

The Citizen Group’s Environmental Management

The Group formulated Citizen’s Vision for the Environment and Society in 2025 to clarify its stance on environmental preservation—one of its social responsibilities.

Citizen’s Vision for the Environment and Society, and Its Long-Term Environmental Plan

Citizen’s Vision for the Environment and Society in 2025 specifies the orientation of the Group’s activities to achieve a sustainable society and protect the global environment for many years to come.

Under its business philosophy of “Contributing to and Striving to be Respected by the Citizens of the World,” the Group continues its efforts to provide products that are always close to people’s hearts— useful, ergonomic, and respectful of nature. Similarly, in our environmental preservation activities we are always looking toward an abundant future as we implement the measures required for a sustainable society in which people can enjoy life with a sense of security and fulfillment.

We believe that the culmination of our efforts will be our Citizen’s Vision for the Environment and Society in 2025. We are therefore pursuing the four pillars of environmental management, Citizen environmental products, environmental management at factories, ecological awareness, and sustainable lifestyles, with the Citizen Long-Term Environmental Plan 2010 showing us where we need to go.

Based on these ideals, we will fulfill our social responsibilities as a member of a recycling-based society by ensuring that all Group products are Citizen environmental products and by reducing CO2 emissions at our production centers and eventually eliminating waste.

Citizen’s Vision for the Environment and Society in 2025

Based on our philosophy of “contributing to and striving to be respected by the citizens of the world,” we contribute to a citizen-based sustainable society in which people can enjoy life with a sense of security and fulfillment.

Citizen offers products that are always close at hand and are good for people and the world.

Enacted July 20, 2004  
Revised April 1, 2007

Citizen Long-Term Environmental Plan 2010

Promotion of Environmental Management

- 1. Proactively respond to global environmental laws and regulations and trends.
- 2. Communicate with stakeholders, and incorporate results into management practices.
- 3. Develop environment management throughout the Group.

Promotion of Citizen Environmental Products

- 1. Reduce the product’s environmental footprint
  - 1) During planning and development
    - Promote smaller products
    - Enhance commonality of components and uniformity of materials
    - Develop long-lasting products
    - Promote Life Cycle Assessment (LCA)
  - 2) During use
    - Promote development of products that use low energy
    - Promote development of products that do not require battery change
  - 3) At time of disposal
    - Promote recycling
  - 4) At time of packaging
    - Promote reuse of packaging materials
    - Promote material recycling of packaging waste
    - Reduce the amount of packaging
- 2. Publish information about product’s environmental footprint

Promotion of Environmental Management at Factories

- 1. Make effective use of resources
  - Use resources efficiently
  - Promote zero waste
  - Enhance efforts to reduce chemical emissions
- 2. Reduce CO2 emissions
  - Reduce CO2 emissions (to 90% of FY2000 levels)
  - Implement high-efficiency energy systems
- 3. Strengthen green procurement
  - Strengthen the management system of chemical substances contained in the products in cooperation with suppliers
- 4. Promote environmental technologies
  - Promote technologies to meet global environmental regulations

Promote Ecologically Aware, Ecologically Sustainable Lifestyles (Contribute to a Sustainable Society)

- 1. Disseminate and publicize Citizen Environmental Products
- 2. Cultivate human resources
  - Implement employee training systems
- 3. Promote communication with local societies
  - Promote communication with local authorities and societies

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Environmental Targets and Results for Fiscal 2007 and Targets for Fiscal 2008

○Achieved △Nearly achieved ×Not achieved

Targets for FY2007	Results for FY2007	Self-evaluation	Targets for FY2008	References
1. Enhancing Citizen environmental products			1. Enhancing Citizen environmental products	P33
Increase the ratio of Citizen environmental products among new models to 80% (targeting 100% for FY2008)	Achieved in three product lines, but not in another line (88%)	△	Increase the ratio of Citizen environmental products among new models to 100%	
Utilize LCA	Expanded applications of LCA basic technologies to a variety of products	○	Develop Citizen super environmental products	
Disclose information on environmental impacts	Disclosed LCA data on hydrogen gas sensor	○	Utilize LCA	P34
2. Achieving green procurement				
Build a system to evaluate business partners	System not completed	×	Enhance employment of green procurement (moved to the “Citizen environmental products” management category from FY2008)	P34
Continuously audit Restriction of Hazardous Substances (RoHS) directive* compliance	Designated high-risk purchased products as “high-risk products”; clarified inspection procedures	○	Prepare for the creation of a management system for chemical substances contained in products to comply with REACH regulations (moved to the “Citizen environmental products” management category from FY2008)	
3. Environmentally friendly business activities			2. Environmentally friendly business activities	P29, 30
Each department is to implement at least one theme (Tokyo, Tokorozawa)	Designated high-risk purchased products as “high-risk products”; clarified inspection procedures	○	Each department is to implement at least one theme (Tokyo and Tokorozawa)	P35
4. Reducing greenhouse gases			3. Reducing greenhouse gasses	
1) Reducing CO2 emissions through energy-saving activities	82 themes implemented in 31 Tokyo departments 44 themes implemented in 11 Tokorozawa departments		1) Reducing CO2 emissions through energy-saving activities	
Reduce CO2 emissions at Tokyo offices by 41% (14,050 tons) compared with FY1999	Reduced CO2 emissions by 41% (13,834 tons)	○	Reduce CO2 emissions at Tokyo offices by 44% (13,300 tons) compared with FY1999	
Reduce CO2 emissions at Tokorozawa offices by 14% (10,455 tons) compared with FY1999	Reduced CO2 emissions by 13% (10,623 tons)	×	Reduce CO2 emissions at Tokorozawa offices by 14% (10,533 tons) compared with FY1999	
Reduce groupwide CO2 emissions by 1% per unit of sales compared with FY2006	10% (per unit of sales)	×	Reduce groupwide CO2 emissions per unit of sales by 1% compared with FY2007	P36
5. Promoting waste reduction activities			4. Promoting waste reduction activities	
Reduce and manage industrial waste at Tokyo offices	Reduced 73% (149 tons) compared with FY1999	○	Reduce and manage industrial waste at Tokyo offices	
Reduce and manage industrial waste at Tokorozawa offices	Reduced 59% (70 tons) compared with FY1999	○	Reduce and manage industrial waste at Tokorozawa offices	
Reduce groupwide waste output by 1% per unit of sales compared with FY2006	9% (per unit of sales)	×	Reduce groupwide waste output per unit of sales by 1% compared with FY2007	
Achieve a 95% groupwide recycling rate	98%	○	Achieve a 98% groupwide recycling rate	
6. Reducing chemical substances			5. Reducing chemical substances	P37
Confirm total elimination groupwide of chlorinated organic solvents and chlorofluorocarbon alternatives	Completed in April 2008	△	Advance cyanide compound alternatives groupwide	

Tokyo offices: CITIZEN HOLDINGS CO., LTD.; CITIZEN TECHNOLOGY CENTER CO., LTD.; CITIZEN BUSINESS EXPERT CO., LTD.; CITIZEN WATCH CO., LTD.; CITIZEN ELECTRONICS CO., LTD.; CITIZEN SYSTEMS JAPAN CO., LTD.; CITIZEN LOGISTICS SERVICE CO., LTD.  
Tokorozawa offices: CITIZEN TECHNOLOGY CENTER CO., LTD.; CITIZEN BUSINESS EXPERT CO., LTD.; CITIZEN WATCH CO., LTD.

\* RoHS Directive: A European Union directive restricting the use of six designated substances (lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyls [PBB], and polybrominated diphenyl ether [PBDE]) in electronic and electrical devices.