

Material Issues for Casio

Approach

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	FY2018 Targets and KPI	FY2018 Performance	Evaluation	FY2019 Targets and KPI
Realizing a low-carbon society	Reduce the FY2018 CO ₂ emissions for the entire Casio Group by 8.25% compared with FY2014	Achieved a 6.0% reduction	△	Reduce the FY2018 CO ₂ emissions for the entire Casio
	Implement energy conservation diagnosis at major sites in Japan to clarify the energy savings potential, then create an energy reduction roadmap	Conducted energy conservation diagnosis at major sites in Japan and clarified the energy savings potential at the sites concerned, but an energy reduction roadmap has not yet been created	△	Create scenarios to reduce CO ₂ emissions and achieve medium and long-term targets
Building a recycling society	Maintain the Casio Green Star product sales ratio at 60% or more	Casio Green Star Product sales ratio: 69%	◎	Maintain the Casio Green Star product sales ratio at 70% or more
	Promote the development of new Casio Super Green Star Products	No new certified models in FY2018 (35 certified models to date)	△	* Without performing target management, continue to promote the development of Casio Super Green Star products
	—	—	—	Achieve a recycling rate for business site waste of at least 92%

Living in harmony with nature	Ensure that 40% of product catalog paper used in Japan is FSC® certified paper	Ratio of certified paper in catalogs in FY2018: 65%	◎	Ensure that 65% of product catalog paper used in Japan is FSC® certified paper
	Set specific activity initiatives for biodiversity preservation based on the results of the biodiversity surveys at major sites in Japan, and launch activities	The Hamura R&D Center formed a team of employee volunteers to carry out observation and conservation activities for endangered species such as Golden Orchid and Silver Orchid that are native to Japan	○	* Without using target management, continue the employee volunteer activities
	—	—	—	Develop scenarios for achieving medium-term targets relating to usage ratios for sustainable paper
Promoting CSR procurement	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	○	Implement CSR education at Casio sites and at suppliers, and hold awareness raising campaign during one vendor meeting in China
	Implement annual audit follow-up and confirmation prior to the annual audit	Conducted follow-ups for CSR audits requested by customers at 4 production sites In China, conducted onsite inspections at 8 suppliers In Thailand, conducted onsite inspections at 6 suppliers	○	Annual audit follow-up Continue audits requested by customers at production sites Carry out production site audit and document surveys Continue onsite audits at suppliers
Providing supportive workplace environments and promoting diversity	Achieve rate of employee return after childcare leave of 90% or more	<ul style="list-style-type: none"> Achieved childcare leave usage rate for eligible employees of 100% Achieved a rate of employee return after childcare leave of 100% 	◎	Childcare support <ul style="list-style-type: none"> Achieve childcare leave usage rate for eligible employees of 90% or more Achieve rate of employee return after childcare leave of 90% or more
	Keep employee turnover at less than 5%	Company-wide employee turnover was 3.7%	◎	—
	Achieve implementation rate of follow-up measures of 80% or more by urging employees to reserve re-check up	<ul style="list-style-type: none"> Follow-up measure implementation rate: 46% Implemented a health promotion incentive program where employees who are healthy, who improve their checkup results, or who undergo further examination concerning health findings can earn points redeemable for health-related products 	△	Follow-up measure implementation rate for annual checkups: 80% or more <ul style="list-style-type: none"> Strengthen measures to urge those who have not received checkups to get them Implement a health promotion incentive program where employees who are healthy, who improve their checkup results, or who undergo further examination concerning health findings can earn points redeemable for health-related products

<p>Promote stress management</p> <ul style="list-style-type: none"> • Ascertain the actual mental illness rate • Implement e-learning training for new employees and managers • Implement stress management seminars for managers • Implement work skill improvement training (including self-management) for young employees 	<ul style="list-style-type: none"> • Ascertained mental health problem rate for consolidated group (fiscal year end) • Implemented e-learning for new recruits (including those who joined mid-career) and executives (in July and December) • Implemented job-specific level-up training for young employees (including self-management) (June) <p>* Stress management seminars for managers have not yet been implemented for integration into manager training</p>	○	<p>Promote stress management</p> <ul style="list-style-type: none"> • Ascertain the actual mental illness rate (analysis together with stress check results) • Implement e-learning training for new employees and managers • Implement work skill improvement training (including self-management) for young employees
<p>Implement stress checks</p> <ul style="list-style-type: none"> • Ascertain the rate of employees with high stress • Ascertain the health risk rate (by department) • Implement industrial physician consultations to interested employees with high stress • Implement workplace analysis and feedback 	<ul style="list-style-type: none"> • Ascertained the rate of employees with high stress (November) • Consultations provided by industrial physicians to interested employees (November to February) • Ascertained health risk rates by department (March) • Implemented workplace analysis and feedback (March) 	○	<p>Implement stress checks</p> <ul style="list-style-type: none"> • Ascertain the rate of employees with high stress • Implement industrial physician consultations to interested employees with high stress • Ascertain the health risk rate (by department) • Implement workplace analysis and feedback • Implement workplace improvement using stress checks
<p>Achieve female science graduate employment rate of 20% or more</p> <ul style="list-style-type: none"> • Implement measures to strengthen recruitment of women for technical positions 	<p>Female recruitment rate: 25% (14% were female science grads)</p> <ul style="list-style-type: none"> • Participated in recruitment seminars for female science students 	△	<p>Achieve female science graduate employment rate of 20% or more</p> <ul style="list-style-type: none"> • Implement measures to strengthen recruitment of women for technical positions
<p>Maintain legally mandated employment rate of people with disabilities at 2% or more</p> <ul style="list-style-type: none"> • Actively employ people with disabilities, including those with mental disabilities, and achieve the legally mandated employment rate • Implement measures for retaining employees with disabilities 	<ul style="list-style-type: none"> • Employment rate for the Casio Group (consolidated group in Japan): 2.13% (as of June 20, 2018) • Participated in joint interviews sponsored by Hello Work • Continued post-hiring follow-up system and commuting support system 	○	<p>Maintain legally mandated employment rate of people with disabilities at 2.2% or more</p> <ul style="list-style-type: none"> • Actively employ people with disabilities, including those with mental disabilities, and achieve the legally mandated employment rate • Implement measures for retaining employees with disabilities, while seeking to employ people with diverse disabilities

Respecting human rights	Check human rights issue and implement feedback: All sales group companies (100%)	Checked human rights issue and implemented feedback: Implemented at all 29 sales companies (100% complete)	○	Check human rights issue and implement feedback: All production group companies (100%)
	Implement human rights education for CSR leaders: Casio Group companies in Japan (100%)	Implemented human rights lecture and workshop by international human rights NGO, Amnesty International, on December 2017 at a leader meeting for group companies in Japan (94% completion from attendance rate)	○	Implement human rights education for CSR leaders: Casio Group companies in Japan, along with CSR leader replacement (100%)
	Develop a grievance mechanism a) In Japan: Raise awareness b) Outside Japan: Ascertain current situations and create grievance handling mechanisms	Carried out education at all group companies, mainly through e-learning, in order to raise awareness of the whistleblower hotline in April 2017	○	Develop a grievance mechanism; establish the mechanism and put into full operation
Preventing corruption	Develop anti-corruption educational materials and carry out specialized training.	Prepared an anti-corruption self-checklist and provided mechanisms to sales management departments	△	Conduct global corruption risk management (1) Manual preparation, dissemination, implementation, and evaluation
	Check corruption risk at all production group companies (100%)	Checked corruption risk at all 8 production 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
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[More detail](#)

Environment



Sadayoshi Tobai
Conservation Director, WWF Japan

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Labor Practices



Hiroki Sato, Professor
Chuo Graduate School of Strategic Management

[More detail](#)

Human Rights



Makoto Teranaka, Visiting Professor
Tokyo Keizai University

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Society



Kaori Kuroda, Executive Director
CSO Network Japan

[More detail](#)

Product Responsibility



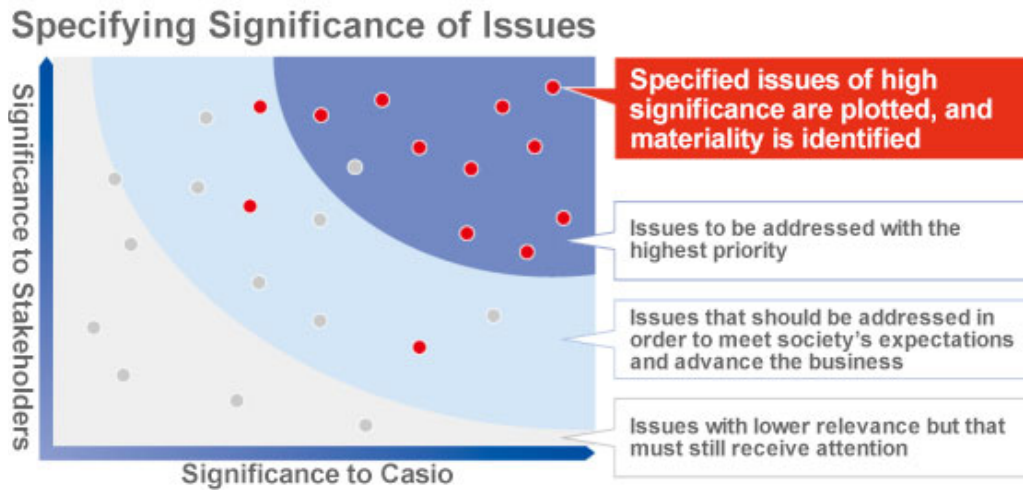
Kikuko Tatsumi, Executive Advisor
Nippon Association of Consumer Specialists

[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	•	•
	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.](#)

Materiality Review

For the materiality of the next fiscal year, Casio plans to review the last three years of initiatives to address the company's material issues, and make adjustments based on the evaluation results and changes in business and social trends.