

# Green Procurement and Green Purchases

Casio promotes Green Procurement that is consistent with the RoHS Directive. Furthermore, Casio strives to improve the Green Purchase ratio throughout the company.

## Green Procurement Philosophy

In accordance with the Casio Group Green Procurement Standard Manual, which was created in November 2000, Casio evaluates the response to environmental conservation with respect to parts and materials that comprise Casio products and their manufacturing plants, and use the information in the selection of preferential sources of procurement.

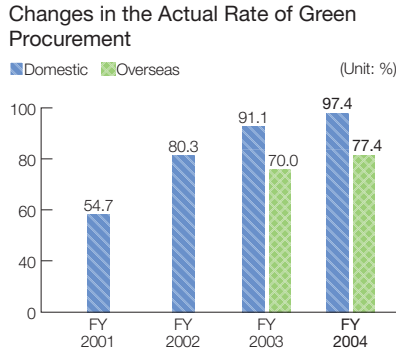
Specifically, Casio defines "Green Production Plants" to be supplier plants that either are already ISO14001 certified, plan to be certified within the following year, or score at least 70 points in Casio's item-by-item assessment of ISO14001-compatibility even if they have no plans to be ISO14001 certified. In addition, Casio regards parts that satisfy Casio's environmental standards with respect to energy conservation, resource saving, recyclability, and chemical content to be "Green Parts" and makes every effort to preferentially procure Green Production Parts that are manufactured at Green Plants.

In light of today's rapid changes in the mandate imposed by environmental laws and regulations, Casio currently considers compliance with the European RoHS Directive and other environmental laws and regulations to be the top priority procurement consideration, and is re-examining its standards for preferential Green Product procurement.

## Fiscal 2004 Green Procurement Results

Casio set its goals for Green Procurement rate at 95% at domestic sites and 85% at foreign sites in fiscal 2005, and has worked toward these goals. It has achieved healthy results with the domestic rate reaching 97.4% and the foreign rate 77.4% in fiscal 2004.

In addition, Casio overhauled its Standard Manual in March 2004 to be consistent with the draft standards of the European RoHS Directive. Casio invited its Japanese and overseas business partners to an orientation meeting, where they were asked to show understanding and offer cooperation.



\* The new targets for FY2005 are Green Parts Response Rates (the response rates regarding parts that are subject to monitoring) of 100% for both domestic and overseas procurement.



Green Procurement Orientation Meeting

## Future Green Procurement Efforts

In the past, Casio's top priority target was preferential procurement of Green Parts. Green Procurement rates were viewed as indicators of the Green Procurement progress every fiscal year. At this point, however, compliance with the RoHS Directive is the highest priority consideration. Casio's current environmental action targets are to "discontinue the use of substances that are banned by the RoHS Directive by the end of 2005" and increase the Green Parts response rate to 100%. Casio is devoting its full efforts to achieve these goals.

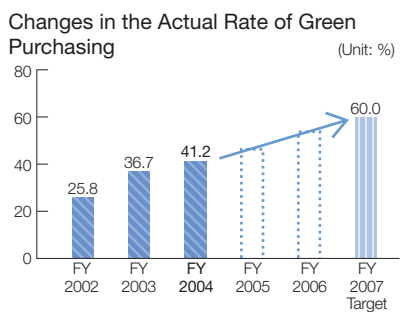
To conduct a study of the contents of specified hazardous substances listed by the RoHS Directive, detailed data on chemical substances must be collected. This requires extensive work. For this reason, Casio will work on improving the efficiency of such work as research, input and search by adopting IT tools to use on databases.

Regarding preferential procurement of Green Parts based on the Casio standards, policies are currently under review. Casio plans to establish and promote new activities policies and indices once its action on environmental laws and regulations runs its course.

## Efforts on Green Purchasing

Casio targets to raise its Green Purchasing rate at its domestic sites to 60% by fiscal 2007. As for intermediate goods, Casio strives to purchase Green Goods as a general rule. Accordingly, Casio ensures that at least 90% of the products that are listed in the catalogue on the CATS e-P System\* are Green Goods, and instructs Casio's purchasing agents to purchase goods from the catalogue. CATS e-P System is a centralized purchasing system for intermediate goods. As a result of these efforts, Casio achieved the domestic Green Purchase rate of 41.2% (based on the number of purchases) in fiscal 2004.

In addition, Casio is constructing a mechanism to compute actual purchases by individual departments, based on the purchase data provided by the CATS e-P System and in cooperation with the Environmental Center, to determine the current status and make an assessment. The company plans to use the data to urge preferential purchase of Green Goods when departments are found not to be adhering to Green Purchasing to the extent desirable.



\* CATS e-P System: A system under which estimates are obtained from multiple suppliers for the same goods and the purchase is made from the supplier that offers the lowest price.



A CATS e-P System Screen