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SUSTAINABILITY STATEMENT 2022



SUSTAINABILITY STATEMENT

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1.0 REPORT SCOPE

1.1 OVERVIEW

Adaptability is essential to thriving in a world that is constantly changing. To succeed, businesses need to be ready to face the challenges and embrace change. At our Group, we are driving strategic enhancement across our divisions and remain steadfast in our commitment to integrating sustainability into our strategy and operations. We published our very first Sustainability Statement ("SS") in 2017, our latest SS in FY2022 provides insights into how we seek to create sustained economic value for all our stakeholders while respecting the environment and positively impacting people's quality of life. It encompasses Environmental, Social and Governance ("ESG") issues in our operations. It covers the period from 1 January 2022 to 31 December 2022 ("FY 2022"). There were no significant changes this year to the organization's sectors, value chain, and other business relationships during the reporting cycle.

1.2 ABOUT THIS STATEMENT

We recognise the need to disclose information in a comparable and transparent manner. This SS complies with the guidelines set out in the Main Market Listing Requirements relating to the Sustainability Statement in the Annual Report of Listed Issuers ("Guidelines") issued by Bursa Malaysia Securities Berhad. It covers our responsibilities to our stakeholders and the developments in sustainability we have made during the FY 2022. The content presented in the statement is divided into two sections. Section 1 gives an overview of this statement. Section 2 outlines our sustainability governance structure and strategy, followed by our approach to stakeholder engagement and defining material ESG topics. In the same section, we have aligned our sustainability efforts to specific UNSDGs. We have also demonstrated our progress against our sustainability targets.

2.0 OUR APPROACH AND STRATEGY

2.1 GOVERNANCE STRUCTURE

During the year, the Company set up a Cross Functional Sustainable Team ("CFST") to enhance governance of sustainability-related issues. The Board maintains oversight of the Group's sustainability direction and management of key material issues guided by the recommendations of the CFST; this means ensuring the implementation of a strong governance system, safeguarding our operations, and supporting the safety and well-being of our employees. The Board is kept apprised of sustainability programmes, and activities and reviews the sustainability strategy periodically. The strategy is reviewed against the overall business strategy, taking into consideration prevailing trends, economic conditions, and geopolitical issues which may affect the Group. Reporting to the Board, the CFST has been set up to champion our sustainability causes, as well as to spreadhead sustainability projects and initiatives. The CFST leads the development of ESG strategy; setting sustainability performance benchmarks and providing information across business operations. The CFST also assessed the ESG material factors and determined that the factors identified are incorporated into our corporate agenda and remain relevant.

2.0 OUR APPROACH AND STRATEGY (CONT'D)

2.2 MATERIALITY ASSESSMENT

Materiality is key to understanding and prioritising significant economic, environmental, social, and governance issues that impact our business, as well as issues that can be significantly impacted by our activities. Material ESG factors have been and remain key considerations in ESG's strategy formulation and in our business operations. In 2022, the CFST reviewed the material and relevant ESG factors, building on previous assessments, to account for changes in the potential impacts as trends evolve, and as new ones arise. The review seeks to ensure that the identified material ESG factors continue to reflect Group's impacts on the economy, environment, and people that we actively assess, monitor and manage. The prioritised list of ESG factors is presented in the chart below, categorised by material and important ESG factors, representing their level of materiality as determined through the assessment process. The material factors are covered within this statement to the extent that it reflects their relative priority. The CFST will continue to review these factors regularly to ensure it is able to determine and respond to any shift in the impact and importance of issues identified.

The CFST's approach to sustainability is guided by the three thrusts of Environmental, Responsible Business, and People and Community. We are committed to minimising the environmental impact, upholding strong corporate governance, as well as creating positive impact and value for all its stakeholders. Policies guiding the commitment to responsible business conduct are reviewed and approved by the Board, Board Committees, or Senior Management in charge of the relevant policies where applicable. They are periodically reviewed to ensure they are up-to-date and relevant.



Material ESG Factors

Factors of very high importance to Group and its key stakeholders, and considered most material and of top priority. These form the focus of its sustainability strategy and reporting, for which it aims to disclose goals, targets and performance.

- Economic Sustainability
- Innovation
- Sustainable Supply Chain Management
- Corporate Governance
- Employee Health and Well-being
- Ethics and Integrity

Important ESG Factors

Factors of moderate to high importance to Group and its key stakeholders. These are actively monitored and managed, and will be included in external reporting as relevant, based on the sustainability context and stakeholder interest.

- Service Quality
- Community Development and Engagement
- Cybersecurity and Data Privacy
- Energy
- Waste Management

2.3 STAKEHOLDER ENGAGEMENT

Stakeholder engagement is essential to understanding and managing material ESG factors of our Group, as various groups of stakeholders may have interests that could potentially be affected by our Group's activities. Key stakeholder groups are identified based on their impact on, or potential to be impacted by our Group's operations and ESG performance. The CFST addresses the issues that are most important to the stakeholders by measuring associated performance metrics, communicating its performance against material ESG factors in sustainability reporting, as well as adopting a management approach that integrates material ESG factors into the decision-making processes. To ensure meaningful engagement, the CFST provides relevant and accessible information on stakeholders' respective areas of concern through appropriate communication channels, as well as recording their feedback on an ongoing basis. The table below outlines the modes of engagement and key topics of concern of our key stakeholder groups.

Employees	Investors	Customers
Objectives of Engagement Upskill talent pool through continuous investments in training and development; career development; employee welfare.	Objectives of Engagement Ensure timely and accurate disclosure of information.	Objectives of Engagement Grow customer base; deepen relationships with existing and prospective customers; obtain feedback.
Modes of Engagement Internal engagement channels; Birthday party month; Team building activities; Offsite meeting; Annual Dinner; Sports Club.	Modes of Engagement Annual General Meeting; Annual and Quarterly reports; Corporate website; Corporate Announcements; Media releases; AGM minutes.	Modes of Engagement Company careline (email and phone, whatsapp); M Club membership (customer loyalty program); Social media platforms; Customer survey; Dealer Portals; Product Training.
Key Topics Provide platforms for employees to contribute and share ideas; building a culture of recognition and appreciation; enhancing careers through appraisal and training; inspiring others through leading by example.	Key Topics Business strategy and corporate developments; Financial and portfolio performance; ESG strategy and performance; Key corporate developments; Corporate governance; Sustainability efforts.	Key Topics Pricing; Product Quality; Customer Service quality; Warranty registration.
Frequency of Engagement Ongoing regular engagement.	Frequency of Engagement Ongoing regular engagement.	Frequency of Engagement Ongoing regular engagement.

2.3 STAKEHOLDER ENGAGEMENT (CONT'D)

Business Partners	Regulatory Authorities	Local Communities
Objectives of Engagement Align practices for better planning; responsive vendor support and mutually beneficial relationships.	Objectives of Engagement Open communication channels with Government agencies and regulators across different business aspects.	Objectives of Engagement Impact communities positively.
Modes of Engagement Dialogue sessions; regular review meetings with business partners including external service providers; suppliers networking events.	Modes of Engagement Visits and meetings.	Modes of Engagement Technical training for teachers and students; Free online tutorial for teachers and students on product usage.
Key Topics Product Quality and service; Procurement policies; Compliance; collaboration; health, safety and environmental matters; Supply chain management.	Key Topics Adherence to rules and regulations; Consultation on policies and communication on industry or sector trends, including sustainability. Regulatory compliance.	Key Topics Transparent and quality products and services; Community engagement; Sharing of product insights and knowledge.
Frequency of Engagement Ongoing regular engagement.	Frequency of Engagement Ongoing regular engagement.	Frequency of Engagement Ongoing regular engagement.

2.4 ESG Material Topics

We recognise the emerging awareness of the need to make changes to address the materiality of our sustainability efforts pursuant to changes in the agile business environment. Thus, in FY 2022, we have identified four new ESG topics: "Energy", "Cyber Security and Data Privacy", "Ethics and Integrity", "Community Development and Engagement". The following table highlights our reported topics for FY 2022 and how they have mapped to the topics reported in FY 2021.

Topics Reported No. for FY 2022		Mapped to Material Topics Reported for		Materiality Assessment	
		FY 2021	Reasons for Inclusion	Material	Important
1	Economic Sustainability	Finance Performance	To deliver financial performance and our value-added contribution to the stakeholders.	*	
2	Innovation	Technology & Innovation	The needs of our customers are constantly changing and we need to innovate to stay relevant and maintain our leadership in this sector.	*	
3	Sustainable Supply Chain Management	Supplier Diversification Supplier Engagement	To maintain a reliable and sustainable supply chain so as to minimise potential disruptions to our business operations.	*	
4	Corporate Governance	Corporate Governance; Policies & Regulatory Framework	We continue to uphold ethical standards and conduct our business in compliance with all applicable laws and regulations. To Improve our capacity to plan for the business for risk mitigation roadmaps to pre-emptively address threats and also to take advantage of potential business opportunities.	*	
5	Employee Health and Well-being Employee Welfare		To ensure that our Group is well-positioned to fulfill its business objectives and move towards long-term sustainable growth, we continuously identify and groom talent and invest in employee development.	*	
6	Ethics and Integrity	N/A; New Material Topic Identified in YA 2022	To maintain zero-tolerance approach towards corruption, bribery, fraud, and unethical business practices.	*	

2.4 ESG Material Topics (Cont'd)

	Topics Reported	Mapped to Material Topics Reported for		Materiality	Assessment
No.	for FY 2022	FY 2021	Reasons for Inclusion	Material	Important
7 Service Quality		Customer Satisfactions	Our customers are crucial to long-term sustainability. We are committed to providing our customers with high-quality goods, dependable service, and attentive after-sales support and we take the		*
		Quality Product and Services	security of our customer's data and privacy seriously.		
8	Community Development and Engagement	N/A; New Material Topic Identified in FY 2022	We will continue our efforts to contribute and give back to the community.		*
9	Cybersecurity and Data Privacy	N/A; New Material Topic Identified in FY 2022	The need to uphold cybersecurity and data protection practices as we grow our customer base.		*
10	Energy	N/A; New Material Topic Identified in FY 2022	Reduce water and energy usage and reduce costs besides protecting the environment.		*
11	Waste Management	Waste Management	We need to address the impacts of climate change on our business to minimise adverse impact by reducing our environmental footprint and using energy and resources more efficiently within our context of operation.		*

2.5 ESG Targets and Commitments

The CFST has set out targets and commitments to drive performance and manage Group's material ESG factors. This section summarises the key targets and commitments, which CFST tracks and reports on. In supporting the UNSDG' common global platform and language for communication, the CFST is managing sustainable development by focusing on the UNSDGs to which it can contribute most meaningfully and where it has the greatest opportunities to partner with other stakeholders to build a more sustainable future. The CFST has identified seven UNSDGs that are most aligned with our Group's businesses and where it can best contribute directly or indirectly to address the UNSDGs. These UNSDGs also represent the greatest opportunities to partner with other stakeholders and work together on sustainable development, in support of UNSDG 17.

Environmental	Environmental				
Material ESG Topics	UNSDGs	ESG Targets and Commitments	Performance and Progress		
Energy	12 PESTINGBLE CHOOSE AND PRODUCTION AND PRODUCTION	Reduce energy usage and reduce costs, employ Green Technology on protecting the environment.	 Contactless QR-based self-registration through the web form at Service Center to cut down on paper usage; Dealer portal, an e-commerce solution for dealers and sales personnel to manage the orders and payments in a single dashboard, to do away with order forms; Air-conditioning system is auto-shut off after 6 pm; Implement energy-saving initiatives through utilising LED light bulbs and reducing the use of energy-intensive equipment across the portfolio; Photocopying machines and PC are put to sleep mode when not in use; Monitor monthly printing usage; Cut down the printing of Official Receipts and Statements and replaced them with e-Receipts and e-Statements; Cut down the number of invoice copies. 		
Waste Management	12 CHARGELL CHARGE AND PRODUCTION	Regular collection and disposal or recycling of different types of waste materials. Educate consumers and to promote responsible waste management.	 Set up proper e-waste points at our Service Center and at designated dealer stores nationwide. Run campaigns on proper e-waste disposal; Recycled carton box for packing usage; Usage of recycled paper for printing. 		

Responsible Busin	Responsible Business					
Material ESG Topics	UNSDGs	ESG Targets and Commitments	Performance and Progress			
Corporate Governance	16 PEACE, NUSTICE AND STRONG INSTITUTIONS	Uphold strong corporate governance, robust risk management, as well as timely and transparent communications with stakeholders.	 Continue to uphold strong corporate governance and risk management practices; Certified company in ISO 9001:2015 in Quality Management System since year 2000; Anti-bribery and Anti-corruption policy; Whistle Blowing policy; Fit and Proper policy; Sexual Harassment policy; Authorisation policy; Maintain effective Risk Management system, practice Enterprise-wide Risk Management Framework; Corporate governance overview statement; Employment Handbook. 			
Cybersecurity and Data Privacy		Uphold cybersecurity and data protection practices through IT infrastructure	 Zero incidents of data breaches and non-compliance with data privacy laws; No complaints received concerning breaches of customer privacy, nor any leaks, thefts, or losses of customer data identified; Strict user access control on system and data; Installation of firewall VPN, server mirroring, ransonware monitoring, etc. 			
Economic Sustainability	8 DECENT WORK AND ECONOMIC DROWTH	Revenue and profit growth New business initiatives Prudent capital management	 Group Revenue - RM178.3 million (2021: RM154.8 million); Profit attributable to the owners of the Company - RM19.7million (2021: RM18.0 million); Earnings per share - 1.87 sen (2021: 1.70 sen); Net assets per share - 21 sen (2021: 22 sen); Dividend of 4.0 sen per share (2021:0.5 sen per share); Business operations generate employment, opportunities for suppliers, and tax revenues for governments. 			

Responsible Busin	ess		
Material ESG Topics	UNSDGs	ESG Targets and Commitments	Performance and Progress
Ethics and Integrity	16 PEACE AUSTICE AND STRONG INSTITUTIONS	Maintains a zero- tolerance approach towards corruption, bribery, fraud, and unethical business practices; conduct of employees is governed by principles set out in The Employee Code of Conduct and Anti-Bribery Policy.	In 2022, there were no confirmed incidents of corruption, bribery, or fraud, nor any non-compliance with laws or regulations.
Sustainable Supply Chain Management	12 RESPUNSIBLE CONSCIDENTION AND PRODUCTION	Drive responsible business practices across the supply chain Supplier engagement is an ongoing function and subject to yearly evaluation and review	 Annual supplier evaluation; Supplier engagement through quotation comparison to keep price competitive and reduce the cost of doing business; Outsource services that are more cost and operationally-effective.

Material ESG Topics	UNSDGs	ESG Targets and Commitments	Performance and Progress
Innovation	9 MENSTRY, BNEVATION AND INFRASTRUCTURE	Enhancing digitalisation capabilities to ensure long-term business sustainability	 M-Club membership digital solution; Dealer portal, an e-commerce solution for dealers and sales personnel to manage the orders and payments in a single dashboard; Online warranty service registration; Contactless QR-based collection point increased to 7 locations from 2 locations in 2021, this solution allows the customer to register their personal and product information for real-time information syncing to our service center, and submit their product in the designated RFID bag at the designated collection center over Malaysia; e-Receipts; e-Delivery notice for orders; Online Service Status Checking; System integration with last-mile delivery partners; Automated certain daily operations at the ERP backend to cut down processing time; Digital Communication Committee was formed to support activity planning.

Responsible Busin	ess		
Material ESG Topics	UNSDGs	ESG Targets and Commitments	Performance and Progress
Service Quality		Continue to enhance the customer satisfaction level with improved service and quality products	 Introduced Speedy Service System at Customer Service Center; Increase Casio G-shock stores and outlet stores for the convenience of customers; Regular communication and coordination with dealers and customers and the logistics team to provide updates on delivery status to ensure products can reach our dealers and customers on time. Close engagements between the logistics team, sales team, dealers, and customers are conducted should there be any unresolved logistics-related matters. The delivery performance was reported on a monthly basis for monitoring and improvement purposes; Efficient logistics management was further optimised through real-time inventory Management; Improve service and customer satisfaction; The sales and service teams engaged closely with dealers and customers to ensure their needs are being addressed, including providing feedback and product information to facilitate dealers and customers on their decision-making; Dealers evaluate our performance via our half-yearly survey form; Educate customers to differentiate counterfeit products; Organized physical sales convention meetings with dealers; Expand mono-brand shops to enhance customer buying experience; Workshops for product usage in scientific calculators for end-user (Teacher & Students) covering the whole of Malaysia.

People and Community				
Material ESG Topics	UNSDGs	ESG Targets and Commitments	Performance and Progress	
Community Development and Engagement	17 PARTINESHIPS FOR THE GOALS	Doing our part as responsible citizens, by providing quality products and services, with useful community programs	 Quality products and services; Offered price subsidy for teachers to upgrade their calculator models; Community programs and initiatives for students and teachers on technical training and product usage; Free online tutorial for teachers and students on product usage. 	
Employee Health and Well-being	8 DECENT WORK AND EDDINGMIC GROWTH 3 GOOD HEALTH AND WELL-BEING	Employees are provided with training and development opportunities that enable them to stay ahead of industry trends, gain essential knowledge and develop the skills they need to advance their careers while creating value	to input information into the system as well as document filing; Commissioning of Dealer portal helped to cut	