Independent Opinion

Outside Opinion on the Casio Corporate Report 2007

The opinions given here were written based on the content of this report and interviews with Casio personnel responsible for human resources, procurement, and environmental 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.

Commemorable efforts by Casio

- Energy conservation targets were established from the design stage for the new Hachioji R&D Center building. Through the verification of data on energy consumption outcomes, a 33% reduction in CO2 emissions compared to the previous building was achieved (page 19). In the future, the energy-saving study team meetings held monthly should be continually improved, and the knowledge gained from these efforts ought to be actively shared with other Casio offices as well.
- Casio is using environmental accounting to calculate and manage economic effects on a project unit basis, as well as the environmental efficiency of sales in terms of CO2, waste, and PRTR substances (page 47). Now Casio needs to further increase the projects covered, and expand the efforts to its suppliers.
- The number of contacts to the Whistleblower Hotline was disclosed (page 25). However, Casio should be more active in raising awareness of the hotline and how it is used among employees, group companies, and suppliers, in order to resolve various small problems before they become large ones.

The “Factory Tours for 10,000 People” program is providing opportunities for local children to gain the inspiration needed to achieve large ones.

In the future, Casio ought to improve the structure and management of the program so that more children can have the opportunity to participate, on an ongoing basis.

Points for improvement

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 (page 58). It is also important to indicate whether analyses of results and problems were appropriately carried out.

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. Since this is the time when Casio is actively expanding its production sites in and outside Japan, the company needs to carry out these initiatives as soon as possible.

A flextime 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 (page 54).

Supplier Guidelines are given to part suppliers and business outsource suppliers. 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 (page 36), for example, by creating a system for condemning department activities and outstanding cases based on initiative themes.

In its emergency response measures, Casio aims to secure the safety of employees and their families, preserve corporate assets, and maintain business activities (page 24). 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 has not yet achieved the legal employment rate for persons with disabilities (page 52). In order to fulfill this requirement, the company must promptly carry out more active development of suitable job types.

Outside Opinion on the 2006 Report

Casio has not achieved its targets for the amounts of carbon dioxide emissions, water usage and waste for two consecutive years. It appears that the targets are too difficult or that the management systems are not functioning properly (pages 20 and 40). Based on the active incorporation of changes in business performance and market value, Casio needs to disclose its annual targets and details of actual measures taken for initiatives to be completed by 2010. In particular, it needs to disclose both the basic units and overall amounts of actual production of carbon dioxide emissions. The company must also actively learn from successful cases and thoroughly promote methods for energy saving in daily operations at production sites. Furthermore, the committees and departments operating under Casio Environmental Conservation Committee have to go beyond the reporting of results, to the promotion of initiatives based on future forecasts.

Casio’s Response

It is true that the levels of three environment indicators (CO2 emissions, water usage, and waste output) increased for Casio in Japan in the previous two years, both per unit of production and in terms of gross weight. In fiscal 2007, however, Casio achieved a reduction in all three indicators, measured both ways. This was due to clear target setting at each site, the switchover to energy-saving equipment at Yamagata Casio, the rebuilding of Kofu Casio’s water system, and the promotion of waste reduction activities at each site. Additional measures for achieving targets are now being investigated, and the measures are to be announced along with the results tally midway through fiscal 2008. Steps will be taken to ensure that the careful study and planning for fiscal 2011 targets will translate into concrete actions. Moreover, in the latter half of fiscal 2008, Casio will introduce a system for reporting actual vs. target environmental performance results each month, and use it to drive the realization of group-wide targets.

Outside Opinion

Casio should actively support the establishment of the proper foundation for EHS (environment, health & human rights, safety) for its supply-chain, including group companies and principal suppliers.

Casio’s Response

Measures for group companies

- Starting in fiscal 2007, Senior Lifestyle Seminars for employees who are approaching the age of mandatory retirement have been expanded from Casio Computer Co., Ltd., to some Casio subsidiaries. These seminars deal with topics such as lifestyles and programs relevant to seniors, including information on health management, as well as finances and living with family after retirement.
- A guideline for the prevention of sexual harassment has been created. This information is being directly conveyed to employees and group companies, as well as being posted on the company’s intranet, in order to raise awareness. A hotline has also been established to provide consultation.

Measures for suppliers

- In line with its Procurement Policies, Casio has established evaluation standards relating to the environment, health, human rights, and safety. Through supplier meetings, guidance is being given on how to implement the standards and achieve improvements.
- Casio carries out green procurement of parts that make up products (including the purchase of completed products). As part of this effort, the company is actively purchasing from group companies and suppliers that have implemented ISO 14001 or an equivalent environmental management system. Casio is also providing support for all group companies and suppliers to implement such systems.