

Environmental Compliance

Worldwide, environmental regulations are being strengthened to preserve the beauty of the Earth. Whether global or local, environmental compliance has become an integral part of the corporate mission. Companies today recognize the need to address issues such as risk management and environmental information disclosure, while complying with greenhouse gas emissions regulations, the prohibition of products containing harmful chemical substances and ISO 14001 legal requirements. Here is an overview of Casio's environmental compliance initiatives.

Standards management and audits: Regular internal audits and third-party audits

There are 18 Casio sites which have obtained ISO 14001 certification.

Each of these sites regularly implements conditions management and improvement activities by measuring concentrations of dust, SO_x, and NO_x in exhaust emissions, based on voluntary standards and standards established by national and local governments. They also measure wastewater quality (water containing harmful substances or non-production wastewater). Moreover, the sites measure and report usage conditions for harmful atmospheric pollutants, as well as handling quantities and atmospheric emissions of volatile organic compounds (VOCs).

Each site trains internal environmental auditors and environmental provisional auditors. In addition to carrying out internal audits, third-party audits by external organizations are also regularly performed, and improvement activities are carried out.

Going forward, Casio will work to improve the environmental risk detection skills of its internal environmental auditors, as a way to improve its overall environmental audit capability. Casio will also seek to improve auditors' understanding of various environmental laws, and provide training in worldwide laws relating to chemical substance control and information management. Casio intends these auditors to lead the way in environment compliance, starting at the local site, by discovering issues and proposing ways to improve.

Compliance relating to product development, design, and manufacturing: Chemical substance control regulations

The EU's REACH regulation is considered to be the most far-reaching chemical substance control regulation in history.

Japan has also enacted the Revised Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., while China plans to pass a revised Chemical Substance Environmental Control Law and the US is preparing to revise its Toxic Substances Control Act (TSCA).

These chemical substance control regulations will likely impose severe penalties and measures such as market surveillance, recall, market withdrawal, or import prohibition for products that represent a major risk.

Casio continues to improve its management and design system and its information disclosure system. These systems track the type and amount of a chemical substance contained in products or supplies, as well as the status of new chemical substance registration.

Casio has established a Product Environment Law Study Working Group within its New Green Product Development Conference. The working group provides legal compliance support for development, design, manufacturing and sales, covering but not limited to the laws and regulations mentioned above. It performs the following activities.

1. Gathering information relating to laws and regulations (from industrial associations and special committees)
2. Ensuring obligations are met by manufacturing, import, export, and sales entities
3. Creating development and design standards, and conducting inspections
4. Developing material procurement guidelines and information management
5. Updating the database on chemical substances contained in materials for design support, and improving database accessibility

With the enactment of regulations carrying severe penalties, Casio recognizes the need to keep strengthening risk management.

Compliance relating to waste and recycling

Various countries are now regulating the recycling of waste electrical and electronic goods as well as packaging materials. Regulations include the EU WEEE Directive, the EU Directive on Packaging and Packaging Waste, the Chinese version of WEEE, the TV and PC recycling laws of various US states, and the regulations on heavy metals in packaging materials of various US states.

By developing Green Star Products, Casio is working to minimize environmental risk starting in the design stage, and is promoting the careful use of resources.

In addition, addressing materials (such as production dies, etc.) other than electronic devices and packaging, Casio uses plan-do-check-act (PDCA) management to eliminate potential violations of laws concerning waste in various countries due to inconsistent waste disposal. This is a priority risk prevention theme.

Compliance with greenhouse gas emissions regulations

1 : Revised Act on the Rational Use of Energy

The Revised Act on the Rational Use of Energy went into effect in Japan in April 2010, as a measure to help combat climate change.

To comply with this revised law, Casio will perform the following.

1. Change its energy management unit from individual sites to business entities (i.e. corporations: companies that make up the Casio group)
2. Manage and report energy usage conditions for the whole entity (medium and long-term planning and regular reporting), for entities using more than 1,500 kiloliters (kl) annually, in crude oil equivalent, which are subject to the new law.
3. Carry out the appointment and reporting of energy management coordinators and energy promotion planners, and promote energy-saving activities.

*There are four Casio entities subject to the law: Casio Computer Co., Ltd., Casio Micronics, Kofu Casio, and Yamagata Casio.

2 : Environmental Regulations in Tokyo

In April 2010, the Tokyo Cap-and-Trade Program for greenhouse gas emissions took effect for large business facilities located in Tokyo. The system requires companies to reduce total greenhouse gas emissions. A system for Reporting on Measures against Global Warming was also introduced for all small and medium-size business facilities (with energy usage of less than 1,500 kl per year, crude oil equivalent) in Tokyo.

(1) Tokyo Cap-and-Trade Program

The Casio sites that must comply with this program include the Hamura R&D Center of Casio Computer Co., Ltd., the Head Office, and the Nos. 1 and 2 Plants of Casio Micronics.

Since these three sites use fuel, heat, and electricity equivalent to more than 1,500 kl of crude oil each year, they are obligated to reduce their emissions by 4% to 6% in each upcoming five-year reduction period.

They are also required to obtain emission rights for any portion of emissions exceeding the target level, in order to achieve carbon offsetting. Verification by a certification organization is necessary in order to ensure the accuracy and veracity of company reporting.

(2) System for Reporting on Measures against Global Warming

With a solid understanding of the purpose of this system, Casio will use an ISO 14001 management cycle to guide its participation. The company will ascertain current conditions, implement countermeasures, and prepare and submit the necessary reports, both mandatory and voluntary.

Casio believes that compliance with these greenhouse gas emissions regulations is consistent with the commitments it has made in its Environmental Vision and Environmental Declaration of medium and long-term goals, and will do its part to build a low-carbon society.

Compliance relating to environmental information disclosure

There is a growing international movement calling for the creation of information disclosure standards for companies.

Along with the need for Japanese standards to coincide with the International Financial Reporting Standards (IFRS), there is a movement calling for the provision of Management Commentaries (MC) as a form of disclosure of non-financial and corporate forecast information. In other words, companies will need to disclose non-financial data which describes the connections between the company's current situation, business strategy, risks, and financial performance, and other relevant information.

In order to provide its stakeholders with the proper environmental information in a way that it is easy to understand, Casio has the following aims.

1. To adopt more accurate indices relating to environmental impact, and to provide comparable information
2. To provide non-financial information including environmental information that indicates the connections with corporate strategy
3. To explain the capability of environmental information to improve corporate performance

Along with working to disclose environmental information, Casio will promote international disclosure standards for non-financial information, and work towards standardization.

Highlight Participating in the Wal-mart Sustainability Index Project



Global Milestone Meeting hosted by Wal-Mart in July 2009, in Arkansas (Photo courtesy of Wal-Mart)

Sustainability is becoming a key word for manufacturers, retailers and suppliers. Recently, retailers are aggressive about achieving their sustainability goals.

Manufacturers and suppliers need to respond and be actively involved in retailers' initiatives. For example, Wal-Mart is actively engaged in sustainability initiatives. One of its initiatives is a Sustainability Index.

Wal-Mart conducted a Supplier Sustainability Assessment which is a brief survey to evaluate supplier's sustainability in 2009, and Casio responded to the survey.