Biodiversity

Biodiversity Guideline

The 10th Conference of Parties (COP10) to the Convention on Biological Diversity (CBD) was held in Nagoya, Japan in October 2010, and it adopted a new Strategic Plan for Biodiversity (2020), and the Aichi Biodiversity Targets (2050). Following up, business corporations have become more active in their efforts to preserve biodiversity.

Casio Group Biodiversity Guidelines

Basic Policy

The Casio Group recognizes that its existence and business activities depend on the benefits afforded by biodiversity, and that these activities also have an impact on biodiversity. Casio emphasizes biodiversity preservation activities as well as efforts to fight climate change. By including biodiversity preservation in environmental management and creating a system for implementation, the Casio Group is working to build a more sustainable world.

Specific Initiatives

1. Business Activities:

Casio will help to build a more sustainable world by creating and providing products and services that encourage consumers to care more about the environment. This will be done by learning from nature and developing technologies that utilize this wisdom.

- · Facilitating a paperless society
- · Contributing to resource saving by developing original technology
- · Developing products with care for nature

2.Impact Assessment:

Casio will survey and analyze its impact on biodiversity through activities including R&D, design, procurement, manufacturing, logistics, sales, product use, disposal, and recycling, and at its office and plant locations. It will establish improvement measures and implement them starting with areas of highest environmental impact and benefit.

- Actively taking initiatives for proper procurement of parts (leather, wood, paper, etc.) and materials (mineral resources, etc.) that depend on ecosystem services.
- Conducting questionnaire surveys across the supply chain in order to check ecosystem protection efforts for parts and materials that make up products.
- Establishing impact assessment methods (checklists and indices) for the Casio Group

3.Information Disclosure:

Casio will strive to improve social awareness of biodiversity, by actively disclosing the results of its environmental activities.

4.Community Involvement:

Casio will actively support activities that contribute to biodiversity preservation by NPOs and NGOs, government agencies, and local citizens.

5. Full Employee Participation:

Casio is aiming for activities that involve the participation of all employees, by increasing understanding of biodiversity preservation, and training employees to act on their own initiative.

March 31, 2011

Yukio Kashio

Chairman, Casio Environmental Conference

Risks and opportunities

While benefiting from biodiversity, corporate activities also have a significant impact on it. By fully understanding this relationship, Casio aims to avoid the risks associated with failing to make efforts in the area of biodiversity and, instead, to identify the opportunities that these efforts present.

Example risk:

Problems in the upstream supply chain identified from the perspective of biodiversity preservation could make it impossible to use certain resources, materials, and parts, and Casio could lose customers because it is perceived as having a negative impact on the environment.

Specifics:

- · Use of carelessly sourced paper contributes to global forest decline.
- Due to the toxicity of the mercury used in projector light sources, its use is legally restricted.

Example opportunity:

Casio takes the lead ahead of other companies in implementing policies that allow it to more safely and reliably procure resources, materials, and parts, as well as substitutes for the same, and is therefore able to highlight the environmental friendliness of Casio products when appealing to customers.

Specifics:

• Efforts that address environmental impact, such as the formulation of a paper procurement policy, are well received by the general public.

- Through original development of a light source that does not use mercury, Casio is able to supply projectors that are legally compliant.
- By supporting NGOs and NPOs with Casio products, for instance by issuing collaborative wristwatches that support dolphin and whale conservation, Casio is able to strengthen its product brands.

Paper Procurement Policy established

Based on the Casio Group Biodiversity Guidelines, established in 2011, the company created a medium-term plan. Under the plan, it has launched biodiversity impact studies in its product and site-related activities, and is examining and implementing biodiversity preservation measures to be achieved by fiscal 2016. Progress made up until 2014 is summarized in the table below. One such result is the Paper Procurement Policy shown below, established in June 2015.

Casio Group Paper Procurement Policy

Purpose:

To preserve biodiversity by protecting and sustainably using the forest resources which provide the raw material for paper.

Scope:

All paper products procured by the Casio Group worldwide

Policy:

Casio will procure paper for use in its business activities according to the following standards:

- 1. Paper must be made from trees harvested in accordance with the laws and regulations governing the logging area concerned,
- 2. Products must not come from companies that are destroying any forest with high conservation value or that are a source of serious environmental or social issues,
- 3. Priority must be given to reliable certified paper or recycled paper.

Results of activities in fiscal 2016

In fiscal 2016, Casio examined office paper and paper products related to production materials purchased at all sites in Japan and paper products related to production materials procured at plants in China for the purchase of products that do not comply with the Casio Paper Procurement Policy. The results showed that most paper products met the requirements of the procurement policy. However, with respect to some copier paper purchased via the in-house purchasing system in Japan and some of the paper products related to production materials from four suppliers, it was discovered that paper products from certain companies that Casio deems to be a source of serious environmental or social issues were included.

For copier paper, Casio has been thoroughly reinforcing its Paper Procurement Policy among purchasing staff. In addition, the purchasing system was modified in May 2016 to make it impossible to purchase non-conforming products through the system.

Casio completed transfer procedures for paper products related to production materials by April 30, 2016.

Activities in fiscal 2017

Casio has continued to check manufacturing sources for paper products regularly to maintain the use of paper products in line with its procurement policy. In addition, Casio will start initiatives to switch to FSC®-certified paper for product catalogs whenever possible.



The mark of responsible forestry FSC® N002433

Participation in the Consortium for Sustainable Paper Use

In June 2014, Casio joined the Consortium for Sustainable Paper Use, which was established to promote the use of paper in a way that is both environmentally and socially responsible throughout society. Casio has been working hard as a dedicated member of the Consortium. The Consortium was established in November 2013 by five companies that are making progressive efforts related to their use of paper, the WWF Japan, and Response Ability, Inc, which promotes corporate sustainability. By enabling each member to promote uses of paper that are environmentally and socially responsible from their various perspectives, the Consortium hopes to expand the sustainable use of paper throughout the broader society.

The Casio Group Paper Procurement Policy, formulated in 2015, was also based on exchange of information with member companies and other such external input.

Activities of the Consortium

From fiscal 2015 through fiscal 2016, the Consortium engaged in dialogue with suppliers of paper products, and in July 2016 it organized a symposium entitled "Corporate Collaboration in the Supply Chain: Toward Expanding Sustainable Use of Paper."





Consortium for Sustainable Paper Use

Over 100 participants attended the symposium

Participating Companies (as of March 2016 in Japanese phonetic order)

Ajinomoto Co., Inc.

Kao Corporation

Casio Computer Co., Ltd.

Kirin Holdings Co., Ltd.

JSR Corporation

Sony Corporation

Nikon Corporation

Sumitomo Mitsui Trust Bank, Ltd.

Operations Advisor: Response Ability, Inc.

Details regarding the consortium can be found on the WWF Japan website below.

"Consortium for Sustainable Paper Use" WWF Japan website

The Biodiversity Working Group, The 4 Electrical and Electronic industry Associations

In fiscal 2017, Casio started taking part in The Biodiversity
Working Group, The 4 Electrical and Electronic industry
Associations (JEMA: The Japan Electrical Manufacturers'
Association, JEITA: Japan Electronics and Information
Technology Industries Association, CIAJ: Communications and
Information Network Association of Japan, JBMIA: Japan
Business Machine and Information System Industries
Association). Through the working group's activities, Casio will
contribute to biodiversity conservation in addition to continuing to
expand the scope of its own biodiversity initiatives, taking into
consideration the efforts of the pioneering companies that are
taking part in the working group.

Details regarding the working group can be found on the JEMA website below.

<u>The Biodiversity Working Group, The 4 Electrical and Electronic industry Associations</u>



Supporting environmental protection groups

Based on a theme of "Love the Sea and the Earth," the G-SHOCK and BABY-G brands support the activities of two environmental protection groups, the International Cetacean Education Research Centre (ICERC Japan) and Earthwatch Japan, with collaboration models that promote these groups.









Earthwatch collaboration model

ICERC collaboration model