

Casio's Corporate Creed and Approach to CSR

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Making life richer and more convenient by creating innovative products—this was the aspiration of Casio's founders, and it is summed up in the corporate creed, "Creativity and Contribution." Casio believes that part of its social responsibility is to pass down this corporate creed to all of its employees without fail. Casio is determined to ensure that its businesses, which make something from nothing, or go from "0" to "1," continue to make a consistent contribution to a more sustainable global society.

Welcoming the challenge of helping to build a more sustainable global society

In recent years, there has been widespread concern over the sustainability of human civilization in its current form. While economic activity has enriched the lives of many people, it has also put great strain on the global environment and social systems. Cooperation is needed to overcome this global crisis and leave a sustainable global society to future generations. In order to achieve this, proactive initiatives need to be taken by individuals, companies, governments, and international organizations. A company has a much larger impact on society than an individual, and corporate activities are responsible for some of the current impact on the planet. This is why society now has much greater expectations for companies to actively implement their own initiatives to help resolve sustainability issues, or in other words, to fulfill their corporate social responsibility (CSR). Today, a company's performance on social responsibility impacts its corporate value. Firms that fail to fulfill their corporate social responsibilities are no longer valued or allowed to survive by society.

Casio's corporate creed of "Creativity and Contribution" contains the company's founding idea of social contribution through the provision of innovative products that have never existed before. Everyone working at Casio fully appreciates this corporate creed, and the company is always striving to help build a more sustainable global society by pursuing business activities designed to make something from nothing, or go from "0" to "1." This is Casio's CSR approach.

To ensure that it continues to deliver on the commitments of its corporate creed, Casio has established three key documents. **The Charter of Creativity for Casio** outlines the basic principles behind the mindset and conduct expected from everyone at Casio, while **the Casio Common Commitment** provides specific conduct guidelines for implementing the Charter. **The Casio Group Code of Conduct** establishes norms for ethical conduct and requires all Casio group executives and employees to comply with relevant laws and internal rules. With recent changes in the external environment, in June 2013 Casio revised the Code of Conduct to reflect the higher expectations of the international community with a focus on the areas of human rights, supply chain management, and anti-corruption measures.

Casio has established four specific keywords, shown below, to guide its efforts to address social and environmental issues that relate directly and indirectly to its business operations. By addressing these issues the company aims to help build a more sustainable global society.

The world today is faced with many complex economic, environmental and social problems of a very serious nature. Humanity as a whole needs to consider its own best future, and then find ways to move in that direction. If economic activities are to be maintained on this planet with limited resources, every member of society must try to help achieve sustainability.

Casio is determined to do its part to find solutions for social and environmental issues while continuing to provide new value to society, based on its corporate creed of "Creativity and Contribution." Casio will steadily pursue specific initiatives while always seeking to conceive of ideal solutions for each issue.

Keywords for a sustainable world and Casio's main initiatives

- **Resource recyclability (social and economic activities on a planet with limited resources)**

Reducing daytime power consumption through the use of geothermal electricity and the installation of power storage equipment, etc.

- **Biodiversity (respecting the uniqueness of all living organisms and recognizing their interdependence)**

Establishing an Environmental Action Plan, and evaluating the entire impact of the business, etc.

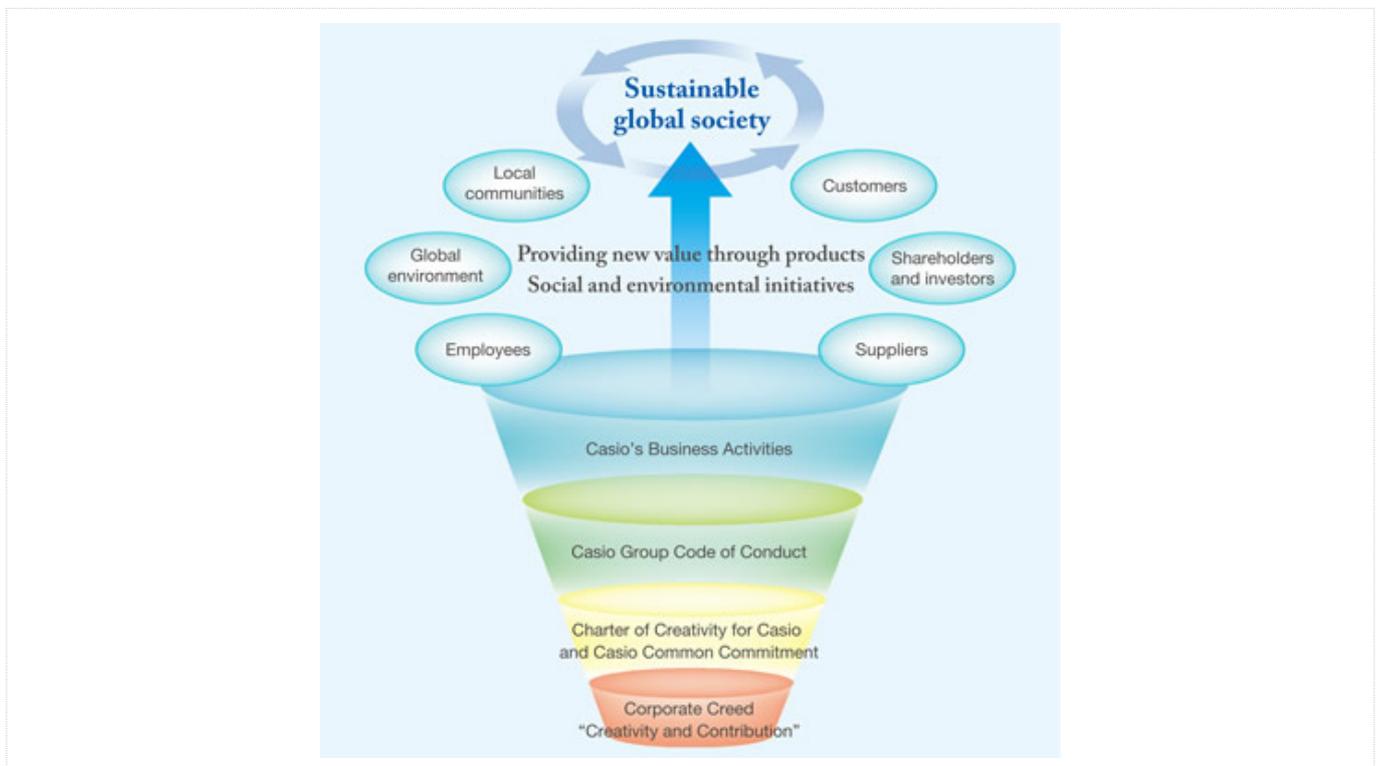
- **Fairness across generations (the current generation properly appreciating the legacy of previous generations and passing it on to future generations)**

Setting medium and long-term CO2 reduction targets, and promoting next-generation development and education, etc.

- **Fairness across regions (fairly distributing wealth and assets across regions)**

Being a member of the UN Global Compact, and conducting CSR activities globally, etc.

Casio's CSR Platform



Charter of Creativity for Casio and Casio Common Commitment

In 2003, Casio adopted the Charter of Creativity for Casio and Casio Common Commitment, a promise from everyone working at Casio. They are designed to ensure that Casio employees will be aware of the corporate creed at all times, and act upon it. These promises cover the three key aspects of CSR—economy, environment, and society—as well as the company's approach to compliance.

Charter of Creativity for Casio

First Chapter

We will value creativity, and ensure that our products meet universal needs*.

Second Chapter

We will strive to be of service to society, providing customers with delight, happiness, and pleasure.

Third Chapter

We will back up our words and actions with trustworthiness and integrity, and work as professionals.

* To create innovative products that everyone needs but no other company has ever produced. At Casio, this is the mission not only of product development, but of every other part of the business.

▶ Charter of Creativity for Casio and Casio Common Commitment

Engaging employees in Casio's unique CSR approach

To ensure thorough application of these principles, the directors and department heads sign the Charter of Creativity for Casio and Casio Common Commitment every year, and together recite a pledge to abide by the Charter and Commitment and familiarize their subordinates with it. All employees also sign a card printed with these promises, to carry with them at all times.

There is also a site on the company intranet entitled CASIO STYLE which includes messages about the corporate creed and the Charter and Commitment from the four brothers who founded the company, along with other simple, compelling stories presented once a month. This helps all group employees to better understand and identify with Casio's essential character.

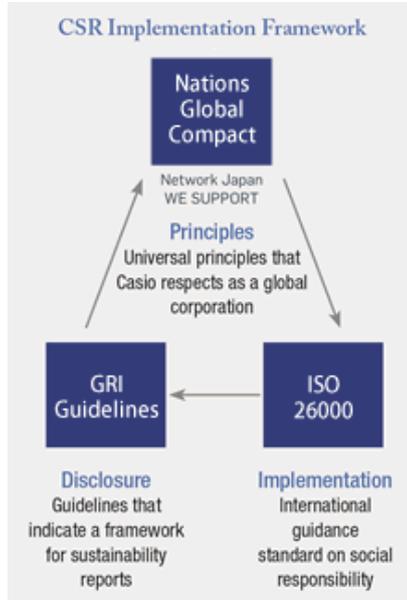
Every other year, Casio conducts a comprehensive questionnaire survey to learn what group employees in Japan think about the Charter of Creativity for Casio and Casio Common Commitment, the Casio Group Code of Conduct, and the Whistleblower Hotline. The results are analyzed to determine how thoroughly employees have embraced the company's approach to CSR. The next questionnaire will be conducted in fiscal 2013.

The CSR Communication Book has been issued mainly for employees every year since 2012. By presenting specific cases to illustrate each chapter of the Charter of Creativity, it helps employees better understand the charter.

CSR Implementation Framework

Casio joined the UN Global Compact in 2010. The company upholds the ten principles of the Global Compact, which concern human rights, labour, the environment and anti-corruption, and it has also fully adopted the corporate commitments.

Casio has been working to enhance its CSR programs to meet the requirements of the international community. The company draws on the ISO 26000 guidance standard on social responsibility in implementing CSR, and uses Global Reporting Initiative (GRI) Guidelines to select subjects for disclosure. The company is currently working to comply with the latest G4 version of the guidelines.



United Nations Global Compact

Casio products are made through cooperation not just within the Casio Group, but with many other parts and consignment manufacturers. Through global distribution, over 100 million Casio products are sold each year in 140 countries around the world.

In order for consumers worldwide to purchase Casio products with confidence, the company believes that it must support and adhere to common global principles for sustainable growth for the international community, beginning with Casio's global supply chain.

This is why, in December 2010, the company president signed a letter of commitment to support the principles of the United Nations Global Compact. With that step, Casio joined the compact, and it has been making employees thoroughly aware of it ever since, group-wide. While pursuing specific initiatives for the realization of the Global Compact principles, Casio is also appropriately disclosing progress.

Casio is also active at the local network level of the UN Global Compact, serving as a member of the Japanese Global Compact Network Japan (GC-NJ).



10 Principles of the UN Global Compact

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

Labor Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labor;
5. the effective abolition of child labor; and
6. the elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10. Businesses should work against all forms of corruption, including extortion and bribery.

[United Nations Global Compact](#) ■

Main stakeholders of the Casio Group

Casio strives to ascertain and understand how its operations impact the environment and society and what kind of contributions it can make. It then identifies stakeholder groups and strives to implement appropriate measures for each.

Companies must not become complacent in their efforts to pursue social responsibility and maintain social trust. The first step in earning stakeholders' understanding and trust for the initiatives of the company is listening to what they have to say. Good communication is a necessity, and it is not a one-way street. Companies must find solutions that benefit both their stakeholders and their business, as well as the global society as a whole. By actively disclosing information to stakeholders, and creating opportunities for dialogue with them, Casio finds out what stakeholders expect, evaluates its existing activities, and plans future initiatives.

Main Stakeholder Group	Main Casio Group Responsibilities	Main Dialogue Opportunities / Information Disclosure
Customers	<ul style="list-style-type: none"> Providing appealing, safe, and reliable products Ensuring stable product supply Providing the proper information regarding products Improving customer satisfaction Providing fast and accurate support to customers Properly managing customer information 	<ul style="list-style-type: none"> Daily sales activities Customer Support Center Customer satisfaction surveys Casio's official website
Suppliers	<ul style="list-style-type: none"> Fair and equitable transactions Requesting CSR implementation and providing support 	<ul style="list-style-type: none"> Daily procurement activities Holding vendor conferences CSR questionnaires
Shareholders and investors	<ul style="list-style-type: none"> Timely and appropriate information disclosure Appropriate profit returns 	<ul style="list-style-type: none"> General Meeting of Shareholders Briefings for investors Investor Relations website Issuing financial reports (shareholder newsletter) Responding to CSR questionnaires from socially responsible investors
Employees	<ul style="list-style-type: none"> Respecting human rights Promoting diversity and inclusion Promoting balance of work and family life Human resource recruitment and utilization Fair evaluation and treatment Industrial health and safety and employee health promotion 	<ul style="list-style-type: none"> Casio intranet Group Workers' Labor-Management Conference Occupational Safety and Health Committees Career challenge system Internal newsletter
Local communities	<ul style="list-style-type: none"> Respecting and preserving regional cultures Activities that contribute to local communities Preventing accidents and disasters at sites Providing support to disaster-stricken regions where sites are located 	<ul style="list-style-type: none"> Factory and workplace tours School visit program Internships Employee participation in local community events
Global environment	<ul style="list-style-type: none"> Environmental consideration in product development Environmentally responsible production activities Complying with environmental laws Protecting biodiversity 	—————
NPO/NGO	<ul style="list-style-type: none"> Protecting the environment, human rights, and biodiversity Support for local communities and cultural activities 	<ul style="list-style-type: none"> Responding to questionnaires Holding dialogues Implementing social contribution programs together with NGOs and NPOs

Identifying materiality (important CSR issues)

World trends when it comes to building a more sustainable global society are changing. Companies are now expected to carry out strategic initiatives to help make human societies more sustainable through their core business activities. Casio, which is expanding its business worldwide, is no exception. There is demand for Casio to make more targeted contributions through its business, built upon the long track record Casio has of creating something from nothing, or going from “0” to “1.” As part of these evolving trends, in May 2013 the fourth version of GRI’s international guidelines for sustainability reporting, GRI Guidelines (G4), were issued. The new version reflects a shift from comprehensive information disclosure to disclosure focused on materiality. In response, starting with the sustainability report to be issued in 2016, Casio plans to clearly articulate materiality and give it priority attention.

Action so far and next steps

Fiscal 2014 performance: reviewing the current situation

- Casio held workshops with employees to identify how to keep advancing its business of going from “0” to “1” to help build a more sustainable global society. Participants shared their views of Casio’s uniqueness and their visions for the company, discussing what has to be done to close the gap between today and tomorrow.

- * For details, see Feature Story 1, “[Creating the Future at Casio: Casio Employees’ Thoughts about Future Strategy](#)” in the Sustainability Report 2014.

- Casio solicited opinions from external experts on the topic of stakeholders’ expectations of Casio.

- * For details, see Feature Story 2, “[Listening to the Experts: What Is Expected of Casio and What Should Casio Prioritize in the Future?](#)” in the Sustainability Report 2014.



Fiscal 2015 result: priority issues identified internally

- Casio drew up a detailed list of issues according to business field and region and organized them in order of precedence for the company (horizontal axis in figure below).



Fiscal 2016 agenda: prioritize issues and specify materiality from an outside perspective

- Stakeholder questionnaires and interviews are conducted in order to identify issues that are important to them. (vertical axis below)

- With the approval of the board of directors, the final decision on materiality for Casio is made based on the results of deliberation over the horizontal and vertical axes.

- Casio plans to disclose the identified materiality in its sustainability report 2016.

