## Independent Opinion on the Sustainability Report 2016

The opinion presented here was written based on the content of this report and interviews with Casio personnel responsible for procurement, human resources, environmental 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 by top management and all employees 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." With respect to its procurement policies for paper in particular, Casio is complying with local laws and regulations, and 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. Looking ahead, I continue to have strong expectations that Casio will accelerate the achievement of its medium- to long-term goals in concrete ways by encouraging initiatives involving customers—such as providing instructions on optimal product usage, encouraging the sharing of information among customers, and improving the recycling rate at the time of disposal—through the use of the Green Star and Super Green Star programs. I also hope to see biodiversity protection initiatives in which employees participate actively through ecosystem monitoring in the areas around Casio's main sites.
- As an initiative to improve supplier CSR, Casio continued its questionnaire using a five-point scale on issues such as reducing environmental impact, and protecting the human rights of workers. Responses were received from 231 suppliers in Japan, 247 suppliers in China, and 59 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 create more supportive workplaces for employees, it is laudable that 6.04% 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 was improved through labor-management consultation, and that nearly 350 employees attended case study sessions on nursing care. In the future, I hope that Casio will promote use of the nursing care support program and do more to illustrate case studies of its use. I also hope that Casio will actively create opportunities for its employees to ask questions about any topic and take rational initiatives to correct the gender gap in the length of service.

#### 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 those companies. It is also noteworthy that Casio prepared the Guidance on the Prohibition of Bribery and the Manual on the Prohibition of Bribery, and started carrying out initiatives at group companies outside Japan, and also disclosed the number of times its whistleblowing 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, including inclusion in goals and evaluation standards for management level employees and coordination with the CSR Leaders system. In terms of building a foundation for promoting 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 headquarters and sites worldwide. Likewise, I hope that Casio will also create opportunities for top management to continuously learn about the necessity and effectiveness of promoting CSR.
- Turning to group-wide efforts to enhance and make the most of employee diversity, it is nice to see that global HR meetings are being held with the participation of the sales and production departments based on a worldwide HR governance policy 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 development, exchange, and evaluation of human resources hired around the world, 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 the near future—say within the 2020s.
- In the area of employing persons with disabilities, I am glad to see that Casio finally exceeded the legally
  mandated rate of employment. I hope that Casio will continue to make improvements by holding employee
  interviews each quarter and introducing a staggered working hours system. I also continue to have strong
  expectations that Casio will pursue community-building efforts based on disability and job types and continue
  making workplaces more supportive in the future.

### **Points for improvement**

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, by proactively disclosing not only environmental
data, but also governance, 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.

http://blog.canpan.info/iihoe/ (in Japanese)

