Independent Opinion on the Sustainability Report 2013

The opinion presented here was written based on the content of this report (website version) and interviews with Casio personnel responsible for environmental, procurement, human resources, and CSR initiatives. Casio is now at a stage where the plan-do-check-act (PDCA) management cycle, with a focus on reducing the company's environmental impact, should be used to expand CSR initiatives group-wide.

Commendable efforts by Casio

- With respect to its medium- to long-term environmental management policy, Casio has set greenhouse gas targets for fiscal 2021 and 2051 and has expanded the reduction of environmental impact to include packaging and distribution. This is in line with its commitment to "realizing a low-carbon society," "building a recycling society," and "living in harmony with nature and preserving biodiversity." It is especially commendable that Casio started surveys to verify that the paper used in its user manuals, pamphlets, and other publications is made from recycled paper, certified timber, and legally logged timber. In addition to efforts within the group and supply chain, I have strong expectations that Casio will develop initiatives that cover the entire product lifecycle including the customer stage—such as providing instructions on optimal product usage and improving the recycling rate at the time of disposal—and also disclose information on the progress of those initiatives.
- As an initiative to improve supplier CSR, Casio conducted a questionnaire using a five-point scale on issues such as reducing environmental impact and protecting the human rights of employees, and responses were received from 159 suppliers in China. By providing feedback on the results, making audit visits to some suppliers, and providing case studies at meetings, Casio continued to seek to ascertain and quantify the situation of CSR at its suppliers. In the future, I recommend that Casio ask suppliers to provide data and other verifiable proof in their self-assessment of initiatives, and work towards making the specific measures and issues even more readily visible. I also hope that Casio will further advance its system for sharing effective measures, giving awards to outstanding suppliers, and fostering communication to solve problems.

Points for improvement while commending progress to date

- With respect to the <u>CSR implementation system</u>, it is admirable that Casio conducted a survey of 32 group companies in and outside Japan in order to advance initiatives focused on human rights and fair operating practices, two of the ISO 26000 core subjects. However, I continue to have strong expectations that Casio will, the same as with its environmental management policy, verify issues and put measures into practice based on the establishment of medium-term targets and indicators, taking into account the future global economy and the trends at competitors.
 - Regarding the fostering of a CSR culture throughout the group, it is commendable that Casio maintains a CSR series in its in-house magazine, Casio. In the future, I hope that team leaders who have responsibility for implementing CSR globally will be appointed to each site and department. Again, I strongly urge Casio to convey messages from senior management, translated into multiple languages, to Casio sites around the world and to increase opportunities for ensuring that employees on the frontlines, at headquarters, and at sites around the world get a rapid and detailed understanding of the company's initiatives.
- Regarding efforts to create more supportive workplaces for employees, it is commendable that 4.72% of employees at Casio Computer Co., Ltd., made use of the company's leave and reduced working hours programs for childcare and nursing care. With an expected increase in employees that continue to work while caring for a family member at home or face other challenges outside of work, the company needs to provide more opportunities for its employees to hear from users of these care support programs and ask questions about any topic.
- In the area of employing persons with disabilities, it is commendable that Casio's average consolidated performance in Japan is once again above the legally mandated rate of employment. I strongly urge the company to promote community creation efforts based on disability and job types and to continue making workplaces more supportive.

Points for improvement

- Concerning the utilization and improvement of human resources diversity throughout the group, looking at the entire group in the near future, there should be a portfolio of global human resources that can move across divisional and company boundaries. A system needs to be developed for overseeing and promoting employee hiring, training, and exchange. Human resources databases should also be improved and expanded for a comprehensive picture of staff in each country. Using efforts such as these, I strongly recommend that Casio move forward with the creation of systems and strategies for the active utilization of human resources diversity, as a truly global company.
- Regarding the environmental impact reduction data in this report, it is commendable that details are provided on the principal sites in and outside Japan including group companies. My hope, however, would be that Casio will continue to increase the level of accuracy of group reporting, not only for environmental data, but also for personnel and procurement initiatives and data.

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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.

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