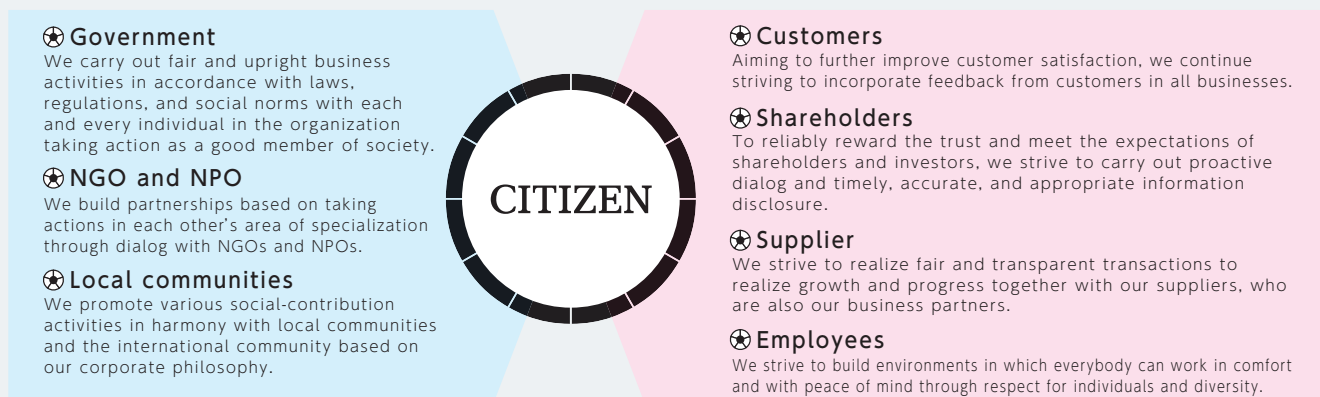


# Stakeholder engagement

## Engagement with stakeholders

The CITIZEN Group's business activities are supported by a wide range of stakeholders. In addition, we communicate with stakeholders daily to realize the corporate philosophy "Loved by citizens, working for citizens." We value

stakeholder engagement as a company that aims to be able to continue delivering value while earning the trust of society.



## Stakeholder engagement

To maximize the value that we deliver to society, the CITIZEN Group considers it vital to reflect in management the desires and expectations of diverse stakeholders and respond to them appropriately. Toward this end, we aim to give concrete form to our corporate philosophy through communication with stakeholders. Since identifying 'promotion of sustainable management' as one of the priority topics in the new Medium-Term Management Plan 2021,

which has taken effect in FY 2019, we have carried out engagement between the employees of Citizen WATCH and international environmental NGOs to review anew how we can contribute to solutions to social issues through our businesses. We believe that broadening the employees' fields of view and incorporating new values through cooperation with stakeholders will lead to effective future measures.

### Examples of stakeholder engagement

Stakeholder	Method	Results/evaluation	Future responses/plans
Customers	Responding to inquiries and requests received by customer service centers	Improving products and services, ensuring safety, promoting universal design principles	Implementing social campaigns
Suppliers	Holding briefings for suppliers on sustainable procurement	Evaluation of results of supplier surveys, evaluation based on on-site fact-finding	Enhancing human rights due diligence
Employees	Conducting employee satisfaction surveys, interviews with superiors, labor-management conferences, providing information on the internet	Enhancing work-life balance, employee health promotion, adoption of flextime systems, adoption of a talent management system	Improving employee satisfaction, enhancing work-life balance programs, developing workplaces where employees can work with peace of mind, developing workplaces where employees can demonstrate their abilities to the maximum extent
NGOs and NPOs	Cooperation in projects that contribute to society, holding discussions with international environmental NGOs	Dispatching personnel to joint social-contribution activity 12 times with a total of 164 employees participating; holding briefings to report on results of Social Contribution Mission Program	Holding briefings to report on the results of Social Contribution Mission Program
Local communities	Conducting community contribution activities (including watch assembly classes and donation/sponsorship activities), participating in community events, accepting plant tours, exchange through table tennis (company authorized sport)	Total number of employees participating in beautification activities: 2,112; number of plant tours accepted: 172; number of watch assembly classes held: 32; donations to social contribution activities: JPY37.5 million; number of table-tennis lessons held: 27	Inviting community residents to events held on business sites, contributing to stable communities through mutual understanding, enhancing activities to contribute to local society through our businesses, improving table-tennis skills in the community

# Stakeholder engagement

## Engagement with Conservation International Japan

The CITIZEN Group values engagement with diverse stakeholders. We aim to find solutions to social issues by learning about them and about how they can be addressed and by reflecting these lessons in the development of our own products as well as raising awareness among consumers.

Our engagement with Conservation International Japan was inspired by the Save the BEYOND global campaign deployed to mark the 30th anniversary of the CITIZEN PROMASTER brand of professional sports watches. PROMASTER products have consistently supported the efforts of adventurers worldwide to take on challenges under extreme conditions. This campaign was grounded in environmental protection in the face of the threat of

loss due to global warming of the natural environment about which adventurers care so passionately. This engagement program involved study groups and seminars intended to consider what we should do to protect the environment, what we should do through our business activities in the years toward 2030, and how we should publicize these initiatives among consumers in the face of rapidly advancing climate change. It served as an opportunity to deepen our understanding of stakeholders' needs and learn about measures for the future from new perspectives. The engagement activities were followed by repeated discussions among participants, which led to new ideas to serve as the bases for our future measure.

### Lessons learned from engagement

#### 1. Procurement of sustainable raw materials

In light of the increasing globalization and complexity of supply chains, one measure that needs to be implemented with priority is procurement of sustainable raw materials. As a company that advocates sustainable products, it is vital that CITIZEN focuses on raw materials in CSR procurement activities currently deploying, and we will enhance related efforts in the future as well.

#### 2. Initiatives to be carried out in the years through 2030

As seen in the way ESG investment is attracting increasing attention in Japan, a subject of interest today is how businesses should think about and put into practice solutions for social issues. Since ethical consumption is likely to grow increasingly important as the millennials and younger generations become central to economic activities, it will be essential to practice sustainable management.

#### 3. Unceasing communication with consumers

Unceasing communication with consumers will grow even more essential to help consumers understand CITIZEN's thinking on sustainability and its products. As digital technologies advance worldwide, we will deepen the understanding of the new value we deliver to contribute to a sustainable society through multiple contact points with consumers without relying solely on traditional marketing methods.

