

Promotion of sustainable management

About CITIZEN Group's Sustainability Committee

The CITIZEN Group is promoting sustainable management of the entire Group through the Sustainability Committee, for which the president & CEO of CITIZEN WATCH acts as the chairman and the executive directors of CITIZEN WATCH and the presidents of operating companies are members, playing the central role.

The CSR section and Management Planning Division of CITIZEN WATCH, which serve as the secretariat for this Committee, work together with the CSR sections and management planning sections of Group companies and with the secretariats of each committees in charge of assigned materiality. They hold periodic sustainability secretariat conferences to periodically review sustainability issues in each company and check on matters, such as the state of progress of related

initiatives. Proposals and reports from each company are presented to the Sustainability Committee for deliberation.

At a Sustainability Committee meeting, which is held once a quarter, what is reported by secretariat meetings is discussed, materiality is periodically reviewed, and the policy for efforts by existing business to achieve sustainability is drawn up and monitored. The record of the discussion is reported at a management conference and executive board meeting that in turn issue instructions and carry out auditing. In FY 2020, an SDGs study meeting was held for executives, including department managers, as well as Sustainability Committee members, with outside experts invited, to deepen the understanding of requests from society to companies and issues that should be tackled.

Main matters deliberated by Sustainability Committee in FY 2020

- Situation of effort to achieve group materiality
- Method of promoting human rights due diligence at customers through CSR procurement
- Self-assessment of situation of effort by group companies through UN Global Compact CSR procurement SAQ
- Review of materiality and important risks of Group

CITIZEN Group's sustainable management structure

Four committees that come under the Sustainability Committee, including the Group Quality Compliance Committee, are set up to mainly manage and promote efforts to achieve each materiality by CITIZEN Group companies. We also established the Group Information Governance Committee, the Group Legal/Compliance Committee, and the Group Business Continuity Management Committee to address matters related to the handling of management-related risks and making the Group's

management base more resilient. These committees addressing risks related to the management base have been established under the Management Committee, which meets monthly, as a structure that enables swift detection of and deliberation on problems as well as immediate responses to them. In addition, June 2020, CITIZEN-SIRT was established as the CSIRT (Computer Security Incident Response Team) that immediately responds to abrupt events such as cyberattacks.

Sustainability promotion structure

