

# Casio's Sustainability Concept

## Pursue Sustainable Growth for Both Company and Society

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The Casio corporate creed, "Creativity and Contribution," reflects our founders' aspiration to give back to society by offering truly innovative products that never existed before.

At Casio, we believe that continuing to put this creed into practice will deliver long-term sustainable growth for both our company and society.

Founded on this philosophy and code of conduct, Casio got its start by developing a groundbreaking electronic calculator. Since the beginning, we have always considered what our social responsibilities are as a manufacturer that provides useful inventions to the world. This is how we define CSR at Casio, and to make it specific, we have identified several issues with large social impact as material issues for Casio.

As part of our management strategy, we established the Casio Medium-Term Priority Strategy for Sustainability, and we are moving ahead by linking those initiatives with our Medium-Term Management Plan. Each business sets specific targets for these plans and strategies and implements them, seeking to achieve sustainable growth for both the company and society.

### Corporate Creed and Sustainability Management

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Casio believes that part of its social responsibility is to pass down the corporate creed, "Creativity and Contribution," 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. Learn more about the Casio corporate creed and its participation in the United Nations Global Compact.

[More](#)

### Environmental and Social Material Issues

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For Casio, as a corporate group pursuing business development globally, it is extremely important to advance initiatives that are responsive to the expectations of the international community. In accordance with this understanding, Casio has identified material issues in need of prioritization in response to the Global Reporting Initiative (GRI) G4 guidelines issued in May 2013. Learn more about Environmental and Social Material Issues.

[More](#)

## Sustainability Goals

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In 2019, Casio set sustainability goals for each business to address, in line with its Medium-Term Management Plan, and identified which SDGs Casio will seek to contribute to. Currently, Casio is reviewing its sustainability goals, taking into account changes made to its business operating structure in order to deliver on the goals of the new Medium-Term Management Plan.

Read more about SDG initiatives in each business.

[More](#)

## Disclosure Based on TCFD Recommendations

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In April 2021, Casio expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Here, Casio discloses information based on the TCFD recommendations.

[More](#)

## Identifying New Material Issues

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With the formulation of CasioBasic Policies for 2030 and medium-term management plan, we have augmented existing material issues for corporate social responsibility (CSR) with additional issues aimed at achieving sustainable corporate growth. This has resulted in eight material issues organized into three groups: value creation through business, enhancement of management capital, and strengthening of management foundation.

[More](#)

# Casio's Corporate Creed and Sustainability Management

## The Corporate Creed of “Creativity and Contribution”

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Since its establishment, Casio has placed value on the concept of “Creativity and for Contribution,” which is its our corporate philosophy.

This refers to our commitment to benefiting society by maximizing the unique strengths of the Casio Group to create new culture according to the changing times.

Through “Creativity for Contribution,” we aim to be a corporation that continuously creates new value, the type of value that blends seamlessly into the lifestyles of our customers.

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

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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” expresses the company's concept of using creativity in order to contribute—in other words, creating innovative products and services with original Casio technology to give back to society. 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 Business Conduct Guidelines (previous name: 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 Guidelines are reviewed and revised 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 six 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.

## **Charter of Creativity for Casio and Casio Common Commitment**

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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

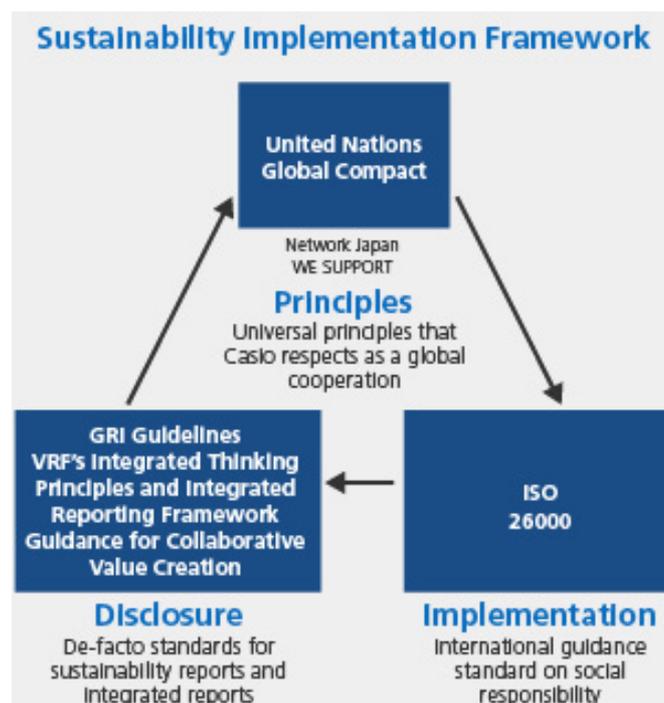
## Assessing Internal Familiarity with Casio's Sustainability Approach

Every two years, 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 Business Conduct Guidelines, and the Whistleblower Hotline. The results are used to analyze employees' familiarity with these principles and resources. The results of the questionnaire are also used to develop various measures to ensure that employees have a good understanding.

## Sustainability 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.

The company draws on the ISO 26000 guidance standard on social responsibility in implementing CSR. Casio has been working to enhance its CSR programs to meet the requirements of the international community by, for example, using the Global Reporting Initiative (GRI) Guidelines, which are international standards, for its sustainability reports. For its integrated report, Casio uses the Integrated Reporting Framework published by the Value Reporting Foundation (VRF) and the Japanese Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation to select the topics to cover.



# United Nations Global Compact

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Casio products are made through cooperation not just within the Casio Group, but with many other parts and consignment manufacturers. Casio products are distributed and sold 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 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

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### 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.

## FY2023 Participation in Global Compact Network Japan (GCNJ) Subcommittees

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- SDG Subcommittee
- ESG Subcommittee
- Reporting Research Subcommittee
- CSV Subcommittee

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

# Environmental and Social Material Issues

## 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 (Items marked ★ are environmental action targets as well)

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

Material Issues for Casio	FY2023 Targets and KPI	FY2023 Performance	Evaluation	FY2024 Targets and KPI
Realizing a decarbonized society★	Reduce the market-based greenhouse gas emissions (Scopes 1 and 2) of group companies by 12.7% compared to FY2019	Reduced 38% compared to FY2019	◎	Reduce the market-based greenhouse gas emissions (Scopes 1 and 2) of Casio Group by 16% compared to FY2019
	Move forward with survey of supply chain	Conducted supply chain survey	◎	Aggregate results of the FY2023 supply chain survey and consider response
Building a recycling society★	Raise the Casio Green Star product sales ratio at 80% or more	Casio Green Star Product sales ratio: 74.3%	○ *1	Raise the Casio Green Star product sales ratio at 80% or more
	Reduce the amount of waste generated by entire Casio Group (including valuable waste) by at least 3% compared to FY2020	Reduced waste generated by Casio Group (including valuable waste) by 34.3% compared to FY2020	◎	Reduce the amount of waste (including valuable waste) generated by entire Casio Group by at least 4% compared to FY2020
	Achieve a recycling rate*2 for Casio Group site waste of at least 96%	Recycling rate for Casio Group: 93.9%	○ *1	Achieve a landfill disposal rate*3 for Casio Group site waste of at least 4%
	Reduce water usage for Casio Group by at least 3% compared to FY2020	Reduced water usage for Casio Group by 23.9% compared to FY2020	◎	Reduce water usage for Casio Group by at least 4% compared to FY2020
Living in harmony with nature★	Examine re-setting of medium and long-term targets	Collected and analyzed world trends	△	Examine re-setting of medium and long-term targets

Material Issues for Casio	FY2023 Targets and KPI	FY2023 Performance	Evaluation	FY2024 Targets and KPI
Promoting CSR procurement	(1) Implement CSR education at Casio sites and at suppliers, and implement onsite audits at a total of 12 suppliers in China and Thailand	Implemented CSR education at Casio sites and at suppliers, and implemented onsite audits at a total of 8 suppliers in China and Thailand	○	(1) Implement CSR education at Casio sites and at suppliers, and implement onsite audits at a total of 12 suppliers in China and Thailand
	(2) Conduct CSR surveys	Conducted CSR surveys of 405 suppliers worldwide Surveys collected from 404 of 405 companies	○	(2) Conduct CSR surveys Conduct CSR surveys of all suppliers, and collect surveys from all of them
Providing supportive workplace environments and promoting diversity & inclusion	<p>■ Promoting health and productivity management</p> <p>Compulsory leave and internal leave related to childbirth and childcare</p> <p>Percentage of eligible men taking birth or childcare leave: 50%</p>	<p>78.2%</p> <p>* Percentage of eligible men utilizing childcare leave (full-time employees): 52.1%</p> <p>* Percentage of eligible women utilizing childcare leave (full-time employees): 94.4%</p>	◎	80%
	Percentage of employees taking regular health checkups: 100%	99.6%	△	100%
	Percentage of employees taking reexaminations recommended after regular health checkups (None because this item was newly added in 2023)	78.6%	-	80%
	Percentage of employees maintaining an appropriate weight (None because this item was newly added in 2023)	69.7%	-	70%
	Percentage of employees who smoke (None because this item was newly added in 2023)	13.3%	-	13.1%
	<p>Measures to support employees with mental health issues</p> <ul style="list-style-type: none"> <li>Ascertain the actual mental illness rate</li> <li>Ascertain mental illness leave rate</li> <li>Implement e-learning training for new employees</li> <li>Implement training for new managers</li> <li>Provide follow-up training for second-year employees</li> <li>Provide e-learning training for all managers</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of employees with mental illness:: 0.8% (consolidated: 0.8%)</li> <li>Percentage of employees taking mental health leave: 0.3% (consolidated: 0.4%)</li> <li>Implement e-learning training for new employees</li> <li>Implement training for new managers</li> <li>Provide follow-up training for second-year employees</li> <li>Provide e-learning training for all managers</li> </ul>	◎	<ul style="list-style-type: none"> <li>Reduce the percentage of employees with mental illness</li> <li>Reduce percentage of employees taking mental health leave</li> <li>Ascertain mental illness leave rate</li> <li>Implement training for new managers</li> <li>Provide follow-up training for second-year employees</li> <li>Provide e-learning training for all managers</li> </ul>
	<ul style="list-style-type: none"> <li>Ascertain the rate of employees with high stress (February)</li> <li>Consultations provide by industrial physicians to interested employees (February to March)</li> <li>Ascertain health risk rates by department (March)</li> <li>Implement workplace analysis and feedback (March)</li> <li>Hold consultations for departments in need of improvement (from July)</li> </ul>	<ul style="list-style-type: none"> <li>Stress check participation rate: 96.7%</li> <li>Percentage of employees with high stress: 9.83%</li> <li>Consultations provided by industrial physicians to interested employees</li> <li>Ascertained health risk rates by department</li> <li>Implemented workplace analysis and feedback</li> <li>Implemented improvement activities by consultants for departments in need of improvement</li> </ul>	◎	<ul style="list-style-type: none"> <li>Raise stress check participation rate</li> <li>Reduce percentage of employees with high stress</li> <li>Consultations provide by industrial physicians to interested employees</li> <li>Ascertain health risk rates by department</li> <li>Implement workplace analysis and feedback</li> <li>Implement improvement activities by consultants for departments in need of improvement</li> </ul>
	<p>■ Fostering independent personnel</p> <p>Career training coverage rate (full-time employees)</p> <p>(None because this item was newly added in 2023)</p>	30.1%	-	38.2%

Material Issues for Casio	FY2023 Targets and KPI	FY2023 Performance	Evaluation	FY2024 Targets and KPI
	Total number of employees with experience using the Job Challenge system (None because this item was newly added in 2023)	124 people	-	146 people
	■ Number of future executive candidates Number of future executive candidates (None because this item was newly added in 2023)	4 people	-	10 people
	Number of women who are candidates for training as future managers (None because this item was newly added in 2023)	7 people	-	17 people
	Percentage of managerial positions held by women (None because this item was newly added in 2023)	6.7%	-	7%
	Difference in wages for men and women who are full-time employees (None because this item was newly added in 2023)	74.6% *All workers: 66.0%	-	75%
	■ Other Percentage of newly hired graduates who are women 25% or more	31% (Of the 52 employees who joined the company in April 2023, 16 were women)	◎	25% or more
	Legally mandated employment rate of people with disabilities Consolidated: 2.3% or more	Consolidated: 2.46% (as of April 2023)	◎	Consolidated: 2.5% or more
Respecting human rights	Implement human rights checkups and feedback at all production group companies	Reviewed human rights check tool again, as in FY2022	×	Implement human rights checkups and feedback at all production group companies
	Implement human rights education for Sustainability Leaders	Invited outside experts and held a seminar for Sustainability Leaders about the human rights issues that affect the company from the perspective of business and human rights and about efforts to incorporate the necessary respect for human rights in corporate activities in November 2022	○	Implement human rights education for Sustainability Leaders

\*1 ○ evaluation determined based on at least 80% achievement of the target figure.

\*2 Recycling rate = (Amount of valuable waste generated + Amount recycled) ÷ (Amount of valuable waste generated + Amount recycled + final landfill disposal amount) × 100

\*3 Casio had been using the recycling rate as an indicator for the entire group, but in order to stay consistent with its medium-to-long-term targets and after scrutinizing indicators for the entire group, Casio has decided to use the landfill disposal rate as an indicator for the entire group, starting with the fiscal 2024 targets.

# Materiality specification process

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## **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.

\* KPI: Key Performance Indicator

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

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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**

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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

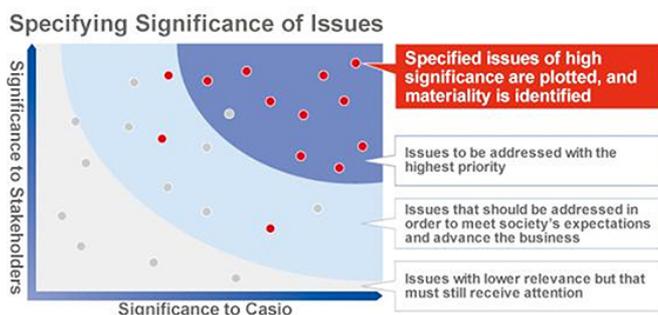
Kikuko Tatsumi, Executive Advisor  
Nippon Association of Consumer  
Specialists

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	●	●
	Human rights assessment	●	●
	Human rights grievance mechanism	●	●
Preventing corruption	Anti-corruption	●	●
Maximizing economic performance	Economic performance	●	●

## Step 4: KPI formulation and implementation

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### 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

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Casio continually worked to improve its efforts to address conventional material issues up through fiscal 2022. Continuing in fiscal 2023, the company is addressing and reviewing its current material issues while re-confirming its vision for fiscal 2030, its recognition of medium- and long-term environmental impacts, and the strategic direction for each business and function.

# Sustainability Goals

## SDG-Based Initiatives

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The Sustainable Development Goals (SDGs) were unanimously adopted by world leaders at the United Nations Sustainable Development Summit in 2015. The SDGs outline priority global issues to be resolved by 2030 and specify common targets for the world. They indicate specific opportunities to put the planet on a sustainable path, including eliminating poverty and hunger, and pursuing clean energy, climate action, and peaceful societies.



In 2019, Casio incorporated SDG efforts into its business operations by establishing sustainability goals for each business unit to accompany its Medium-Term Management Plan. However, due to the impact of COVID-19, Casio decided to revise the Medium-Term Management Plan itself and to reconsider its sustainability goals accordingly. At present, Casio is reviewing the sustainability goals in terms of contributing to social issues through its businesses, planning primarily around business dimensions, and reducing environmental impact through its businesses, planning based on functional dimensions. In this process, Casio is also taking into account changes in its operational structure designed to fulfill the new Medium-Term Management Plan.

Casio will announce the sustainability goals and KPIs for each business on this website, as soon as they are finalized.

While aiming to maximize corporate value in 2030, Casio sees the three years of the current plan as a time for restoring profitability and for investing into new growth areas. This period is also a time for building the foundations of sustainability management. Further, in the process of reviewing materiality, Casio redefined the social issues that each material topic affects, accomplishes, and contributes to. Casio is currently continuing to formulate business strategy based on a medium- to long-term perspective and will revise strategy in accordance with progress while continuing to address the challenge of solving social issues through its business activities.

As each business domain contributes solutions to different social issues, Casio intends to specify sustainability goals and KPIs for each business domain and to steadily reflect the issues in its business activities and implement continuous initiatives. Casio will post its sustainability goals and KPIs for each business domain on this website when they have been finalized.

# Information Disclosure Based on TCFD Recommendations

In April 2021, Casio announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and disclosed information based on the recommendations as follows. Based on this, Casio is working to strengthen its governance relating to climate change, formulate strategies based on climate-change risk and opportunity analysis, and disclose climate-related financial risk information.



## Governance

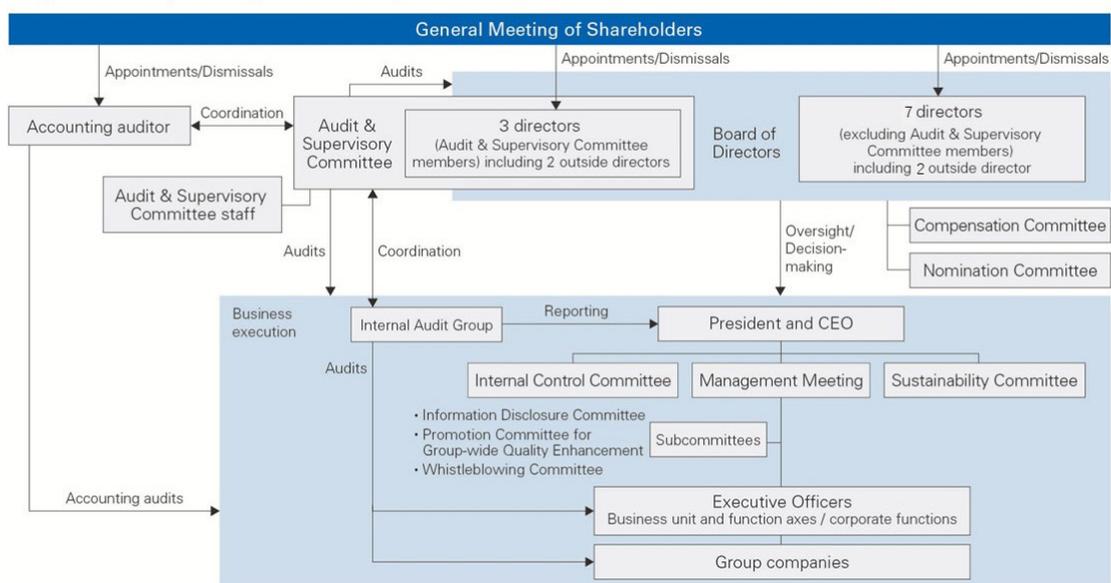
**Casio has included climate change issues within its governance and management systems addressing sustainability.**

Casio now has a system in place for appropriate oversight of management decision-making and monitoring of progress related to important sustainability issues, including climate change. The Sustainability Committee works closely with the Management Meeting, and its membership mainly consists of the CEO, CHRO, CFO and the heads of each business and each functional headquarters, who manage business operations. The committee fully discusses important sustainability issues and reports the results to the Board of Directors.

\* Please refer below diagram of corporate governance system.

### Corporate Governance System

Diagram of corporate governance system



# Strategy

In line with the TCFD recommendations, Casio has assessed the risks and opportunities posed by the impact of climate change that the Group faces in terms of their level of importance based on the likelihood of occurrence and the impact on business.

Casio will conduct regular analysis of the identified risks in light of future changes in the environment.

## Results of Assessment based on Scenario Analysis

Category	Assumed scenario	Assessment items	Priority measures	Timeframe	Financial impact
1.5°C scenario (transition risks)	<ul style="list-style-type: none"> <li>■ Strict regulations to address climate change will be enforced around the world, and increases in temperature will be kept within a certain range.</li> <li>■ There will be no major increase in natural disasters.</li> <li>■ Population and income growth will continue, primarily in emerging countries.</li> <li>■ Carbon tax and other burdens will increase, and energy and material prices will rise sharply.</li> </ul>	Initiatives to address key issues set out in the Casio Group Basic Policies on the Environment	Realizing a decarbonized society <ul style="list-style-type: none"> <li>• Active introduction of renewable energy</li> <li>• Systematic introduction of high-efficiency facilities</li> <li>• Promotion of supply chain optimization</li> <li>• Conservation of forest resources</li> </ul>	Short- to long-term	Medium
		Building a recycling society	<ul style="list-style-type: none"> <li>• Promotion of circular economy</li> <li>• Shift to environmentally-friendly materials</li> </ul>	Short- to long-term	Medium
3°C scenario (physical risks)	<ul style="list-style-type: none"> <li>■ GHG emissions cannot be reduced sufficiently, and temperatures will continue to increase.</li> <li>■ Natural disasters will increase and expand in terms of both frequency and scale.</li> <li>■ Population growth will continue, primarily in emerging countries, but the income gap with developed countries will expand.</li> <li>■ The effect of carbon tax and similar measures will be limited.</li> </ul>	Damage to business sites due to natural disasters	<ul style="list-style-type: none"> <li>• Promotion of supplier disaster assessments</li> <li>• Enhancement of supply chain BCM effectiveness</li> </ul>	Short- to medium-term	Small
		Damage to business sites due to rising sea levels	<ul style="list-style-type: none"> <li>• Reconstruction of global production and procurement systems</li> </ul>	Medium- to long-term	Large
Opportunities	Common to 1.5°C/3°C scenarios	Provision of opportunities to develop environmental technologies	<ul style="list-style-type: none"> <li>• Expansion in products with longer service life, low power consumption, and multiple functions and development of system for reusing and recycling products</li> <li>• Provision of service value utilizing the internet</li> <li>• Provision of support for customer reductions in energy consumption</li> <li>• Expansion of customer contact by strengthening e-commerce</li> <li>• Provision of educational opportunities to emerging countries</li> </ul>	Short- to long-term	Large

Timeframes – Short term: up to 2024 Medium-term: up to 2030 Long-term: up to 2050

# Risk Management

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**At Casio, the Sustainability Committee manages climate change-related risk appropriately.**

Casio has a system in place in which the relevant organizations deal appropriately with other risks, including natural disaster risk, in collaboration with each other under the supervision of the Internal Control Committee while working closely with the Management Meeting.

\* Please refer above diagram of corporate governance system.

## Indicators and targets

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**Casio positions realizing a decarbonized society as a key issue in the Casio Group Basic Policies on the Environment, has established the following targets for reducing GHG emissions, and has had its targets validated by the Science Based Targets initiative.**

Casio aims to reduce its Scope 1 and 2 emissions by 38%\* compared to fiscal 2019 levels before the end of 2031 and is aiming for net zero emissions by 2051.

(1) For Categories 1 and 11 of Scope 3 emissions, the aim is for a 30% reduction compared to fiscal 2019, by 2031.\*

(2) To achieve these goals, Casio has joined RE100 and is actively adopting renewable energy, while working with its business partners to reduce greenhouse gas emissions in the supply chain.

\* SBT-validated targets



# Identifying New Material Issues

With the formulation of Casio's Basic Policies for 2030 and medium-term management plan, we have augmented existing material issues for corporate social responsibility (CSR) with additional issues aimed at achieving sustainable corporate growth. This has resulted in eight material issues organized into three groups: value creation through business, enhancement of management capital, and strengthening of management foundation.

## Objective and process in identifying new material issues

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In response to the release of the 4th edition of the Global Reporting Initiative (GRI) Guidelines, Casio identified in 2015 a series of material issues requiring its attention, and has been utilizing the PDCA cycle within sustainable management to make progress in these areas. Now, in an environment undergoing dramatic changes, Casio believes that the best course of action is to return to its tradition and essence of value creation as a foundation for generating innovation. To this end, Casio has redefined its material issues to be more in line with its management strategy, identifying new issues to better drive actionable initiatives.

These material issues are divided into three groups: value creation through business, enhancement of management capital, and strengthening of management foundation. Within value creation through business, we aim to create new innovations that meet and exceed consumer needs, in line with the core concept of our Basic Policies for 2030 Goal Achievement. Enhancement of management capital and strengthening of management foundation are designed to support achievement of value creation through business. With particular emphasis on three kinds of management capital—human capital, intellectual capital, and manufactured capital—we have selected issues under four themes to achieve strengthening of management foundation.

## New material issues

**Corporate Creed**      **Creativity and Contribution**      We leverage creativity to raise customer expectations and generate excitement while enriching people's minds, hearts and lives worldwide.

<b>Material Issue Group 01</b> <b>Value creation through business</b>	<b>Generating innovations that capture the changing and diversifying values of people</b>		
<b>Material Issue Group 02</b> <b>Enhancement of management capital</b>	Human capital <b>Building trust and resonance with employees</b>	Intellectual capital <b>Deepening and innovating technologies and expertise</b>	Manufacturing capital <b>Building a resilient global supply chain</b>
<b>Material Issue Group 03</b> <b>Strengthening of management foundation</b>	<b>Strengthening the corporate governance system</b> <b>Strengthening environmental management</b>	<b>Advancing digital transformation (DX) and strengthening information security</b> <b>Respecting human rights</b>	

To identify its material issues, Casio first created an issue list using a political, economic, social, and technological (PEST) analysis of environmental changes and social conditions with importance for the Company. We then prepared a list of key environmental and social issues based on various guidelines, and identified risks and opportunities for each. Each issue was then evaluated for its importance level, taking into account the state of its countermeasures. Issues important to Casio and important with respect to the environment and society were integrated, forming three groups and our hypothetical material issue set. This hypothesis was then tested for validity in sessions with our top management and external experts, after which material issues were finalized by approval of the Board of Directors.

### Identification process



## Specific initiatives, targets, and KPIs

Initiatives for each material issue contribute to the achievement of the Sustainable Development Goals (SDGs), and we will proactively advance each with the aim of resolving issues and providing this contribution. To achieve value creation through business, we will generate innovation in our five businesses and cultivate one-of-a-kind value sources. Each material issue will have established targets and key performance indicators (KPI), including continuation of any existing targets or KPIs. We will manage the progress of these and implement a steady PDCA cycle to realize our Basic Policies for 2030 and the goals of the new medium-term management plan.

Material issues	Specific initiatives	Major related SDGs
<p><b>Value creation through business</b></p> <p>Generating innovations that capture the changing and diversifying values of people</p>	<p><b>Creating a one-of-a-kind market position</b></p> <ul style="list-style-type: none"> <li><b>Timepieces</b> Creating new user lifestyles</li> <li><b>EdTech</b> Providing products, services, and learning materials sparking learner curiosity</li> <li><b>Sound</b> Providing products and services that offer new experiences related to sound</li> <li><b>System Equipment</b> Creating solutions through co-creation with businesses and users</li> <li><b>Next Core</b> Eliminating global medical disparities with diagnostic imaging services combining medical cameras with AI technology</li> <li>Providing a human resource data platform that supports sustainable growth of companies and their employees (people)</li> </ul>	
<p><b>Enhancement of management capital</b></p> <p>Human capital Building trust and resonance with employees*</p> <hr/> <p>Intellectual capital Deepening and innovating technologies and expertise</p> <hr/> <p>Manufactured capital Building a resilient global supply chain*</p>	<ul style="list-style-type: none"> <li>• Health and productivity management</li> <li>• Ensuring organizational capabilities (Upgrading to skills required for business strategy, developing specialized digital and DX human resources)</li> <li>• Cultivating autonomous human resources (Further enhancing needed autonomous human resources and career support systems)</li> <li>• Strengthening management (Creating value through DE&amp;I management)</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Continuously deepening and innovating owned and proven technologies and expertise (Robustness, compact design, low power consumption, sound source/acoustics, image processing, etc.)</li> <li>• Acquiring and implementing new technologies and expertise (AI utilization, sensor application, wireless communication, etc.)</li> <li>• Executing a "green recovery"</li> <li>• Cultivating new businesses</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Practicing sustainability management in the supply chain (CSR procurement, addressing conflict mineral issues)</li> <li>• Rebuilding business continuity management (BCM) for the supply chain</li> </ul>	  
<p><b>Strengthening of management foundation</b></p> <p>Strengthening the corporate governance system</p> <hr/> <p>Advancing DX and strengthening information security</p> <hr/> <p>Strengthening environmental management*</p> <hr/> <p>Respecting human rights*</p>	<ul style="list-style-type: none"> <li>• Ensuring transparency in compensation and nominations</li> <li>• Improving effectiveness of the Board of Directors</li> <li>• Ensuring diversity of directors</li> <li>• Preventing corruption</li> <li>• Engaging stakeholders in dialogue</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Building a user-centric value chain with DX <ul style="list-style-type: none"> <li><b>Business foundation DX</b></li> <li>(1) Sales DX (D2C/digital marketing)</li> <li>(2) Development DX (establishment of product lifecycle management [PLM])</li> <li>(3) Production DX (supply chain management [SCM] transformation/smart factories)</li> <li>(4) Customer satisfaction (CS) DX</li> </ul> </li> <li>• Information security countermeasures/cybersecurity countermeasures/protection of personal information</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Responding to climate change</li> <li>• Supporting a recycling society</li> <li>• Living in harmony with nature</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Conducting initiatives for human rights based on international norms</li> </ul>	   

\*1, \*2, \*3, \*4 These issues have been inherited from the previous six material issues and will continue to be managed as such. Please see the following for details about our [previous material issues](#).