Independent Opinion on the Sustainability Report 2015

The opinion presented here was written based on the content of this report (website version) and interviews with Casio personnel responsible for environmental, procurement, human resources, and CSR initiatives. Casio is now at a stage where the plan-do-check-act (PDCA) management cycle, with a focus on reducing the company's environmental impact and ensuring socially responsible procurement, should be used to expand CSR initiatives group-wide.

Commendable efforts by Casio

- Under its medium- to long-term environmental management policy, Casio has set greenhouse gas targets for fiscal 2021 and 2051 and has expanded its efforts to reduce environmental impact into the areas of packaging and distribution. This is in line with its three commitments of "realizing a low-carbon society," "building a recycling society," and "living in harmony with nature and preserving biodiversity." For paper used in user manuals and brochures in particular, Casio has established new procurement policies and is complying with local laws and regulations. I am very glad to see that Casio has implemented a procurement policy that gives priority to certified or recycled paper, while avoiding purchases from companies that are associated with deforestation or other serious environmental and social issues. In addition to efforts within the group and supply chain, I have strong expectations that Casio will develop initiatives that cover the entire product lifecycle including the customer stage—such as providing instructions on optimal product usage and improving the recycling rate at the time of disposal—and also disclose information on the progress of those initiatives.
- As an initiative to improve supplier CSR, Casio continued its questionnaire using a five-point scale on issues such as reducing environmental impact, avoiding conflict minerals, and protecting the human rights of workers. Responses were received from 223 suppliers in Japan, 250 suppliers in China, and 30 suppliers in Thailand. By providing feedback based on the results to suppliers, making inspection visits at 15 suppliers in China and Thailand, presenting awards and providing case studies at meetings, Casio continued to ascertain and appraise its suppliers' commitment to social responsibility. In the future, I recommend that Casio ask suppliers to provide data and other verifiable proof in their self-assessment of initiatives, and work to make the specific measures and issues even more readily visible and understandable. I also hope that Casio will further improve its system of interaction with suppliers with a view to making continual improvements.
- Concerning efforts to <u>create more supportive workplaces for employees</u>, it is laudable that 5.29% of employees at Casio Computer Co., Ltd. made use of the company's leave and reduced working hours programs for childcare or nursing care. It is also highly commendable that support for employee health as well as nursing care and childcare leave was improved through labor-management consultation. In the future, I hope that Casio will actively create opportunities for its employees to hear from users of the nursing care support program and ask questions about any topic.

Points for improvement while commending progress to date

- With regard to the group-wide CSR promotion system, it is admirable that Casio established a Basic Policy on Respect for Human Rights, created its own tool for checking the status of human rights, compiled responses from group companies concerning their human rights issues, and provided the results as feedback to the companies. It is also noteworthy that Casio prepared the Guidance on the Prohibition of Bribery, based on the Casio Group Code of Conduct, revised in fiscal 2014, issued a more detailed anti-corruption manual to provide further guidance, as well as disclosed the number of times its whistle-blowing system has been used. I have strong expectations that Casio will develop an implementation framework that ensures these guidelines and tools are actually put to effective use in everyday management.
 - Looking at the fostering of a culture of social responsibility across the entire group, I am gratified to learn that Casio is preparing to appoint CSR Leaders at major group companies in and outside Japan. In the future, Casio should also translate messages from top management into languages read by employees and send them to Casio Group workplaces worldwide, to encourage the initiatives by CSR Leaders on the frontlines. I strongly hope that Casio will increase opportunities for frontline employees to quickly and thoroughly understand CSR developments at the head office and sites worldwide.
- Turning to group-wide efforts to enhance and make the most of employee diversity, it is nice to see that diversity preparations are being made. This includes a human resources registration system and assessment training, based on future policy aiming for a worldwide HR governance system for the entire group. Going forward, I hope that Casio will envision in detail a global personnel portfolio that transcends departmental and corporate boundaries, establish a comprehensive system for recruitment, development, exchange, and evaluation of human resources, and expand its human resources database to bring local staff members in each country into the picture. In developing such strategies and systems for making active use of employee diversity, Casio should aim for a target year in the near future, say 2020.

Points for improvement

- In the area of employing persons with disabilities, Casio's average consolidated performance in Japan dipped below the legally mandated rate of employment. However, improvements have been made by holding employee interviews each quarter, and introducing a staggered working hours system. I continue to have strong expectations that Casio will promote community creation efforts based on disability and job types and continue making workplaces more supportive in the future. I hope to see improvement as soon as possible
- Regarding the environmental impact reduction data in this report, it is commendable that details are provided on the principal sites in and outside Japan including group companies. My hope, however, would be that Casio will continue to increase the level of accuracy of group reporting, not only for environmental data, but also for personnel and procurement initiatives and data.

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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.

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