





















The CITIZEN Group's materiality

■ New materiality in FY 2020

Materiality		SDGs aimed at contributions
Enhancing corporate governance	Aiming to grow the corporate value of the CITIZEN Group continually through the maintenance of internal control systems to secure the transparency and soundness of management and the efficient business execution and appropriate supervision throughout the group	 
Enhancing quality compliance	Striving to ensure thorough quality compliance in all manufacturing processes in accordance with the Group Quality Code based on the corporate philosophy "Loved by citizens, working for citizens"	  
Respect for human rights and labor practices	Striving to respect and contribute to human rights throughout the entire value chain as a global business enterprise; also, strengthening our corporate culture based on respect for diversity and empowering one another to build workplaces where all members of the organization can work with safety and peace of mind	   
Promoting sustainable procurement	Aiming both to optimize procurement activities throughout the group and to resolve social issues throughout the entire value chain	     
Promoting environmental innovation	Striving to create new value through eco-friendly business activities in all products of the CITIZEN Group and in the entire process of the value chain	    

🔍 Process of identification and review of materiality

As a member of the international community, since FY 2017, the CITIZEN Group has identified and prioritized materiality for fulfilling our responsibilities as a true global enterprise and realizing continued growth.

In the identification of materiality, together with reference to the principles and guidelines related to CSR and sustainability, such as the SDGs, the United Nations Global Compact, ISO 26000, Responsible Business Alliances (RBA), and GRI standards, we also ascertain on a comprehensive basis the social issues that are important to society and our stakeholders and then prioritize as our materiality the topics of particularly high importance in light of the CITIZEN Group's corporate philosophy, codes of conduct, medium-term management plans, and other business strategies.

In FY 2020, in line with the SDG compass, we ascertained the positive and negative impacts on

the SDGs of business activities throughout the value chain and mapped them along the two axes of their impacts on society and their importance to our businesses by prioritizing as materiality the five topics of high importance in terms of both of these axes.

In FY 2020, in order to enhance quality-related compliance throughout the group, we revised the materiality of quality initiatives into that of enhancing quality compliance. Furthermore, we revised the materiality of promoting responsible procurement into that of promoting sustainable procurement since these activities are intended not only to fulfill our social responsibilities but also to create new value. To carry out more effective initiatives related to these five materiality, we prepared a roadmap for the period through 2030 and established clear goals, measures, and key performance indicators.