



Citizen and its Business Partners

In the spirit of the Citizen Group Code of Conduct and the UN Global Compact, we work in close partnership with our suppliers to actively promote CSR in areas such as legal compliance, the environment and respect for human rights.

Basic Approach to Purchasing

■ Striving to build relationships with suppliers based on mutual trust

We regard building strong relationships with our suppliers to be one of our top priorities here at the Citizen Group and aim to work together so that we can grow hand in hand as business partners. To achieve this, we try to extend policies formulated by individual Group companies to our business partners through day-to-day communication and take on board suggested improvements regarding the purchasing of supplies, with regard to market trends, quality, price and delivery. Our aim is to create an environment in which supplies can be bought and sold based on a shared understanding between both sides.

Committee on Appropriate Subcontracting

In an effort to reinforce compliance with subcontracting legislation, the Citizen Group Committee on Appropriate Subcontracting focused its activities on education and auditing during fiscal 2009, based on the principle of understanding and complying with subcontracting legislation in order to earn the public's trust. At total of 370 Group employees took part in educational seminars, with basic seminars focusing on understanding and practical seminars on compliance. In terms of auditing meanwhile, internal audits were conducted by committee members and independent audits by in-house organizations at each company. We will continue to engage in ongoing compliance activities in close cooperation with Group companies in the future.

VOICE

Growing and Developing Hand in Hand with our Business Partners

To enable us to manufacture better quality products at Citizen Electronics Co., Ltd., we always try to grow and develop hand in hand as business partners with our suppliers. In addition to ensuring that our material and service procurement activities comply with all applicable legislation, we are also committed to fair and transparent transactions with our business partners in order to built mutually trusting relationships.

In the interests of legal compliance, we have established a Subcontractor Inquiry Desk to ensure that subcontractor transactions are carried out appropriately, an issue that has become increasingly important in recent years. This forms part of an overall framework that enables subcontractors to consult us regarding transactions whenever they want.

With regard to green procurement, we are calling on all of our suppliers to take on board our green procurement standards, which are compliant with legislation the world over, and continue to promote green procurement accordingly.

On other fronts, we are working on a system that will enable us to confirm the safety of our business partners in the event of a natural disaster or other major accident and quickly ascertain any impact on production activities.

We will continue to implement activities such as these in order to guarantee that we can supply components safely and reliably, thereby helping to improve customer satisfaction and making a greater contribution to society as a whole.



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