

# Environmental Management Vision

Environmental Management Activities in Fiscal 2006 and Future Efforts



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Casio approaches its environmental management activities as a top priority issue for the realization of its corporate creed, "Creativity and Contribution." In January 1993, we established the Casio Environment Charter and Casio Fundamental Environmental Policies to serve as a framework for executing our environmental management activities. We then established the Casio Voluntary Plan for the Environment, an environmental management guideline that spells out how we will conduct specific activities. In February 2006, we updated the plan for the 10th time.

Within this plan, we have established an Environmental Action Plan (EAP), the "Clean & Green 21" Initiative, which clearly sets specific numerical targets and deadlines for execution. The EAP covers the entire group, and serves as our medium-term action plan. The company is moving forward toward the achievement of its goals. In February 2006, we updated the EAP for the 9th time.

## Activities and results

### Product-related activities and results

Our product initiatives in fiscal 2006 included adding 114 new models to the Casio Green Products lineup; the Casio Green Products (C.G.P.) 70 Activity raised the percentage of green products in total sales to 68%. We will continue to work at eco-product design with a view to achieving our target during fiscal 2007, one year ahead of schedule.

In addition, we reduced by 22.6% the total packaging materials used per unit of sales by optimizing our packaging capacity.

We also pursued the target of completely phasing out specified hazardous substances by the end of 2005 in response to the European RoHS Directive, and completed the compliance requirements with the cooperation of relevant departments and business partners.

### Business site-related activities and results

Our business site initiatives included energy conservation efforts. The target we pursued was to reduce CO<sub>2</sub> emissions per unit of actual production\* by 10% in fiscal 2006 compared to the fiscal 2004 level. However, CO<sub>2</sub> emissions increased 5% due to a unit price decline in our TFT-LCD business.

Our waste reduction targets were to achieve zero emissions and to reduce the generation of waste per unit of production by 30% from the fiscal 2001 level. Casio Micronics Co., Ltd., (Ome) and Casio Soft Co., Ltd., achieved zero emissions status, bringing the number of sites to do so up to 13. The generation of waste per unit of production remained equal to the fiscal 2001 level.

Our hazardous substance phase-out target was to detoxify PCB-containing equipment currently in storage by the end of fiscal 2006. We completed the application for contracting the treatment of PCBs stored at the Hachioji R&D Center and the Hamura R&D Center. PCBs stored at Kofu Casio are waiting for the treatment facility in Hokkaido to start receiving deliveries.

## Future initiatives

### Future product initiatives

Now that we are compliant with the WEEE and RoHS Directives in Europe, we will steadily take steps to respond to the phase-outs of hazardous substances that are expected to be legislated in North America, China, Japan, and South Korea. We will also monitor legal and regulatory trends, such as the EuP Directive\* and REACH Regulation\* in Europe, and pursue product compliance.

### Future business site initiatives

Starting this fiscal year, we established new action plans for energy conservation, resource-saving (i.e. the reduction of water consumption at production sites), and waste reduction at business sites outside Japan. This is a major step in the worldwide expansion of our environmental conservation programs.

In Japan, we introduced a new action plan at electronic component business sites to combat global warming by reducing emissions of greenhouse gases other than CO<sub>2</sub>, targeting a reduction of total emissions in 2010 to at or below the 2000 emissions level. Through this and other steps, we are working to realize the reduction targets set under the Kyoto Protocol. We are also planning to use other new measures, such as CDM, emissions trading, and other Kyoto mechanisms, toward the fulfillment of our new target of a 20% reduction in actual CO<sub>2</sub> emissions by fiscal 2011.

### Pursuing CSR management

Casio is making CSR a core driver of its management practices. In one new initiative, we are recasting our eco-product designs as CSR designs by taking universal design concepts into account and rethinking our green procurement of materials as CSR procurement by verifying the status of our business partners' fulfillment of CSR. We are preparing the relevant guidelines and manuals and are moving ahead quickly to implement these new practices.

See the following pages for details.

\* See page 32 for explanation of terms.