

# Material Issues for Casio

As a company with a global reach, it is extremely important for Casio to pursue initiatives that meet the expectations of the international community. The worldwide movement to build more sustainable societies continues to evolve, year by year. Companies today are expected to carry out strategic initiatives as part of their core business activities. Casio is no exception. Even more so, as a company known for “creating something from nothing,” Casio must strategically implement social contribution measures that are integrated with its business activities.

Responding to these trends, Casio has specified the issues with the greatest significance (materiality) to its practice of social responsibility, in accordance with the G4 Sustainability Reporting Guidelines issued by GRI in May 2013. Going forward, the company will take action on each of the specified issues, and will apply the plan-do-check-act (PDCA) cycle to these efforts to ensure the highest level of socially responsible management.

## KPI and Performance

Evaluation ◎: All targets met, ○: Most targets met, △: Remaining issues outweigh results, ×: No progress made

Material Issues for Casio	FY2017 Targets and KPI	FY2017 Performance	Evaluation	FY2018 Targets and KPI
Realizing a low-carbon society	(1) Reduce energy consumption per unit of floor area by 13% (equivalent kL of crude oil) for the entire Casio Group, compared to FY2011	Achieved a 14.9% reduction	○	(1) Reduce the FY2018 CO <sub>2</sub> emissions for the entire Casio Group by 8.25% compared with FY2014.
	(2) Maintain same level of CO <sub>2</sub> emissions (Scopes 1 and 2) as the previous fiscal year for the entire Casio Group	As a result of recalculation after coefficient revision, the CO <sub>2</sub> emissions for FY2017 were 36,668 tons, compared to 35,460 tons in FY2016, yielding an increase of 1,208 tons	△	(2) Implement energy conservation diagnosis at major sites in Japan to clarify the energy savings potential, then create an energy reduction roadmap.
Building a recycling society	(1) Maintain the Casio Green Star product sales ratio at 50% or more	Casio Green Star Product sales ratio: 57%	○	(1) Maintain the Casio Green Star product sales ratio at 60% or more
	(2) Promote the development of new Casio Super Green Star Products	Number of new models registered: 20	○	(2) Promote the development of new Casio Super Green Star Products

Living in harmony with nature	(1) Ensure that 30% of product catalog paper used in Japan is FSC® certified paper	Ratio of certified paper in catalogs in FY2017: 15%	△	(1) Ensure that 40% of product catalog paper used in Japan is FSC® certified paper
	(2) Begin biodiversity studies at the locations of major sites in Japan	Selected a survey company in FY2017, and by July 2017 had conducted a survey of 7 sites: the headquarters, Hamura R&D Center, Hachioji R&D Center, Casio Electronic Manufacturing, Yamagata Casio (headquarters and Yamanashi site) and CBS Kofu site	○	(2) Set specific activity initiatives for biodiversity preservation based on the results of the biodiversity surveys at major sites in Japan, and launch activities.
Promoting CSR procurement	(1) Implement CSR education at Casio sites and at suppliers, and hold awareness raising campaign during one vendor meeting in China	Implemented CSR education at Casio sites and at suppliers, and held awareness raising campaign during one vendor meeting in China Presentation on human rights issues from headquarters	○	(1) Implement CSR education at Casio sites and at suppliers, and hold awareness raising campaign during one vendor meeting in China
	(2) Implement annual audit follow-up and confirmation prior to the annual audit (including documentation)	Conducted follow-ups for CSR audits requested by customers at 3 production sites In China, conducted onsite inspections at 7 suppliers In Thailand, conducted onsite inspections at 6 suppliers	○	(2) Annual audit follow-up Continue audits requested by customers at production sites Continue onsite audits at suppliers
Providing supportive workplace environments and promoting diversity	(1) Achieve rate of employee return after childcare leave of 90% or more	Achieved a rate of employee return after childcare leave of 100%	○	(1) Achieve rate of employee return after childcare leave of 90% or more
	(2) Keep employee turnover at less than 5% • Plan measures to reduce turnover due to childcare reasons	Company-wide employee turnover was 3% Measure 1: Extended length of childcare leave (until the child is 3 years old, instead of 1.5 years) Measure 2: Extended period of shorter working hours for childcare reasons (until the child finishes 6th grade, instead of 3rd grade)	○	(2) Keep employee turnover at less than 5%

Providing supportive workplace environments and promoting diversity	<p>(3) Achieve implementation rate of follow-up measures of 80% or more.</p> <ul style="list-style-type: none"> <li>Implement employee follow-up measures based on the results of annual health check-ups</li> </ul>	<p>The rate of follow-up measure implementation for employees who had significant findings in their annual health check-ups was only 63.5%</p>	△	<p>(3) Achieve implementation rate of follow-up measures of 80% or more by urging to reserve re-check up</p>
	<p>(4) Promote stress management</p> <ul style="list-style-type: none"> <li>Ascertain the actual mental illness rate</li> <li>Implement stress management seminars for managers</li> <li>Implement work skill improvement training for young employees</li> </ul>	<p>Promote stress management</p> <ul style="list-style-type: none"> <li>Ascertained the actual mental illness rate</li> <li>Implemented e-learning training for new employees and managers</li> <li>Implemented stress management seminars for managers</li> <li>Implemented work skill improvement training for young employees</li> </ul>	○	<p>(4) Promote stress management</p> <ul style="list-style-type: none"> <li>Ascertain the actual mental illness rate</li> <li>Implement e-learning training for new employees and managers</li> <li>Implement stress management seminars for managers</li> <li>Implement work skill improvement training for young employees</li> </ul>
	<p>(5) Implement stress checks</p> <ul style="list-style-type: none"> <li>Ascertain the rate of employees with high stress</li> <li>Ascertain the health risk rate (by department)</li> </ul>	<p>(5) Implemented stress checks</p> <ul style="list-style-type: none"> <li>Ascertained the rate of employees with high stress</li> <li>Ascertained the health risk rate (by department)</li> <li>Provided industrial physician consultations to interested employees with high stress</li> <li>Implemented workplace analysis and feedback</li> </ul>	○	<p>(5) Implement stress checks</p> <ul style="list-style-type: none"> <li>Ascertain the rate of employees with high stress</li> <li>Ascertain the health risk rate (by department)</li> <li>Implement industrial physician consultations to interested employees with high stress</li> <li>Implement workplace analysis and feedback</li> </ul>
	<p>(6) Achieve female science graduate employment rate of 20% or more</p> <ul style="list-style-type: none"> <li>Survey awareness related to active roles played by women.</li> <li>Implement measures to promote career awareness among potential female candidates for professional positions</li> <li>Implement measures to help strengthen the employment of women for technical positions</li> </ul>	<p>Female science graduate recruitment ratio: 11% Participated in recruitment seminars for female science students</p>	×	<p>(6) Achieve female science graduate employment rate of 20% or more</p> <ul style="list-style-type: none"> <li>Implement measures to strengthen recruitment of women for technical positions</li> </ul>

Providing supportive workplace environments and promoting diversity	<p>(7) Maintain legally mandated employment rate of people with disabilities at 2% or more</p> <ul style="list-style-type: none"> <li>Actively employ people with disabilities, including those with mental disabilities, and achieve the legally mandated employment rate</li> <li>Implement measures for retaining employees with disabilities</li> </ul>	<p>Maintained legally mandated employment rate of people with disabilities at 2% or more</p> <ul style="list-style-type: none"> <li>Actively employed people with disabilities, including those with mental disabilities, and achieved the legally mandated employment rate (From June 1, 2016 to March 20, 2017)</li> <li>Implement measures for retaining employees with disabilities</li> </ul>	○	<p>(7) Maintain legally mandated employment rate of people with disabilities at 2% or more</p> <ul style="list-style-type: none"> <li>Actively employ people with disabilities, including those with mental disabilities, and achieve the legally mandated employment rate</li> <li>Implement measures for retaining employees with disabilities</li> </ul>
	<p>(8) Rate of senior employees seeking continued employment after retirement age (80% or more)</p> <ul style="list-style-type: none"> <li>Verify the Senior Employee System</li> </ul>	<p>Rate of senior employees seeking continued employment after retirement age: 80.8% (42 out of 52 employees)</p> <p>Calculation method Among those who reach the retirement age concerned,* the number that apply for the regular Senior Employee System</p> <p>* Not including applicants for the special Senior Employee System</p>	○	
Respecting human rights	<p>(1) Check human rights issue and implement feedback: All production group companies (100%)</p>	<p>Checked human rights issue and implemented feedback: Implemented at all 8 production group companies (100% complete)</p>	○	<p>(1) Check human rights issue and implement feedback: All sales group companies (100%)</p>
	<p>(2) Implement human rights education for CSR leaders: Casio Computer Co., Ltd. (100%)</p>	<p>Implemented human rights education for CSR leaders: Casio Computer Co., Ltd.: 3rd Leader Meeting Business and human rights, and LGBT training (91% completion based on attendance rate)</p>	○	<p>(2) Implement human rights education for CSR leaders: Casio Group companies in Japan (100%)</p>

Respecting human rights	(3) Develop a grievance mechanism a) In Japan: Raise awareness b) Outside Japan: Ascertain current situation and create grievance handling route	Developed a grievance mechanism a) In Japan: Ensured thorough understanding of the mechanism for grievance handling, through CSR training b) Outside Japan: Ascertained the current situation for grievance handling mechanisms at each site, using a questionnaire concerning human rights issues	○	(3) Develop a grievance mechanism a) In Japan: Raise awareness b) Outside Japan: Ascertain current situations and create grievance handling mechanisms
Preventing corruption	(1) Develop bribery prevention manuals for group companies and confirm the content	Developed bribery prevention manuals for group companies and confirm the content 22 out of 28 target companies have developed manuals (82% complete)	△	(1) Develop anti-corruption educational materials and carry out specialized training (2) Check corruption risk at all production group companies (100%)
	(2) Check corruption risk: All sales group companies (100%)	Checked corruption risk at all 29 sales group companies (100%)	○	

## Materiality specification process

### Step 1: Specification of issues with significance to the company

In fiscal 2015, Casio made a detailed list of CSR issues with reference to its business areas, and prioritized them based on relevance to its own activities.

### Step 2: Specification of issues with significance to stakeholders

In fiscal 2016, Casio sent a questionnaire to its stakeholders and conducted interviews in order to organize the issues by their significance to stakeholders.

### Step 3: Summarization and finalization

Based on the results of the processes in steps 1 and 2, in fiscal 2016 Casio formally specified its material issues with the approval of the director in charge of CSR.

## Step 4: KPI formulation and implementation

Casio formulated key performance indicators (KPI) with reference to the specified material issues, thereby enabling each responsible department to evaluate its CSR initiatives quantitatively. In fiscal 2017, Casio is implementing related activities using the plan-do-check-act (PDCA) cycle.

## Step 1: Specification of issues with significance to the company

Regarding the 46 “aspects” indicated in the G4 Sustainability Reporting Guidelines from GRI, Casio analyzed the risks to the company for each aspect and the degree of impact that they would have on Casio. The aspects were used to evaluate matters at various levels, including business segments, value chains for each segment, and regions of operation. This shaped the identification of the most significant aspects. The departments charged with CSR responsibilities also examined the identified aspects, and finalized them for use in their own processes.

## Step 2: Specification of issues with significance to stakeholders

Based on the G4 Sustainability Reporting Guidelines, the 46 aspects were divided into six areas: economic, environment, labor practices, human rights, society, and product responsibility. The importance of each area was then identified through dialogue with stakeholders closely related to Casio.

Questionnaires were also given to customers and employees, and aspects with high significance to stakeholders were identified. In addition, questionnaires and interviews with experts were carried out on the respective topics. These processes enabled Casio to identify society’s expectations, resulting in a list of issues with significance to Casio stakeholders.

### Economic



Takeshi Mizuguchi, Professor  
Takasaki City University of Economics

[More detail](#)

### Environment



Sadayoshi Tobai  
Conservation Director, WWF Japan

[More detail](#)

### Labor Practices



Hiroki Sato, Professor  
Chuo Graduate School of Strategic Management

[More detail](#)

## Human Rights



Makoto Teranaka, Visiting Professor  
Tokyo Keizai University

[More detail](#)

## Society



Kaori Kuroda, Executive Director  
CSO Network Japan

[More detail](#)

## Product Responsibility



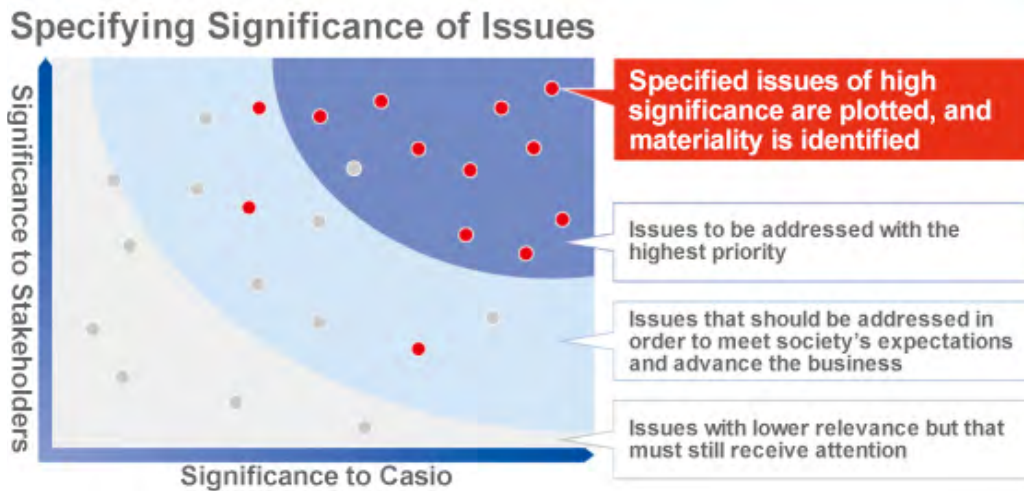
Kikuko Tatsumi, Executive Advisor  
Nippon Association of Consumer Specialists

[More detail](#)

### Step 3: Summarization and finalization

By mapping the aspects identified in steps 1 and 2, Casio specified eight material issues, with a focus on aspects given a high priority. Finally, with the approval of the director in charge of CSR, the issues with medium-term materiality to the Casio Group were defined.

#### Material Issues for Casio



Material Issues for Casio	Material Aspects	Boundary	
		Internal	External
Building a recycling society	Products and services	•	•
Realizing a low-carbon society	Energy	•	•
	Emissions	•	•
Living in harmony with nature	Biodiversity	•	•
Promoting CSR procurement	Supplier environmental assessment	•	•
	Supplier assessment for labor practices	•	•
	Supplier human rights assessment	•	•
	Supplier assessment for impacts on society	•	•
Providing supportive workplace environments and promoting diversity	Employment	•	
	Diversity and equal opportunity	•	
Respecting human rights	Investment	•	•
	Non-discrimination	•	•
	Freedom of association and collective bargaining	•	•
	Child labor	•	•
	Forced or compulsory labor	•	•



Respecting human rights	Human rights assessment	•	•
	Human rights grievance mechanism	•	•
Preventing corruption	Anti-corruption	•	•
Maximizing economic performance	Economic performance	•	•

## Step 4: KPI formulation and implementation

### KPI Formulation

Casio investigated key performance indicators (KPI) with reference to the specified material issues, in order to enable the responsible departments to evaluate their initiatives quantitatively. With the approval of the CSR Officer, the KPI were finalized, and efforts are underway in fiscal 2017 to ensure high performance.

[For more information on KPI, see "KPI and Performance" above.](#)