

The Citizen Group’s Environmental Management

Given the Citizen Group’s philosophy of “contributing to and striving to be respected by the citizens of the world,” our number one priority is clearly the provision of products that are good for people and the planet. Nonetheless, we also consider it to be our duty to follow manufacturing practices that are good for people and the planet as well.

Focusing on the four strands of the Citizen Long-Term Environmental Plan 2010 as a set of Group-wide environmental guidelines ((1) promotion of environmental management, (2) promotion of environmentally-friendly products, (3) promotion of environmental management at factories and (4) promotion of ecologically aware, ecologically sustainable lifestyles), we are working our way slowly but surely towards achieving Citizen’s Vision for the Environment and Society in 2025.



Citizen’s Vision for the Environment and Society and 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.

Based on the Citizen Group’s philosophy of “Contributing to and Striving to be Respected by the Citizens of the World,” we continue to make every possible effort to provide products that are always close to people’s hearts and that are useful, good for people and the planet and respectful of human nature. Similarly, we always have our sights set on a brighter future as part of our environmental activities and are committed to laying the foundations for a sustainable society in which people can enjoy richly rewarding lives with confidence.

We have set out Citizen’s Vision for the Environment and Society in 2025 and are confident that we will be able to make it a reality by slowly but surely building on our achievements. To achieve our vision, we have also mapped out our goals for fiscal 2010 in the form of the Citizen Long-Term Environmental Plan 2010. As such, we are currently focusing on implementing the four core elements outlined therein, namely promoting environmental management, environmentally-friendly products, environmental factory management and ecologically aware, sustainable lifestyles. We intend to fulfill our social responsibilities as a member of a larger recycling-based society by ensuring that all Citizen Group products are environmentally-friendly products and by reducing CO₂ emissions at all production sites, and completely 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**
 - Proactively respond to global environmental laws and regulations and trends.
 - Communicate with stakeholders, and incorporate results into management practices.
 - Develop environment management throughout the Group.
- Promotion of Environmentally-Friendly Products**
 - Reduce the product’s environmental footprint**
 - During planning and development
 - Promote smaller products
 - Enhance commonality of components and uniformity of materials
 - Develop long-lasting products
 - Promote Life Cycle Assessment (LCA)
 - During use
 - Promote development of products that use lowenergy
 - Promote development of products that do not require battery change
 - At time of disposal
 - Promote recycling
 - At time of packaging
 - Promote reuse of packaging materials
 - Promote material recycling of packaging waste
 - Reduce the amount of packaging
 - Publish information about product’s environmental footprint**
- Promotion of Environmental Management at Factories**
 - Make effective use of resources**
 - Use resources efficiently
 - Promote zero waste
 - Enhance efforts to reduce chemical emissions
 - Reduce CO₂ emissions**
 - Reduce CO₂ emissions (to 90% of FY2000 levels)
 - Implement high-efficiency energy systems
 - Strengthen green procurement**
 - Strengthen the management system of chemical substances contained in the products in cooperation with suppliers
 - Promote environmental technologies**
 - Promote technologies to meet global environmental regulations
- Promote Ecologically Aware, Ecologically Sustainable Lifestyles (Contribute to a Sustainable Society)**
 - Disseminate and publicize Environmentally-Friendly Products
 - Cultivate human resources
 - Implement employee training systems
 - 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 FY2008 | Results for FY2008 | Evaluation | Targets for FY2009 | References |
| 1. Enhancing environmentally-friendly products | | | 1. Enhancing environmentally-friendly products | |
| Increase the ratio of environmentally-friendly products among new models to 100% | Achieved in 100% of electronic products and 99% of watches | △ | Increase the ratio of environmentally-friendly products among newmodels to 100% | P39 |
| Develop Citizen Super Environmentally-Friendly Products | Yet to reach planning and development stages | × | Develop Citizen Super Environmentally-Friendly Products | |
| Utilize LCA | Disclosed LCA data on calculator printers | ○ | Prepare for compliance with EuP Directive | |
| Enhancing green procurement operations | Implemented green procurement at relevant companies | ○ | Establish management system for chemical substances contained in products in accordance with REACH regulation | |
| Prepare to establish management system for chemical substances contained in products in accordance with REACH regulation* | Introduced management system in accordance with REACH regulation | ○ | | |
| 2. Environmentally-friendly business activities | | | 2. Environmentally-friendly business activities | P35 P36 |
| Each department is to implement at least one theme (Tokyo, Tokorozawa) | 84 themes implemented in 25 Tokyo departments/ 39 themes implemented in 11 Tokorozawa departments | ○ | Each department is to implement at least one theme (Tokyo, Tokorozawa) | |
| 3. Reducing greenhouse gases | | | 3. Reducing greenhouse gases | |
| Reduce CO ₂ emissions at Tokyo offices by 44% (13,300 tons) compared with FY 1999 | Reduced CO ₂ emissions by 49% compared to fiscal 1999 (12,064 tons) | ○ | Reduce CO ₂ emissions at Tokyo offices by 50% (11,900 tons) compared with FY1999 | P41 |
| Reduce CO ₂ emissions at Tokorozawa offices by 14% (10,533 tons) compared with FY1999 | Reduced CO ₂ emissions by 16% compared to fiscal 1999 (10,195 tons) | ○ | Reduce CO ₂ emissions at Tokorozawa offices by 17% (10,080 tons) compared with FY1999 | |
| Reduce group-wide CO ₂ emissions by 1% per unit of sales compared with FY2007 | 10% compared to FY 2007 (per unit of sales) | × | Reduce group-wide CO ₂ emissions per unit of sales by 1% compared with FY2008 | |
| 4. Promoting waste reduction activities | | | 4. Promoting waste reduction activities | |
| Reduce and manage industrial waste at Tokyo offices | Reduced 78% (123 tons) compared with FY1999 | ○ | Reduce and manage industrial waste at Tokyo offices | P42 |
| Reduce and manage industrial waste at Tokorozawa offices | Reduced 53% (80 tons) compared with FY1999 | ○ | Reduce and manage industrial waste at Tokorozawa offices | |
| Reduce group-wide waste output by 1% per unit of sales compared with FY2007 | 3% compared to FY 2007 (per unit of sales) | × | Reduce group-wide waste output per unit of sales by 1% compared with FY2008 | |
| Achieve a 98% group-wide recycling rate | 98% | ○ | Achieve a 99% group-wide recycling rate | |
| 5. Reducing chemical substances | | | 5. Reducing chemical substances | P40 |
| Advance cyanide compound alternatives group-wide | In progress at relevant companies | ○ | Advance cyanide compound alternatives group-wide | |

* REACH regulation : Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemical substances within the EU
Tokyo Office : Citizen Holdings, Citizen Business Expert, Citizen Watch, Citizen Systems, Citizen Logistics Service
Tokorozawa Office : Citizen Holdings, Citizen Business Expert, Citizen Watch
(As of March 31, 2009)