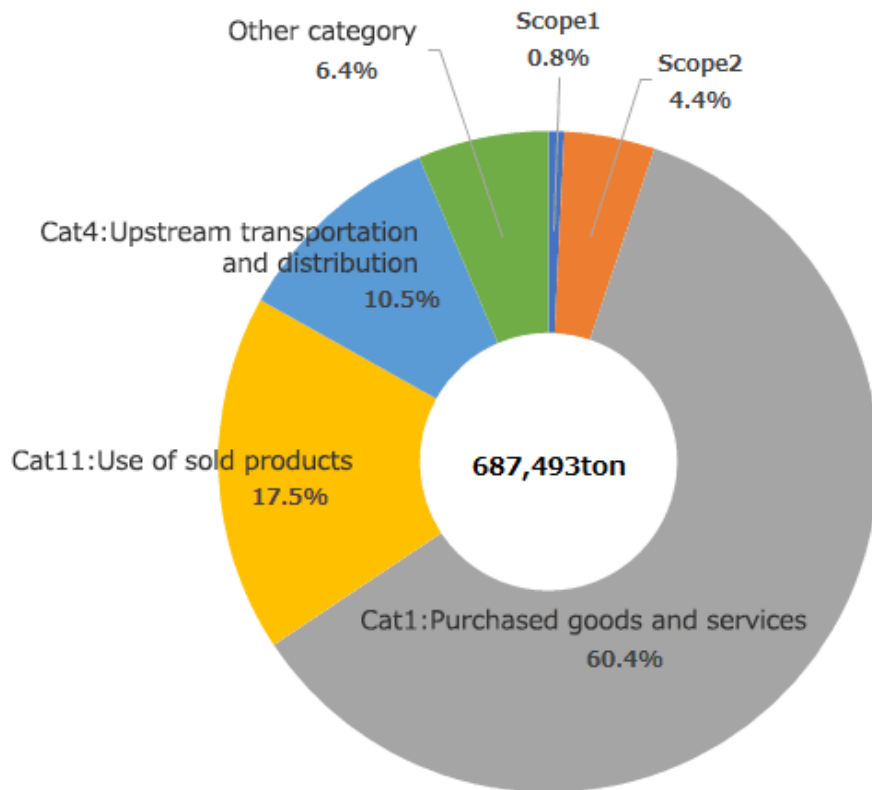
# CO<sub>2</sub> Emissions Throughout the Entire Value Chain

## 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 2019, which is similar to the previous fiscal year. Within Scope 3, purchased goods and services accounted for the greatest share, about 60%.

Going forward, Casio will promote efforts to reduce greenhouse gas emissions throughout the entire value chain with a particular focus on encouraging major suppliers to set targets for greenhouse gas emission reductions with regard to CO<sub>2</sub> emissions related to purchased goods and services.

### CO<sub>2</sub> Emissions throughout the Entire Value Chain



Scope/Category		CO <sub>2</sub> emissions in fiscal 2019	
		t-CO <sub>2</sub>	rasio
Scope 1		5,268	0.8%
Scope 2	Location-based	30,528	4.4%
	Market-based	28,747	-
Scope 3		651,697	94.8%
1 Purchased goods and services		415,541	60.4%
2 Capital goods		19,467	2.8%
3 Fuel- and energy-related activities not included in Scope 1 or Scope 2		2,566	0.4%
4 Upstream transportation and distribution		71,956	10.5%
5 Waste generated in operations		1,396	0.2%
6 Business travel		1,543	0.2%
7 Employee commuting		1,074	0.2%
8 Upstream leased assets		2,137	0.3%
9 Downstream transportation and distribution		-	-
10 Processing of sold products		-	-
11 Use of sold products		120,165	17.5%
12 End of life treatment of sold products		10,172	1.5%

Scope/Category		CO <sub>2</sub> emissions in fiscal 2019	
		t-CO <sub>2</sub>	rasio
13 Downstream leased assets		-	-
14 Franchises		-	-
15 Investments		5,681	0.8%
Total	Location-based	687,493	100.0%
	Market-based	685,712	-

\* Scope 2

Location-based CO<sub>2</sub> emissions were calculated using the CO<sub>2</sub> emission factor given in the Calculation Standards. Market-based CO<sub>2</sub> emissions, on the other hand, were calculated using the CO<sub>2</sub> emission factor for each electric utility in the List of Emission Factors by Electric Utility under Japan's Act on Promotion of Global Warming Countermeasures, in the case of emissions in Japan, and the same CO<sub>2</sub> emission factor as location-based calculations for other countries.

# Environmental Performance Data

## Environmental Performance Data

### Greenhouse gas emissions(Scope1 and Scope2)

(t-CO<sub>2</sub>)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Scope1	6,043.2	5,729.3	5,483.1	5,619.2	5,670.1	5,268.0
Scope2	32,901.2	32,494.4	33,084.5	31,944.0	30,926.9	30,528.3
Total	38,944.3	38,223.7	38,567.6	37,563.2	36,597.0	35,796.3
Casio Group coverage	-	-	-	-	99.5%	99.5%

※1 There are no emissions of greenhouse gases other than CO<sub>2</sub>.

### (Breakdown by type of site)

(t-CO<sub>2</sub>)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Production sites in Japan	8,431.8	8,472.4	8,984.6	7,941.0	6,953.6	6,633.7
Office sites in Japan	10,150.5	9,613.6	8,854.6	8,951.1	9,108.9	8,602.6
Production sites outside Japan	14,220.3	14,031.7	14,461.8	14,199.9	14,178.3	14,466.6
Office sites outside Japan	6,141.6	6,106.0	6,266.7	6,471.2	6,356.3	6,093.4

## Energy usage

Figures in parentheses ( ) are MWh. Other figures are GJ.

		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Fuel		96,935 (26,926)	90,796 (25,221)	86,724 (24,090)	88,939 (24,705)	90,124 (25,034)	83,424 (23,173)
Electricity	Non-renewable energy	560,474 (56,733)	561,198 (56,827)	573,755 (58,102)	556,332 (56,318)	535,700 (54,204)	514,072 (52,022)
	Renewable energy	-	-	-	-	-	15,137 (1,518)
Total		657,408 (83,659)	651,994 (82,048)	660,479 (82,192)	645,272 (81,023)	625,824 (79,238)	612,632 (76,714)
Casio Group coverage		-	-	-	-	99.5%	99.5%

## Waste related data

### Generation of waste, etc.

(t)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Total discharge	2,373.5	2,674.3	2,835.1	3,570.8	4,652.7	4,244.3
Reduction	211.0	321.0	461.2	182.8	194.0	715.9
Landfill disposal	265.5	207.2	227.0	701.3	368.1	486.6
Recycled	1,897.0	2,146.1	2,146.9	2,686.6	4,090.6	3,041.8
Recycling rate	87.7%	91.2%	90.4%	79.3%	91.7%	86.2%
Casio Group coverage	-	-	-	-	90.4%	90.2%

Recycling rate = Recycled waste/(Recycled waste+ Landfill disposal)

### (Emissions of waste, etc. by type of site)

(t)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Production sites in Japan	582.9	634.4	827.3	761.6	694.6	625.8
Office sites in Japan	769.9	703.6	661.1	725.5	718.0	673.3
Production sites outside Japan	320.6	411.6	689.1	1,456.9	2,599.6	2,250.6
Office sites outside Japan	700.2	924.7	657.6	626.8	640.5	694.6

## Water resources

(thousand m3)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Tap water/industrial water	520.8	530.1	547.0	518.1	500.1	412.4
Groundwater	87.9	7.3	5.6	5.8	5.9	5.5
Total	608.6	537.4	552.6	524.0	506.0	417.9
Casio Group coverage	-	-	-	-	83.6%	84.6%

(Breakdown by type of site)

(thousand m3)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Production sites in Japan	44.9	52.9	60.9	55.1	41.5	37.3
Office sites in Japan	168.6	85.9	79.7	81.5	76.7	75.2
Production sites outside Japan	377.7	381.5	394.8	369.7	371.1	288.4
Office sites outside Japan	17.4	17.2	17.2	17.7	16.7	16.9

## Usage of parts, materials, instruction manuals, packaging materials and recycle materials

(t)

		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Usage of parts and materials		25,669.0	26,209.0	24,676.0	28,745.0	24,396.8	22,437.6
	recycle materials	1,239.0	877.0	439.0	244.0	238.6	220.0
	recycle rate	4.8%	3.3%	1.8%	0.8%	1.0%	1.0%
Usage of instruction manuals		3,235.0	3,790.0	3,683.0	3,122.0	3,059.0	2,481.2
	recycle materials	77.0	221.0	88.0	149.0	156.1	116.7
	recycle rate	2.4%	5.8%	2.4%	4.8%	5.1%	4.7%
Usage of packaging materials		12,308.0	12,148.0	11,720.0	11,821.0	11,301.0	10,481.9
	recycle materials	9,732.0	9,457.0	9,061.0	9,173.0	8,864.0	8,340.9
	recycle rate	79.1%	77.8%	77.3%	77.6%	78.4%	79.6%



## Scope of Data

The scope of the environmental performance data for fiscal 2019 is shown below.

Period covered: April 1, 2018 – March 31, 2019

Sites covered: 72 Casio Group sites

However, sites for which it is difficult to monitor water usage and waste generation due, for example, to an office lease agreement, are not included in the scope of calculation.

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 (43 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. (32 sales sites) (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>
Production sites outside Japan (4 sites)	<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>
Office sites outside Japan (22 sites)	<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> </ul>

- Casio France S.A.
- Casio Espana S.L.
- Casio Scandinavia AS
- Casio Benelux B.V.
- Casio Italia S.r.l.
- Limited Liability Company Casio

Middle East (1 site)

- Casio Middle East FZE

Americas (4 sites)

- Casio America, Inc.
- Casio Canada Ltd.
- Casio Mexico Marketing, S. de R. L. de C.V.
- Casio Brasil Comercio De Produtos Eletronicos Ltda.

## Calculation Standards

### 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.
  - Crude oil equivalent is calculated in accordance with Japan’s Act on the Rational Use of Energy.
- (2) Water resource input amount
  - Usage amounts of tap water, industrial water and groundwater are combined.
  - Sites for which it is difficult to monitor water usage due, for example, to an office lease agreement, are not included in the scope of calculation.
- (3) 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.

(4) 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.

- Calculated for VOC inputs subject to a follow-up survey of achievements related to the four electrical and electronic industry associations' control of VOC emissions whose annual amount handled is 0.05 tons or more at each site.

3. Outputs

(1) CO<sub>2</sub> emissions

- Used factors listed in the GHG Protocol's calculation tool (GHG emissions from purchased electricity 4.8) to calculate CO<sub>2</sub> from electricity.

- 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) Wastewater

- Calculated from amounts 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, figures are shown if voluntary measurements are taken.

(3) Air pollutants

- Calculated at sites that have smoke generating facilities based on the concentration measurements and gas emissions at each facility. Yamagata Casio and Hamura R&D Center 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.

(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 at each site.

- Calculated for VOC outputs to air subject to a follow-up survey of achievements related to the four electrical and electronic industry associations' control of VOC emissions whose annual amount handled is 0.05 tons or more at each site.

(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.

- Sites for which it is difficult to monitor waste generation due, for example, to an office lease agreement, are not included in the scope of calculation.

(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 2.6 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 2.6 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 2.6 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 product distribution for which Casio Computer Co., Ltd. pays the burden of expense.</p> <p>Unit: Calculated by multiplying the weight and transportation distance by the emissions unit of each transportation type and adding together the total. (Trucks: Specific fuel consumption using the improved ton/kilo method. Trains, ships and airplanes: CO<sub>2</sub> 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 2.6 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 2.6 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 2.6 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 2.6 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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: Electricity used by those products that produce electricity consumption, out of products sold by Casio Computer Co., Ltd. in that year.</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). 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, CO<sub>2</sub> 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.) Regarding products that require battery replacement, CO<sub>2</sub> 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 2.6 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 2.6 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



29 July 2019  
Statement No : SGS19/027

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 46 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 product 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 22 domestic and 12 overseas environmental results reporting sites, and v) Air pollutants (NO<sub>x</sub>, SO<sub>x</sub> and Dust emissions) at 2 domestic environmental results reporting sites.

The period subject to report is from 1 April 2018 to 31 March 2019.

## 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 Hamura R&D Center and the YMAGATA CASIO 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. 4.3.2), the CO<sub>2</sub> Emissions from Fuel Combustion (IEA: 2015), 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. 2.6), the GHG Protocol Calculation Tool (Ver. 4.8), the Joint guidelines on methods for calculating carbon dioxide emissions in the logistics sector (Ver. 3.1), the Basic Database of the Carbon Footprint Communication Program (Ver. 1.01) and the protocol specified by the Organization.

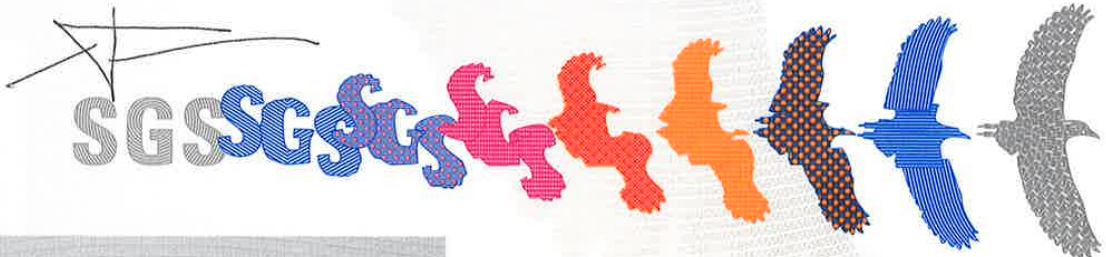
## Conclusion

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: 5,268 t-CO<sub>2</sub>, Scope 2: 30,528 t-CO<sub>2</sub>, Scope 3 (Cat. 1, 4, 11): 607,662 t-CO<sub>2</sub>, Waste generated: 4,244 t and Water intake: 418 thousand m<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



This document is issued by the Company under its General Conditions of Service accessible at [www.sgs.com/terms\\_and\\_conditions.htm](http://www.sgs.com/terms_and_conditions.htm). Attention is drawn to the limitation of liability, indemnification and jurisdiction issues defined therein. Any holder of this document is advised that information contained hereon reflects the Company's findings as the time of its intervention only and within the limits of Client's instruction. If any, The Company's sole responsibility is to Client and this document does not exonerate parties to transaction from exercising all their rights and obligations under the transaction documents. Any unauthorized alteration, forgery or falsification of the content or appearance of this document is unlawful and offenders may be prosecuted to the fullest extent of the law.

# Environmental Accounting

## Overview of fiscal 2019 performance

In fiscal 2019, environmental accounting showed that investment in environmental conservation decreased from the previous fiscal year, and costs and the economic benefits (real effects) associated with environmental conservation measures also decreased.

Investments in environmental conservation, including energy saving systems and light replacements to LED, were valued at ¥31 million. The costs of environmental conservation included ¥537 million for recycling products, parts, and toner cartridges and other consumables and ¥482 million for energy saving, air and water pollution measures and the like, bringing the total to ¥1,019 million. The economic benefits associated with environmental conservation measures were ¥691 million and included business revenue from recycling activities as real effects.

Moving forward, Casio will accurately ascertain and disclose the effects of its environmental management activities from an economic perspective and will strive to engage in efficient and effective environmental conservation efforts.

### Environmental conservation costs (April 2018 - March 2019)

Category by business activity		Environmental investment (¥ million)	Environmental expenses (¥ million) <sup>1</sup>
	Main initiatives		
Business area costs (costs arising in the main areas of business activity (manufacturing, processing, sales, distribution etc.))		31	320
(1) Pollution prevention cost	Preventing air and noise pollution	2	29
(2) Global environmental conservation cost	Maintenance of energy-saving systems	29	175
(3) Resource circulation cost	Processing, reducing in volume, and recycling of general and industrial waste	0	116



Category by business activity		Environmental investment (¥ million)	Environmental expenses (¥ million) <sup>*1</sup>
	Main initiatives		
Upstream/downstream cost <sup>*2</sup>	Collection and recycling of products, parts, supplies	-	537
Administration cost	Secretariat operation costs, environmental information disclosure	0	156
R&D cost	R&D for reduction of environmental impact	-	2
Social activity cost	Participation in, donations to, and support for environmental conservation organizations	-	4
Total		31	1,019

\*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 2018 - March 2019)

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.	671
	Cost reduction through energy saving activities	17
Cost reduction	Reduction of waste processing costs arising from resource saving or recycling	3
	Total	691

\*3 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	FY2018	FY2019	Environmental conservation effect <sup>*4</sup>
Environmental conservation effect relating to resources used in business activities	Water resources	Thousand m <sup>3</sup>	506	418	88
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>	36,597	35,796	801
	Waste emissions	Tons	4,653	4,244	409

\*4 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.

## 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.

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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, sales and service 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 Casio internal rules.

## 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 in 2019](#) ( PDF / 208KB )

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.

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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.

### 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.

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### 3. Environmental Regulations in Tokyo

Under the Tokyo Metropolitan Environmental Security Ordinance's Carbon Reduction Reporting Program, if the total energy usage on a crude oil equivalent basis for a business' several small and medium-sized facilities set up within the Tokyo Metropolitan Area reaches 3,000 kl/year or higher, the business must submit a report including the status of initiatives to save energy at each facility.

Below are the Carbon Reduction Countermeasures Reports that Casio is obliged to submit and make public in accordance with this program (in Japanese).

[Published Data of Tokyo Carbon Reduction Reporting Program \(Casio Computer Co., Ltd.\)](#) on the Tokyo Metropolitan Government website

[Fiscal 2019](#) (PDF / 0.99MB)

[Fiscal 2018](#) (PDF / 855KB)

[Fiscal 2016](#) (PDF / 310KB)

[Fiscal 2015](#) (PDF / 306KB)

## Compliance Relating to Environmental Information Disclosure

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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.

## Compliance with Environmental Laws

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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> Annual Securities Report (in Japanese only)
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</a> <a href="#">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="#">Material Issues for Casio</a> <a href="#">Risk management</a> <a href="#">Realizing a Decarbonized 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> Annual Securities Report (in Japanese only)

## 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

Disclosures No.	Description	Related Page
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 Annual Securities Report (in Japanese only)
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	Annual Securities Report (in Japanese only) <a href="#">Basic Views on Internal Control System and Progress on System</a>
102-36	Process for determining remuneration	Annual Securities Report (in Japanese only) <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	Annual Securities Report (in Japanese only)
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>
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 Performance 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 Decarbonized 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 Decarbonized 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 Decarbonized 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 Decarbonized Society</a>
201-3	Defined benefit plan obligations and other retirement plans	Annual Securities Report (in Japanese only)
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	-
203-2	Significant indirect economic impacts	-

## 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	-

## Materials

Disclosures No.	Description	Related Page
301-1	Materials used by weight or volume	<a href="#">Material Balance</a> <a href="#">Environmental Performance Data</a>
301-2	Recycled input materials used	<a href="#">Material Balance</a> <a href="#">Environmental Performance 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 Performance 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 Performance Data Calculation Standards</a>
302-3	Energy intensity	<a href="#">Realizing a Decarbonized Society</a> <a href="#">Environmental Performance Data</a>
302-4	Reduction of energy consumption	<a href="#">Realizing a Decarbonized Society</a> <a href="#">Environmental Performance 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> <a href="#">Environmental Performance Data Calculation Standards</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 Performance Data 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="#">Contributing Through Casio's Business to Social Issues Related to Biodiversity</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="#">Contributing Through Casio's Business to Social Issues Related to Biodiversity</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 Decarbonized Society</a> <a href="#">Material Balance</a> <a href="#">CO<sub>2</sub> Emissions throughout the Entire Value Chain</a> <a href="#">Environmental Performance Data</a> <a href="#">Environmental Performance Data of Each Site</a>
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Realizing a Decarbonized Society</a> <a href="#">Material Balance</a> <a href="#">CO<sub>2</sub> Emissions throughout the Entire Value Chain</a> <a href="#">Environmental Performance Data</a> <a href="#">Environmental Performance Data of Each Site</a>
305-3	Other indirect (Scope 3) GHG emissions	<a href="#">Material Balance</a> <a href="#">CO<sub>2</sub> Emissions throughout the Entire Value Chain</a>
305-4	GHG emissions intensity	<a href="#">Realizing a Decarbonized Society</a> <a href="#">Material Balance</a> <a href="#">CO<sub>2</sub> Emissions throughout the Entire Value Chain</a> <a href="#">Environmental Performance Data</a>
305-5	Reduction of GHG emissions	<a href="#">Realizing a Decarbonized Society</a>
305-6	Emissions of ozone-depleting substances (ODS)	-
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), 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 Performance 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	-