Independent Opinion on the Sustainability Report 2014

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 and ensuring socially responsible procurement, should be used to expand CSR initiatives group-wide.

Commendable efforts by Casio

- With respect to its medium- to long-term <u>environmental management policy</u>. Casio has set greenhouse gas targets for fiscal 2021 and 2051 and has expanded its efforts to reduce environmental impact into the areas of packaging and distribution. This is in line with its three commitments of "realizing a low-carbon society," "building a recycling society," and "living in harmony with nature and preserving biodiversity." It is especially commendable that Casio began conducting 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. Also laudable were the surveys and calculations done to determine CO₂ emissions for the entire product lifecycle. 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, protecting the human rights of workers, and avoiding conflict minerals. Responses were received from 253 suppliers in Japan, 149 suppliers in China, and 32 suppliers in Thailand. By providing feedback based on the results, making inspection visits to 14 suppliers in China and Thailand, and presenting awards and providing case studies at meetings, Casio continued to ascertain and appraise its suppliers' commitment to social responsibility. In the future, I recommend that Casio ask suppliers to provide data and other verifiable proof in their self-assessment of initiatives, and work to make the specific measures and issues even more readily visible and understandable. I also hope that Casio will further improve its system of interaction with suppliers with a view to making continual improvements.

Points for improvement while commending progress to date

With respect to the company-wide <u>CSR implementation system</u>, it is admirable that Casio established a Basic Policy on Respect for Human Rights, its own tool for checking the status of human rights, and guidelines on the prevention of corruption based on a survey of 32 group companies in and outside Japan conducted in fiscal 2013 focused on human rights and fair business practices, which are two of the ISO 26000 core topics. It is also noteworthy that Casio disclosed the number of times its whistle-blowing system has been used. However, I have strong expectations that Casio will develop an implementation framework that ensures these guidelines and tools are actually put to effective use in everyday management.

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 group-wide efforts to increase and utilize personnel diversity, it is commendable that Casio launched a Diversity Project aimed at encouraging diverse human resources including persons with disabilities and non-Japanese employees as well as women to play a more active role, and that it defined a future policy for a group-wide human resources governance system that includes companies outside Japan. In the future, I hope that Casio will envision in detail a global personnel portfolio that transcends departmental and corporate boundaries, establish a comprehensive system for recruitment, development, exchange, and evaluation of human resources, expand its human resources database to bring local staff members in each country into the picture, and develop other strategies and systems for making active use of personnel diversity, aiming for a target year in the near future, say 2020.
- Regarding <u>efforts to create more supportive workplaces for employees</u>, it is commendable that 4.25% 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 <u>employing persons with disabilities</u>, Casio's average consolidated performance in Japan dipped below the legally mandated rate of employment, although this was related to the decline in the total number of employees in connection to business restructuring. I continue to have strong expectations that Casio will promote community creation efforts based on disability and job types and continue making workplaces more supportive in the future. I hope to see improvement as soon as possible.

Points for improvement

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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