

Our Approach to CSR

We have established the "Citizen Group Code of Conduct" based on the corporate philosophy, "Loved by citizens, working for citizens." We believe that CSR activities contribute to the resolution of social issues, through disseminating this Code of Conduct to each and every employee and ensuring that it is practiced.

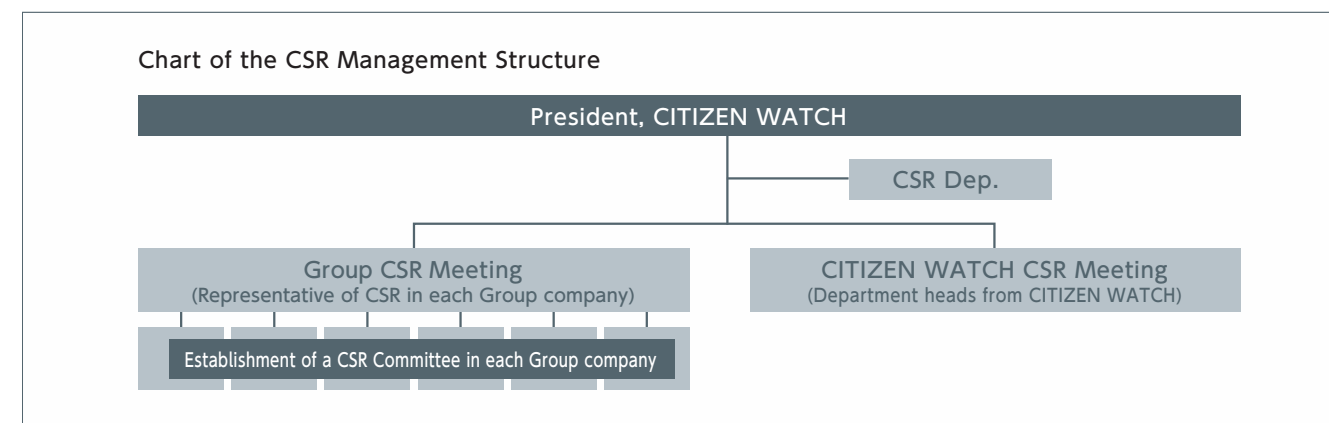
The concept of broadly contributing to the lives

of people throughout the world, through 'manufacturing of products that are loved and trusted by citizens,' has been a part of our company since its foundation. In addition to offering good products, the CITIZEN Group also aims to meet the demands of society through its corporate activities and to be a corporation that continues to be indispensable.

CSR Management Structure

With an initiative of CITIZEN WATCH, an operating holding company of the CITIZEN Group, we have linked its CSR objectives to the "Citizen Group Code of Conduct," and practices CSR activities in which everyone participates so that each employee contributes what they can to society on a daily basis without ever forgetting the origins. Centering on the CSR Department of CITIZEN WATCH,

the CSR committee and CSR department in each Group company collaborate and share information. The CSR departments in each group company periodically meet and hold a Group CSR Liaison Conference in which they discuss directions and measures regarding group-wide activities, and share best practices within the Group, such as confirming the status of activities in each company.



A Group CSR meeting

CITIZEN Group's materiality and the Sustainable Development Goals (SDGs)

In 2017, the CITIZEN Group, in fulfilling its responsibility as a member of the international community and as a solid global company, selected materiality for its sustainable growth. The CITIZEN Group referred to principles and guidelines related to CSR and sustainability guidelines such as the United Nations Sustainable Development Goals (SDGs), the United Nations Global Compact, ISO26000, EICC (then RBA) and GRI standards, while gaining a thorough understanding of the social issues important to the community and stakeholders. The CITIZEN Group also identified the challenges of greatest importance in light of the Group's Corporate Philosophy, Code of Conduct, and business strategies outlined in the medium-term management plan, compiling them into a list of

material issues.

Furthermore, in 2018, as part of the initiatives for the 100th anniversary, Roundtable Talk Relay (122 participants as of April 2018) is being held mainly among the CITIZEN Group staff to deepen the discussion on the ideal future of CITIZEN over the next 100 years. Through this dialogue, the seventh material topic, "pursuing Social Contribution Activities" was added to tackle social challenges proactively over the long term. In future, to maximize the viability of initiatives, specific objectives will be set for each materiality. In addition, by linking each topic to the relevant SDGs, the CITIZEN Group reaffirms the importance of a sustainable society and redefines what it can contribute through its business activities.

Strengthening Corporate Governance

With the goal of continually improving the CITIZEN Group's corporate value, we streamline our organization and company systems to conduct affairs efficiently throughout the Group, build an oversight mechanisms, and ensure transparent and sound management.



Comprehensive Risk Management

The CITIZEN Group promotes risk management to prevent all kinds of risk involving cross-sectional and individual undertakings, and to enable business to continue while taking into consideration the safety of employees and local communities in the event of an emergency.



Thorough Compliance

The Group as a whole promotes thorough compliance as a core element of management, an action that is key to thoroughly spreading the "Citizen Group Code of Conduct."



Creating a Pleasant Work Environment

We improve our corporate climate so that it recognizes diversity and enhances one another's skills. We accomplish a work environment where everyone can work in safety and peace of mind.



Advancing Responsible Procurement

With the aim of optimizing procurement activities throughout the Group, together with our clients, we are working to resolve social issues in the supply chain.



Promoting Environmental Innovation

We endeavor to reduce environmental load of/by CITIZEN Group products and in the value chain business process.



Pursuing Social Contribution Activities

CITIZEN Group staff, coming face to face with social issues in communities around Japan and across the world and engaging in social contribution activities in the fields of learning and education, environment, and disaster relief, aim to live in harmony with local communities.

