

Independent Opinion of the Casio Corporate Report 2008

The opinion presented here was written based on the content of this report and interviews with Casio personnel responsible for human resources, procurement, environmental and CSR initiatives.

Casio's CSR initiatives have begun to use the PDCA (plan, do, check, act) management cycle for a wide range of social efforts including reducing the company's environmental impact.

Commendable efforts by Casio

- For the dry etching process employed in the manufacture of TFT liquid crystal panels, Casio developed a process using F₂ as a substitute for SF₆, a gas which has a high warming factor (pages 19 and 20). Casio should take active steps to apply this process in commercial manufacturing, and make it available to other companies in Japan and overseas.
- Casio continues to disclose the number of calls to the Whistleblower Hotline (page 23). In addition to noting the existence of the hotline and how it is used, Casio should be more active in disclosing the company's response to calls.

Points for improvement while commending progress to date

- For the first time, Casio held meetings with overseas suppliers in China and Thailand to request them to work on CSR in areas such as reducing environmental impacts and demonstrating greater concern for the human rights of employees. Looking to the future, Casio should establish a system for "visualizing" the environmental and human rights initiatives and problems of its suppliers, as well as forums for sharing and honoring best practices, and resolving relevant issues.

Points for improvement

- In this report, Casio should present more detailed data on group companies in Japan and overseas, and improve the accuracy of the report from the point of view of the group as a whole. Casio should be aware that this lack of data suggests a failure to assess the actual situation or a lack of progress in initiatives, and should work to make prompt improvements.
- Casio must take more sophisticated steps concerning reuse of the increasingly expensive rare metals used in high performance products such as cellular phones, digital cameras and electronic dictionaries for which recycling systems are not yet established. Measures would include recovery of rare metals and development of products that use recycled metals.
- The company's structures for research and development, and production and sales are built on long-term market forecasts. In the same way, Casio should establish a groupwide personnel portfolio based on a long-term plan, building recruitment and training systems that can capitalize on a diverse workforce as a truly global company.
- Rather than dividing the company's emergency response systems between the relevant departments according to the type of emergency such as accidents, infectious diseases, and IT-related incidents, Casio should establish an integrated framework (page 22). In addition, Casio must also position support for the local communities around Casio offices as an important social element of its business continuity plan, and prepare to provide this support.
- Casio has not yet achieved Japan's legally mandated employment rate for persons with disabilities. In order to fulfill this requirement, the company must study the measures taken by other companies and promptly carry out more active development of suitable job types (page 30).

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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.
<http://blog.canpan.info/iihoe> (in Japanese)

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Responses to the Independent Opinion of the 2007 Report

Independent Opinion In addition to stating whether or not the environmental action targets for business sites have been achieved, the main causes of success or failure should be described.

Casio's Response The *Casio Corporate Report 2008* presents detailed examples of the relevant activities and the main data points in an easy to understand, readable format. Concerning the results of the environmental action plan and analysis of issues and their background, Casio has made improvements by presenting the results, performing analyses and describing future initiatives in the areas of environmental accounting, the fight against global warming, and effective use of resources.

Independent Opinion Supplier Guidelines are given to part suppliers and business outsourcers. However, clear guidelines also need to be created to ensure the safety of the people living in the places where raw materials are obtained. Moreover, support should be actively provided to promote such initiatives.

Casio's Response Under the Supplier Guidelines, Casio adopted a Supplier Checklist for CSR Procurement which sets specific standards for implementation. Casio performed implementation surveys and provided needed improvements (page 29).

Independent Opinion In its emergency response measures, Casio aims to secure the safety of employees and their families, preserve corporate assets, and maintain business activities. In addition to these goals, Casio must also position support for the local communities around Casio offices as an important social element of its business continuity plan, and prepare to provide this support.

Casio's Response Casio is now supporting local communities around Casio offices (page 22).

Independent Opinion In order to promote initiatives at each individual office site for addressing environmental and social problems (especially reducing CO₂), Casio should commend proposals and practices introduced by small groups, and create a corporate climate where all employees provide one another with mutual support.

Casio's Response As individual initiatives at each office site, starting in 2007 Casio adjusted group targets and set appropriate targets for each office site, and the Environment Center spearheaded specific improvement activities at each site. Furthermore, at the Casio Group Environmental Conference held twice a year in August and February, several sites make reports on their activities as a means of sharing information and improving on their efforts. Casio will continue this program.

Independent Opinion A flexitime system needs to be introduced as a support measure for employees with child or nursing care responsibilities. This includes shorter or revised work times, not only providing leave opportunities.

Casio's Response Casio has established Rules Concerning Child Care Leave and Rules Concerning Nursing Care Leave. However, in addition to providing leave opportunities, Casio is also implementing shorter work times as part of an overall revision of employment formats (page 32). At Casio Computer Co., Ltd., 37 employees have made use of shortened working hours for the purpose of child care. As of March 31, 2008, no one has made use of the provisions for family care.

Independent Opinion Casio has not yet achieved the legal employment rate for persons with disabilities. In order to fulfill this requirement, the company must promptly carry out more active development of suitable job types.

Casio's Response Casio has carried out wide-ranging recruitment without limitations on job types. By focusing on developing jobs that make maximum use of the capabilities of the individual, Casio has succeeded in hiring persons with disabilities in diverse job types, including quality assurance, software design, and staff positions (page 30).