

Environmental Vision

In April 2012, Casio established the Casio Environmental Vision 2050, a long-term environmental management policy with a target year of 2050. At the same time, the company also issued the Casio Environmental Declaration 2020, which is its medium-term action guideline. Casio's determination to become a leading environmental company is demonstrated by its commitment to visionary global initiatives to help build a more sustainable world.

Fulfilling Social Responsibilities as a Leading Environmental Company by Strengthening Our Focus on Global Issues

Reviewing Greenhouse Gas Reduction Efforts and Setting Even Higher Targets

In February 2017, we reviewed greenhouse gas reduction targets based on our long-term environmental management policy, Casio Environmental Vision 2050. A new target was set for an 80% emissions reduction by fiscal 2051, compared with fiscal 2014. By changing the base comparison year from fiscal 2006 to fiscal 2014 (when emissions were below the fiscal 2006 level), we in effect have set significantly higher targets. In accordance with this change, we also updated our medium-term targets. Instead of a 30% emissions reduction by fiscal 2021 compared with fiscal 2006, as stated in the Casio Environmental Declaration 2020, a much higher emissions reduction target of 26% by fiscal 2031 compared with fiscal 2014 was established.

One of the major aims of the 2015 Paris Agreement is keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels. In light of this, the Japanese government adjusted its goal for reducing greenhouse gas emissions to 26% by fiscal 2031 compared with fiscal 2014. Casio decided to align its targets with this national goal.

In fiscal 2017, Casio had already mostly achieved the goals of the Casio Environmental Declaration 2020. In addition, with the various business restructuring efforts carried out over the last decade, Casio's business structure is now significantly different than it was in fiscal 2006, the previous target base year. By changing the base year to fiscal 2014, Casio is now able to measure its environmental impact in a more relevant way.

Our new emissions targets are challenging ones that cannot be attained merely by extending our previous efforts. I think it is essential to implement environmental policies in all aspects of business management, including the



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creation of products and services that take advantage of innovative ideas and advanced technology capabilities. In addition to manufacturing processes, we have to revise the distribution of products, the way business sites work, and how employees work. We must make our methods far more efficient and purposeful than they have ever been before.

This latest target revision is a demonstration of Casio's determination as a leading environmental company to take on a real challenge. I am convinced that Casio's corporate competitiveness can be dramatically enhanced by incorporating strategic environmental conservation efforts into business management.

Promoting Environmental Activities Linked to Internationally Agreed Goals

Environmental protection is a global issue that transcends national borders. Since Casio is also a company that actively promotes global development, we do consider how our efforts are related to international agreements. This is why we are firmly addressing two landmark documents: the Sustainable Development Goals (SDGs) adopted at the United Nations in 2015, and the Paris Agreement from the 2015 United Nations Climate Change Conference (COP 21).

It is very important to properly link Casio's material issues with the 17 goals that make up the SDGs. Casio's three material environmental goals are realizing a low carbon society, building a recycling society, and living in harmony with nature. These objectives are closely related to SDGs 6, 7, 12, 13, 14 and 15, namely, clean water and sanitation, affordable and clean energy, responsible consumption and production, climate action, life below water, and life on land, respectively. I believe it will become even more important for us to promote our business with a continual awareness of the global challenges that Casio needs to help solve.

As mentioned above, our new emissions targets will help us to support the Paris Agreement, and we are now working to align our efforts even more closely with the efforts of the international community. For greenhouse gas emissions, the importance of managing the supply chain as a whole is increasing. We will therefore ascertain levels of indirect emissions from manufacturing and logistics processes, as well as emissions levels at each of our sites, and aim for reductions.

Until recently our greenhouse gas emissions have been calculated based on certain coefficients. In order to further improve the validity of our statistics, we have now adopted the calculation methods of the Greenhouse Gas Protocol, which is the international standard for calculating CO₂ emissions from power plants. We are recalculating our numbers not only for future but also past emissions levels. It is not an easy task, but I think that this is an important step we must take before moving forward.

In addition, we will formulate a scenario for achieving long-term goals with a view to acquiring science-based target (SBT) certification, which is becoming a new global standard for corporate emissions reduction targets.

In addition, we are aiming to expand our provision of products and services that use renewable energy such as solar, wind, and hydro-electric power, while also utilizing such energy sources for business activities. Going forward, we will also consider joining international initiatives such as RE100 (Renewable Energy 100%), which aims for business operations using 100% renewable energy.

Strengthening Group-wide Initiatives under a New Environmental Management System

In fiscal 2017, we promoted substantial reform of our environmental management system (EMS) in order to focus more strongly on our three material environmental issues within a large group-wide framework.

We had introduced an environmental management system (ISO 14001) as a tool for environmental management, but since it obtained ISO 14001 certification for each business site, it was difficult to link with group-wide activities promoted by the former Environment Planning Section, resulting in duplicate management. In addition, because it

involved department-based initiatives, the focus tended to be on a micro level. For departments without a large environmental impact, it was difficult to establish initiative themes related to business activities.

In September 2015, the 2004 version of ISO 14001 was revised, making transition essential for Casio. Under the 2004 version, improvement of EMS mechanisms was required, but under the new 2015 version, improvement of environmental performance is required. To meet environmental standards that place greater emphasis on performance, Casio must now raise its environmental management to a completely new level.

Consequently, Casio has carried out a company-wide EMS integration, and has reorganized its system to enable joint acquisition of ISO 14001:2015 certification by our three main sites: the head office, Hamura R&D Center, and Hachioji R&D Center.

In addition, we have established three issue-specific committees, tasked with realizing a low carbon society, building a recycling society, and living in harmony with nature, respectively, by taking environmental action based on these material issues. By linking ISO 14001 directly to the activities of these committees, we have eliminated the gap between group-wide initiatives and departmental initiatives, which had been a problem.

Through these reforms, we have been able to establish a system that effectively manages environmental activities for all of Casio. Our new EMS has already undergone preliminary review by the certification organization, and it was put into operation in fiscal 2017. As we share the objectives and goals throughout the Group, the entire Group is coming together, determined to achieve environmental performance that exceeds expectations.

Steady Action on Three Material Issues

In fiscal 2017, during the materiality identification process, we engaged in various discussions from the stakeholder perspective both in and outside the company. It was a very valuable experience to have opportunities for comprehensive dialogue with outside experts, and we learned a lot, especially in the environmental field. We are now making steady progress by setting long-term objectives for each of the three issues that are material to Casio (realizing a low carbon society, building a recycling society, and living in harmony with nature), and formulating goals and key performance indicators (KPIs) with a clear timeline.

As part of our goal to help realize a low carbon society, Casio has long demonstrated its strength in making products with high energy-saving performance. However, we will now further enhance product performance to differentiate ourselves from other companies. In addition to energy saving through products, an important key for the future will be reducing greenhouse gas emissions in manufacturing and logistics processes. Energy conservation diagnosis has already begun at sites in Japan, and we will expand this to sites outside Japan in the future. Based on the results, we will formulate a roadmap for reducing our carbon footprint, share it with all relevant departments, and promote necessary measures.

As part of efforts to build a recycling society, it is essential to aim for resource conservation and recycling throughout the entire product lifecycle, not just at Casio, but at suppliers as well. This is especially true for Casio, which has minimal involvement in resource input into the manufacturing process, due to the characteristics of its business.

Moreover, the importance of resource utilization management across the entire supply chain grows every year. Although we conduct surveys of supplier efforts, there are increasing opportunities for distributors to ask about the status of our company's initiatives. As this beneficial external pressure increases, we must strengthen our efforts as a matter of course.

Measures for waste recycling are also important. Although we have been working on this within the framework of ISO 14001, we will continue to actively consider what Casio can do beyond the measures required for certification.

At Casio, we have pursued eco-product development right from the planning and design stages, and have created products that meet our standards as Casio Green Products and Casio Super Green Star Products. While continuing to

make these kinds of products in the future, we will also work to share product stories to show users what kind of value they can expect from these Casio-certified products. It is vital that we strengthen our connections with customers.

As part of our efforts for living in harmony with nature, we will promote policies that take into consideration not only direct impacts but also indirect impacts throughout the value chain, based on our biodiversity guidelines. Currently, we are promoting environmental impact assessment for each business site, starting in Japan, and we are accelerating our response to the problems that have been delayed until now.

Living in harmony with nature is also an area where it is easy to promote product-based collaboration with environmental organizations. In 2016, we launched a smart watch specially designed for outdoor activities. This has enhanced Casio's reputation as a company that adds new dimensions to the enjoyment of nature. Using our product brands, we intend to also communicate with relevant organizations and actively explore the possibility of collaboration.

Helping to Build a Sustainable World by Raising the Awareness of Every Employee

Based on our restructured EMS, we are now pressing forward together as a group to tackle our material issues and produce results. The key to success is that each employee understands why these issues are important and the course of action Casio needs to take. It is also important to set purposeful and satisfactory goals and KPIs for each issue. I think we should also consider how to link this effort with human resources evaluation, going forward.

While serving as a roadmap for the entire world, the 17 SDGs can also be used to foster new awareness within Casio. We must see the SDGs related to worldwide energy and environmental issues not as something for distant countries that have nothing to do with us, but as issues vitally connected to Casio's day-to-day work. In today's global society, anyone's careless actions can have unanticipated and wide-ranging effects. This is why we are working so hard to raise awareness across Casio about the relationship between our business and critical social issues. We must ensure that every employee fully realizes that efforts to address our material issues will also contribute to the SDGs.

Casio's challenges under this new framework have only just begun. Our future activities will depend on our ability to make the new system function properly and on our performance. By taking strategic action from a group-wide perspective, we will steadily work to help build a sustainable world.

Casio Environmental Vision 2050 and Casio Environmental Declaration 2020

In April 2012, Casio revised the Casio Environmental Vision and the Casio Environmental Declaration into the Casio Environmental Vision 2050 and Casio Environmental Declaration 2020, respectively, in order to further promote environmental management in response to the changing social conditions surrounding the company.

Casio Environmental Vision 2050

With a target year of 2050, the Casio Group will create and implement its own visionary initiatives to promote the sustainable use of energy and resources and facilitate the healthy coexistence of all living things, the planet's greatest assets.

Casio's aim is to become a leading environmental company that contributes not only to a sound and sustainable global environment but also to the spiritual richness of people's lives. Casio's unique way of achieving this is by creating new value and lifestyle possibilities that give rise to markets and cultural phenomena never seen before.

To become a leading environmental company, Casio will apply its spirit of going from "0" to "1," or creating "something" from "nothing," to develop unique environmental initiatives and create products and services that make the most of its innovative ideas and leading technologies, focusing in particular on the following areas:

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- Realizing a low-carbon society
 - Building a recycling society
 - Living in harmony with nature

Casio Environmental Declaration 2020

Action guidelines for 2020

1. Realizing a low-carbon society

The Casio Group will provide products and services that make an even greater contribution to the reduction and absorption of CO₂ emissions. In addition to expanding products and services that use energy sources that are friendly to people and the planet, including solar, wind, and hydro power, Casio will incorporate these renewable energy sources into its own business operations.

2. Building a recycling society

The Casio Group intends to further enhance resource productivity through the efficient use of water and other precious resources of the planet, including the reuse of resources and the utilization of alternate materials.

3. Living in harmony with nature

The Casio Group is promoting awareness of the need to take care of the planet through biodiversity preservation activities, while working to achieve harmony between business activities and the cycles of nature.