

Casio's Corporate Creed and Approach to CSR

Making life richer and more convenient by creating innovative products—this was the aspiration of Casio's founders, and it is summed up in the corporate creed, "Creativity and Contribution." Casio believes that part of its social responsibility is to pass down this corporate creed to all of its employees without fail. Casio is determined to ensure that its businesses, which make something from nothing, or go from "0" to "1," continue to make a consistent contribution to a more sustainable global society.

Welcoming the Challenge of Helping to Build a More Sustainable Global Society

In recent years, there has been widespread concern over the sustainability of human civilization in its current form. While economic activity has enriched the lives of many people, it has also put great strain on the global environment and social systems. Cooperation is needed to overcome this global crisis and leave a sustainable global society to future generations. In order to achieve this, proactive initiatives need to be taken by individuals, companies, governments, and international organizations. A company has a much larger impact on society than an individual, and corporate activities are responsible for some of the current impact on the planet. This is why society now has much greater expectations for companies to actively implement their own initiatives to help resolve sustainability issues, or in other words, to fulfill their corporate social responsibility (CSR). In recent years, investment in enterprises based on environmental, social and governance (ESG) criteria has grown exponentially worldwide. Given this trend, companies that neglect their CSR initiatives and fail to fulfill their social responsibilities no longer hold any appeal for investors, and the continued existence of such companies holds no value for society.

Casio's corporate creed of "Creativity and Contribution" contains the company's founding idea of social contribution through the provision of innovative products that have never existed before. Everyone working at Casio fully appreciates this corporate creed, and the company is always striving to help build a more sustainable global society by pursuing business activities designed to make something from nothing, or go from "0" to "1." This is Casio's CSR approach.

The Casio Group Code of Conduct is used as a guide for all officers and employees of the Group, ensuring compliance with applicable laws and internal regulations and appropriate conduct from an ethical point of view. Based on changes in and outside the Casio Group, the Code of Conduct was revised in June 2013 and again in November 2016 to meet new standards in areas where the international community has high expectations and demands, such as human rights, supply chain management, and anti-corruption measures.

Casio has identified three material issues, shown below, to guide its efforts to address social and environmental issues that relate directly and indirectly to its business operations. By addressing these issues the company aims to help build a more sustainable global society.

The world today is faced with many complex economic, environmental and social problems of a very serious nature. Humanity as a whole needs to consider its own best future, and then find ways to move in that direction. If economic activities are to be maintained on this planet with limited resources, every member of society must try to help achieve sustainability.

Casio is determined to do its part to find solutions for social and environmental issues while continuing to provide new

value to society, based on its corporate creed of “Creativity and Contribution.” Casio will steadily pursue specific initiatives while always seeking to conceive of ideal solutions for each issue.

Casio’s Environmental Materiality and Medium-Term Targets

1. Realizing a decarbonized society

Medium-term targets

Reduce greenhouse gas emissions (Scopes 1 and 2) for the entire Casio Group:

1. Reduce emissions by 26% compared to FY2014, by FY2031.
2. Reduce emissions by 80% compared to FY2014, by FY2051.

In addition, the following target for Scope 3 emissions was added in FY2019.

1. Set greenhouse gas reduction targets for 70% of the main suppliers by FY2025 (addressing Category 1).

2. Building a recycling society

Medium-term targets

1. Aim for 100% waste recycling at business sites by FY2031.
2. Aim for a 90% sales ratio for Green Star products by FY2026.

3. Living in harmony with nature

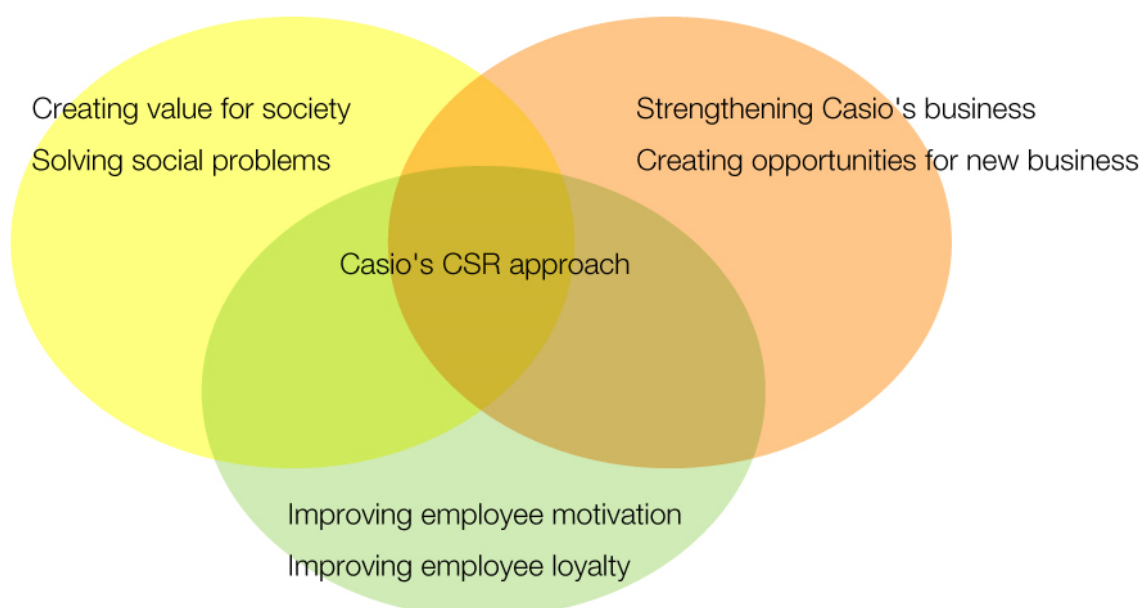
Medium-term target

Aim to use only sustainable paper by FY2031.

Casio’s CSR Approach

Casio’s CSR approach is one where the group works to meet the expectations of society by helping to solve environmental and social issues through business operations, while achieving sustainable growth. Casio must continue to be useful to society, while also maintaining the respect of its employees.

Promoting CSR activities to improve corporate value



Medium-Term CSR Policy (FY2020 – 2022)

Status of implementation of Medium-Term CSR Policy for past two years

- Medium-Term Policy (FY2018-2019)

1. Promoting concrete initiatives associated with the SDGs to solve social and environmental issues based on materiality linked with business management
2. Establishing achievement scenarios linked to long-term environmental targets, and continually improving environmental performance through implementation of environmental management systems (EMS)
3. Strengthening the business foundation by gathering compliance and ESG information from Casio Group companies and continuing to improve performance levels
4. Raising the awareness of all Casio Group employees, and promoting behavioral changes

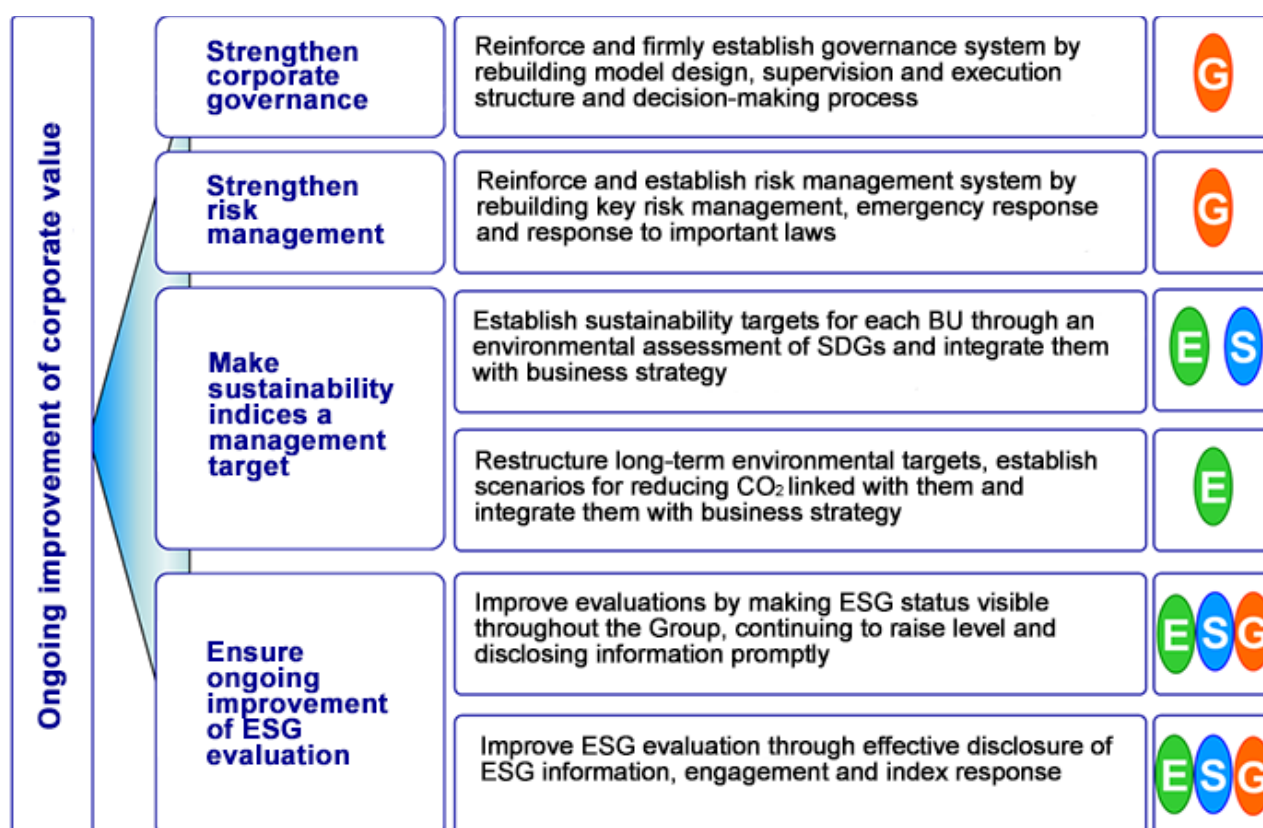
- Progress in addressing top-priority issues

Issues	Specific targets	Assessment
Initiatives based on SDGs	Establish sustainability targets for each BU	△
Initiatives to achieve medium and long-term environmental targets	Establish a scenario for achieving medium and long-term environmental targets	○
Initiatives for disclosure of corporate ESG information	Issue an integrated report	△

As a result of work on these top-priority issues, efforts to achieve the medium- and long-term environmental targets saw some good outcomes, such as the establishment of a scenario to reduce greenhouse gases and approval by the M1 Committee. The establishment of sustainability targets for each BU and the issuance of an integrated report were delayed by one year.

The following CSR medium-term priority strategies were set for the next three years in response to the aforementioned two-year medium-term policies.

Medium-term priority strategies:



KPIs have been set for the above priority strategies, particularly for social (S) and environment (E) issues, as shown below.

Priority	Targets	KPI (FY2022 goal)
<i>Make sustainability indices a management target</i>	Restructure long-term environmental targets, establish scenarios for reducing CO ₂ linked with them and integrate them with business strategy	New long-term environmental targets established, and CO ₂ reduction scenario based on them devised; In addition, SBT certification completed, RE100 initiative joined early, and renewable energy adoption policies established for entire Group
	Establish sustainability targets for each BU through an environmental assessment of SDGs and integrate them with business strategy	SDG targets established for each BU, linked with medium-term business strategies, and first round completed Results evaluated based on KPI and utilized in setting targets for the next period
<i>Ensure ongoing improvement of ESG evaluation</i>	Improve evaluations by making ESG status visible throughout the Group, continuing to raise level and disclosing information promptly	In light of the status of progress with materiality in fiscal 2019, three-year plans established for new materiality to start fiscal 2021 during fiscal 2020, and results evaluated based on KPI
	Improve ESG evaluation through effective disclosure of ESG information, engagement and index response	Effective response to key indices such as FTSE, MSCI and DJSI continued, reselected for DJSI World index and stayed on FTSE and MSCI; selection ensured for ESG investment

Casio's CSR Platform



Charter of Creativity for Casio and Casio Common Commitment

In 2003, Casio adopted the Charter of Creativity for Casio and Casio Common Commitment, a promise from everyone working at Casio. They are designed to ensure that Casio employees will be aware of the corporate creed at all times, and act upon it. These promises cover the three key aspects of CSR—economy, environment, and society—as well as the company's approach to compliance.

Charter of Creativity for Casio

First Chapter

We will value creativity, and ensure that our products meet universal needs*.

Second Chapter

We will strive to be of service to society, providing customers with delight, happiness, and pleasure.

Third Chapter

We will back up our words and actions with trustworthiness and integrity, and work as professionals.

* To create innovative products that everyone needs but no other company has ever produced. At Casio, this is the mission not only of product development, but of every other part of the business.

[Charter of Creativity for Casio and Casio Common Commitment](#)

Engaging employees in Casio's unique CSR approach

To ensure thorough application of these principles, the directors and department heads sign the Charter of Creativity for Casio and Casio Common Commitment every year, and together recite a pledge to abide by the Charter and Commitment and familiarize their subordinates with it. All employees also sign a card printed with these promises, to carry with them at all times.

There is also a site on the company intranet entitled CASIO STYLE which includes messages about the corporate creed and the Charter and Commitment from the four brothers who founded the company, along with other simple, compelling stories presented once a month. This helps all group employees to better understand and identify with Casio's essential character.

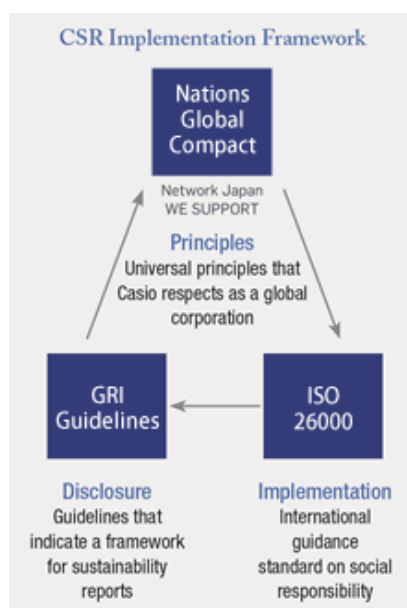
In addition, every year all employees of group companies in Japan are given a comprehensive questionnaire on the Charter of Creativity for Casio and Casio Common Commitment, the Casio Group Code of Conduct, and the Whistleblower Hotline. The results are used to analyze employees' familiarity with these principles. The results of the questionnaire are also used to develop various measures to ensure that employees have a good understanding.

The CSR Communication Book has been issued mainly for employees every year since 2012. By presenting specific cases to illustrate each chapter of the Charter of Creativity, it helps employees better understand the charter.

CSR Implementation Framework

Casio joined the UN Global Compact in 2010. The company upholds the ten principles of the Global Compact, which concern human rights, labour, the environment and anti-corruption, and it has also fully adopted the corporate commitments.

Casio has been working to enhance its CSR programs to meet the requirements of the international community. The company draws on the ISO 26000 guidance standard on social responsibility in implementing CSR, and uses Global Reporting Initiative (GRI) Guidelines to select subjects for disclosure.



United Nations Global Compact

Casio products are made through cooperation not just within the Casio Group, but with many other parts and consignment manufacturers. Through global distribution, over 100 million Casio products are sold each year in 140 countries around the world.

In order for consumers worldwide to purchase Casio products with confidence, the company believes that it must support and adhere to common global principles for sustainable growth for the international community, beginning with Casio's global supply chain.

This is why, in December 2010, the company president signed a letter of commitment to support the principles of the United Nations Global Compact. With that step, Casio joined the compact, and it has been making employees thoroughly aware of it ever since, group-wide. While pursuing specific initiatives for the realization of the Global Compact principles, Casio is also appropriately disclosing progress.

Casio is also active at the local network level of the UN Global Compact, serving as a member of the Japanese Global Compact Network Japan (GCNJ).

10 Principles of the UN Global Compact

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

Labor Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labor;
5. the effective abolition of child labor; and
6. the elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10. Businesses should work against all forms of corruption, including extortion and bribery.

FY2019 Participation in Global Compact Network Japan (GCNJ) Subcommittees

- Human Rights Due Diligence Subcommittee
- SDG Subcommittee

Related Links: [United Nations Global Compact](#)

SDG-Based Initiatives

In September 2015, the United Nations Sustainable Development Summit was held at the UN Headquarters. With the participation of over 150 member countries, the 2030 Agenda for Sustainable Development was unanimously adopted by world leaders at the summit. This global agenda includes 17 SDGs and 169 targets.

The SDGs outline priority global issues to be resolved by 2030 and clarify shared objectives for the world. They indicate specific opportunities to put the planet on a sustainable path, including the elimination of poverty and hunger, and the achievement of clean energy, climate action, and peaceful societies.

The SDGs have made it easier for Casio to establish targets for its contribution to the world, as part of its corporate creed, "Creativity and Contribution."



In order to incorporate SDG efforts into business operations, in 2019 Casio established sustainability targets for each business unit, along with the Medium-Term Management Plan. As part of this process, Casio identified which of the 17 SDGs it will focus on in 2019.

Going forward, Casio will set specific KPIs to be achieved under the Medium-Term Management Plan.

Sustainability Targets

Timepiece Business

- Promote user health by providing and supporting sporting experiences through watches and wrist devices
- Reduce environmental impact: Reduce resource use in business activities



Educational Scientific Calculator Business

- Promote even better math education by providing products designed to meet specific educational needs in different countries
- Help improve educational levels by training math teachers to use scientific calculators in their classrooms
- Reduce environmental impact: Reduce resource use in business activities



New Businesses

- Provide personal health and beauty support to individual customers through digital means
- Create social infrastructure that gives people greater peace of mind in their daily lives
- Use open innovation to create more experiences that offer innovative customer value



Business Needing Better Profitability

- Provide opportunities to acquire broad knowledge
- Use projectors to develop educational infrastructure and effective learning environments
- Reduce environmental impact: Reduce resource use in business activities



Company-wide

- Reduce environmental impact: Reduce resource use in business activities
- Reduce environmental impact: Reduce waste

