

# Green Procurement and Green Purchasing

Casio promotes procurement that is consistent with the Casio Group Green Procurement Standard Manual, and is striving to improve the green purchasing ratio throughout the group.

## Green Procurement

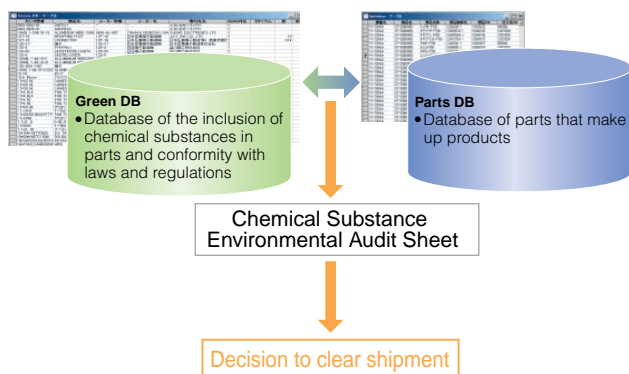
### Revision of the Casio Group Green Procurement Standard Manual

Since November 2000, Casio has practiced green procurement, or the preferential procurement of parts that have as little environmental impact as possible, in accordance with the Casio Group Green Procurement Standard Manual.

In recent years, a number of environmental laws and regulations have been introduced outside Japan, and the requirements imposed on products have expanded. In order to respond appropriately to these requirements, Casio revised the Casio Group Green Procurement Standard Manual in February 2005, publishing a fifth version.

### Checking compliance with laws and regulations using a green database

Casio has created a database—the “Green DB”—of information obtained from its green procurement surveys (e.g., the inclusion of chemical substances in parts and conformity with laws and regulations). By checking this database against a database of parts that make up products—the “Parts DB”—designers are able to verify whether a product is designed in compliance with laws and regulations, and department heads are able to approve products for shipment.



### Performance against fiscal 2006 targets

- Response rate for green parts\*<sup>1</sup> (percent of parts covered by supplier surveys) in Japan: 100%
- Response rate for green parts\*<sup>1</sup> (percent of parts covered by supplier surveys) outside Japan: 100%

\*<sup>1</sup> **Response rate for green parts:** The percent of the number of parts subject to monitoring under Casio's green procurement survey to the number of parts for which responses were obtained from suppliers.

The response rate for green parts was 100% in Japan and 99.2% outside Japan. The target was not achieved outside Japan because there were some non-responses on the survey regarding products bound for regions other than Europe, for which there was a 100% response rate.

This time, in addition to conducting a green procurement survey, Casio made acceptance inspections of drawings and

specifications for purchased parts in order to verify in short order product conformity with laws and regulations.

In addition, in order to improve the efficiency of its surveys, in February 2006 Casio adopted a system for inputting answers via the Web, and opened this system for use by some business partners.

### Future initiatives

Like fiscal 2006, Casio's fiscal 2007 target is to achieve a response rate for green parts of 100% both in an outside Japan, and to further improve the efficiency of its surveys.

Casio also plans to move beyond green procurement based on conventional environmental concern to preferential procurement from companies that are working not only on the environment, but also on their corporate social responsibility as a whole (from “green procurement” to “CSR procurement”). In fiscal 2007, Casio plans to work out CSR procurement standards and request business partners to cooperate in its survey.

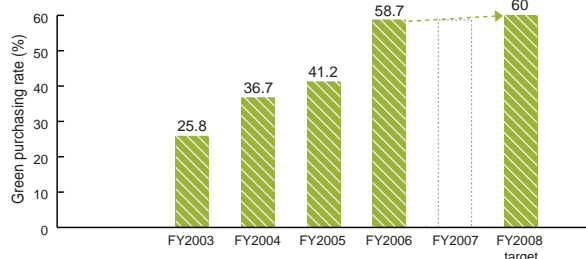
## Green Purchasing

Casio promotes green purchasing, or the purchasing of environmentally friendly stationery, office supplies, and OA equipment (excluding software).

Casio is working toward the goal of achieving a 60% green purchasing rate\*<sup>2</sup> by fiscal 2008 at sites that have adopted the CATS e-P System\*<sup>3</sup>. The CATS e-P System is a centralized purchasing system for indirect materials. Casio attaches its own environmental mark to eco-products that are included in the system's catalog and encourages purchasers to purchase these products.

In fiscal 2006, Casio achieved a 58.7% green purchasing rate. Going forward, Casio will continue to promote this system with the aim of achieving a 60% green purchasing rate in fiscal 2007, one year ahead of schedule.

### Green purchasing rate (number of purchases basis)



\*<sup>2</sup> **Green purchasing rate (%):**

Number of purchases of stationery, office products, and OA equipment (excluding software) with an environmental mark  
 =  $\frac{\text{Number of purchases of stationery, office products, and OA equipment (excluding software)}}{\text{Number of purchases of stationery, office products, and OA equipment (excluding software)}} \times 100$

\*<sup>3</sup> **Sites that have adopted the CATS e-P System:**

The headquarters, Hamura R&D Center, and Hachioji R&D Center of Casio Computer Co., Ltd., Casio Hitachi Mobile Communications, Eastern Japan hub centers (Chiyoda, Sendai, Yokohama, Chiba, and Special Sales Office), and Western Japan hub centers (Nagoya, Osaka, Hiroshima, and Kyoto). Casio plans to expand this group in the future.