

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	FY2019 Targets and KPI	FY2019 Performance	Evaluation	FY2020 Targets and KPI
Realizing a low-carbon society	Create scenarios to reduce CO ₂ emissions and achieve medium and long-term targets	Created reduction scenarios	○	Acquire SBT certification and obtain RE100 membership
	Reduce greenhouse gas emissions (Scope 1 and 2) for the entire Casio Group by 7.95% compared with FY2014	Reduced 8.08% compared with FY2014	◎	Reduce greenhouse gas emissions (Scope 1 and 2) for the entire Casio Group by 9.6% compared with FY2014
	-	-	-	Create a supplier survey

Material Issues for Casio	FY2019 Targets and KPI	FY2019 Performance	Evaluation	FY2020 Targets and KPI
Building a recycling society	Maintain the Casio Green Star product sales ratio at 70% or more	Sales ratio: 72%	◎	Maintain the Casio Green Star product sales ratio at 74% or more
	Achieve a recycling rate for business site waste of at least 92%	Recycling rate: 86.2%	△	Achieve a recycling rate for business site waste of at least 90%
	Reduce water consumption to 500,000 m3 or less.	Reduced to 417,900 m3	◎	Reduce water usage by 1% compared with FY2019
Living in harmony with nature	Ensure that 65% of product catalog paper used in Japan is FSC® certified paper	81.9%	◎	Ensure that 80% of product catalog paper used in Japan is FSC® certified paper
	Develop scenarios for achieving medium-term targets relating to usage ratios for sustainable paper	M3 Committee issued interim report on the definition of sustainable paper Gathered information on procurement status regarding product packaging (cardboard)	△	Develop scenarios for achieving medium-term targets relating to usage ratios for sustainable paper
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	○	(1) Implement CSR education at Casio sites and at suppliers, and continue to hold awareness raising campaign during one vendor meeting in China
	(2) Implement annual audit follow-up On-site audit follow-up of manufacturing sites and suppliers	Performed CSR-related audits requested by customers at four manufacturing sites as well as follow-up In China, conducted onsite inspections at 8 suppliers In Thailand, conducted onsite inspections at 5 suppliers	○	(2) Implement 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

Material Issues for Casio	FY2019 Targets and KPI	FY2019 Performance	Evaluation	FY2020 Targets and KPI
Providing supportive workplace environments and promoting diversity	Achieve rate of employee return after childcare leave of 90% or more	Achieved childcare leave usage rate for eligible employees of 100% Achieved a rate of employee return after childcare leave of 100% (regular employees)	◎	Maintain childcare leave usage rate for eligible employees of 90% or more Maintain a rate of employee return after childcare leave of 90% or more (regular employees)
	Achieve a female employee recruitment rate of 20% or more * Reset target to encourage recruitment of women in all areas	14 of the 54 employees who joined the company in April 2019 were women (25.9%)	○	Achieve a female employee recruitment rate of 25% or more
	Maintain legally mandated employment rate of people with disabilities at 2.2% or more - 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	<ul style="list-style-type: none"> • Employment rate for the Casio Group (consolidated group in Japan): 1.99% (as of April 1, 2019) • Participated in recruitment interviews jointly sponsored by Hello Work and a company that provides employment support for people with disabilities • Continued post-hiring follow-up system and commuting support system 	△	Maintain legally mandated employment rate of people with disabilities at 2.2% or more <ul style="list-style-type: none"> • Hire nine people with disabilities at Casio Computer * Number of people determined by a point system

Material Issues for Casio	FY2019 Targets and KPI	FY2019 Performance	Evaluation	FY2020 Targets and KPI
Providing supportive workplace environments and promoting diversity	<p>Follow-up measure implementation rate for annual checkups: 80% or more</p> <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 	<ul style="list-style-type: none"> • Ascertained mental illness rate on a consolidated basis (fiscal year end) • Provided e-learning for new employees (including mid-career hires) and for managers, in July and December • Delivered work skill improvement training for young employees (including self-management) in June 	○	<p>Ascertain the actual mental illness rate</p> <p>Implement e-learning training for new employees and managers</p> <p>Implement work skill improvement training (including self-management) for young employees in August</p>
	<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 	<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) 	○	<ul style="list-style-type: none"> • Ascertain the rate of employees with high stress (February) • Consultations provide by industrial physicians to interested employees (February to April) • Ascertain health risk rates by department (April) • Implement workplace analysis and feedback (May)

Material Issues for Casio	FY2019 Targets and KPI	FY2019 Performance	Evaluation	FY2020 Targets and KPI
Respecting human rights	(1) 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)	○	(1) Check human rights issue and implement feedback: All sales group companies (100%)
	(2) Implement human rights education for CSR leaders: Casio Computer Co., Ltd. (100%)	Not implemented in 2018 (0%) * Implemented in June 2019 due to replacement of CSR leaders following organizational change	×	(2) Implement human rights education for CSR leaders: Entire Casio Group in Japan (100%), following the replacement of CSR leaders
	(3) Develop a grievance mechanism a) In Japan: Raise awareness b) Outside Japan: Ascertain current situations and create grievance handling mechanism	Carried out education at all group companies, mainly through e-learning, in order to raise awareness of the whistleblower hotline in April 2017	○	(3) Develop a grievance mechanism; establish the mechanism and put into full operation
Preventing corruption	Conduct global corruption risk management (1) Manual preparation, dissemination, implementation, and evaluation	Conducted anti-corruption checks at 29 sales companies and provided feedback (100%), confirmed manuals were in place at all except one company	○	-

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



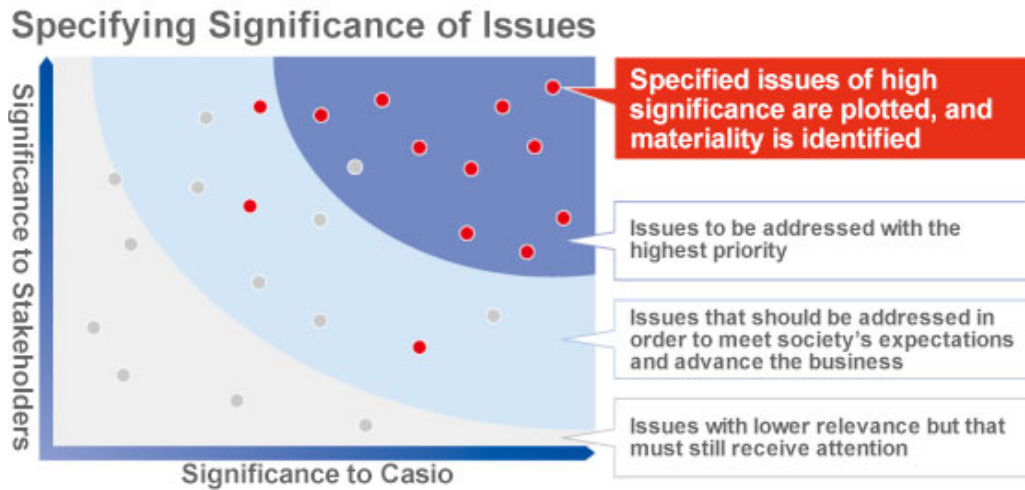
Kikuko Tatsumi, Executive Advisor
Nippon Association of Consumer Specialists

[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	•	•

Material Issues for Casio	Material Aspects	Boundary	
		Internal	External
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	•	•

Material Issues for Casio	Material Aspects	Boundary	
		Internal	External
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

Reviewing the material issues specified in fiscal 2017, Casio looked at its efforts over the three years through the end of fiscal 2019. Based on this review, Casio decided to continue to address the same issues, other than “preventing corruption,” for one more year.

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. In fiscal 2020, Casio will again review the material issues and re-prioritize social responsibilities in a way that reinforces the sustainability targets.