

# Suppliers

## ▶▶ Strong partnerships with suppliers

Casio procures various materials from a large number of suppliers in and outside Japan. In order to develop long-term business relationships based on its Procurement Policies, Casio is working to strengthen CSR activities across its entire supply chain, while improving measures for proper transactions.

### Socially responsible procurement at Casio

Casio has established Procurement Policies in order to execute its social responsibility to conduct fair and equitable transactions throughout the supply chain. The policies cover matters including legal compliance, respecting human rights, labor, safety, and health, as well as environmental protection such as biodiversity

preservation and risk control of chemical contents and information security. Casio constantly improves its socially responsible procurement by obtaining the understanding and support of suppliers for the policies and building strong partnerships.

#### ■ Procurement Policies

Casio aims to fulfill its social responsibilities, including compliance with relevant laws and social norms, and protection of the environment, through fair and equitable transactions throughout the supply chain by strengthening partnership with suppliers.

##### 1. Fair and equitable transactions

Casio carries out fair and equitable transactions by providing equal opportunities to all suppliers (and candidates) in and outside Japan in accordance with its internally established procedures.

##### 2. Compliance with laws and social norms

Casio's procurement activities comply with all relevant laws, social norms, standards and treaties worldwide, including the protection of human rights, the prohibition of child labor, forced labor and discrimination, and respect for freedom of association, the right to associate, and the right to collective bargaining, as well as ensure that absolutely no contact is made with organized criminal elements. Therefore, Casio requires its suppliers to observe the same legal and social requirements.

##### 3. Environmental protection

Casio helps to protect the global environment through environmentally friendly procurement, which is based on the Casio Environmental Vision and Casio's Environmental Declaration, in cooperation with suppliers.

##### 4. Strengthening partnership with suppliers

Casio builds up relationship of trust with its suppliers

through reciprocal efforts, such as merging and complementing mutual technological development abilities, supply chain cooperation, compliance with laws and social norms and protection of the global environment, which will benefit both parties.

##### 5. Policies on supplier selection and transaction continuation

Casio initiates and continues transactions with suppliers based on comprehensive evaluation criteria, which include compliance with laws and social norms, environmental protection, proper information security, respect for intellectual property, sound and stable corporate management, superior technological development ability, right price and quality, stable supply capabilities and electronic transaction systems.

##### 6. Securing right price and quality

Casio endeavors to secure right price and quality in order to provide its customers with stable supply of optimal products, which ensures that Casio gains the full confidence of customers around the world.

##### 7. Prohibition of personal-interest relationships

Casio does not allow any employees to have personal-interest relationships with any suppliers.

### Fulfilling social responsibilities together with suppliers

In order to ensure compliance with the Procurement Policies together with its suppliers, Casio has established the Supplier Guidelines. All of Casio's suppliers in Japan and elsewhere have agreed to these guidelines to

help Casio fulfill its social responsibilities.

Casio is also managing its supply chain more successfully by introducing a regular monitoring system that ensures that these guidelines are properly fulfilled.

## Disseminating supplier guidelines

Over 80% of Casio's production activities are in China and ASEAN. Every year, Casio holds briefings on its Procurement Policies in Southern China and Thailand.

In the past, these briefings simply involved Casio explaining its business policies to suppliers and asking them to undertake initiatives. Starting in fiscal 2010 however, Casio is using these briefings as an opportunity for interaction, for instance, by having a selected supplier present its own exemplary CSR initiatives. Through joint efforts with suppliers, Casio is aiming for continued improvement in the level of CSR performance.

More recently, Casio asked suppliers whose sites it had audited for CSR performance to present examples of their efforts to improve CSR activities. It is proving highly effective to share case studies and know-how when addressing CSR issues.



Briefing on Procurement Policies



Award ceremony at the Procurement Policies briefing



Presentation of exemplary CSR implementation and improvement by a supplier

## Comprehensive management of CSR performance

In fiscal 2008, Casio started conducting a questionnaire survey\* of principal suppliers in Japan on CSR performance in order to confirm the status of CSR procurement. In fiscal 2010, the survey was expanded to include suppliers in China and Thailand. Additionally, starting in fiscal 2010, Casio has been evaluating suppliers in Japan based on a five-point scoring system for all 340 items in the *Supply-Chain CSR Deployment Guidebook* published by the Japan Electronics and Information Technology Industries Association (JEITA), in an effort to gain a better grasp of and visualize the situation.

In fiscal 2011, Casio again conducted a questionnaire survey of suppliers in and outside Japan. The results were sent back to all suppliers, along with information on Casio's approach and goals for CSR procurement, to help support suppliers' improvement efforts.

After the questionnaire survey was conducted, implementation audits of major suppliers in China (three companies) and Thailand (two companies) were carried out with local staff members of the CSR promotion project launched at overseas sites. During these audits, opinions were exchanged with suppliers' managers and commitments received from them to make new developments, including improvement efforts in the next fiscal year, by deepening their understanding of CSR performance.

In Japan, the questionnaire response rate (95%) greatly exceeded the rate for the previous year (85%), providing assurance that understanding of and concern for CSR is increasing. Moreover, Casio visited suppliers who are passionate about CSR initiatives and held discussion meetings aimed at solving future issues with a view toward creating good partnerships within the industry.

\* The questionnaire was prepared in accordance with a Supplier Checklist for CSR Procurement based upon the Guidebook for Supply Chain Implementation of CSR Procurement published by the Japan Electronics and Information Technology Industries Association (JEITA). It covered: (1) human rights and labor conditions; (2) health and safety; (3) the environment; (4) fair transactions and ethics; (5) quality and consumer safety; (6) information security; and (7) social contribution.

### Supplier Message

ROHM Co., Ltd., takes an active approach to CSR implementation based on the ROHM Group Business Conduct Guidelines.

We support Casio's Procurement Policies, and will strive to fulfill and maintain the CSR performance items requested by Casio.



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### Improving CSR across the supply chain

