

# The Citizen Group's CSR and Risk Management

## Establishing the Citizen Group Code of Conduct

As part of the Citizen Group's transition to a pure holding company system in April 2007, we set out the Citizen Group Code of Conduct to enable all Group company directors and employees act based on a shared awareness with regard to stakeholders and fulfill their social responsibilities to even greater extent. Individual Group

companies implement CSR activities based on the Group-wide corporate philosophy of "contributing to and striving to be respected by citizens of the world" and their own responsibilities, maintaining respect for company-specific factors such as operational and regional characteristics, history and corporate culture.

### CITIZEN GROUP CODE OF CONDUCT

WE WILL OBSERVE ALL LAWS AND COMPANY REGULATIONS AND  
WILL ACT ACCORDING TO THE CODE OF CONDUCT.

In keeping with a corporate philosophy stating that Citizen contributes to and strives to be respected by the citizens of the world, we will:

- ① Provide our customers with products and services that demonstrate our concern for safety, quality, and the environment.
- ② Engage in fair, transparent and open competition in business transactions, and maintain healthy relationships with our suppliers and government regulatory authorities.
- ③ Work to communicate with the general public, taking the initiative in making corporate information openly available, while at the same time practicing responsible data management.
- ④ Recognize that environmental issues are a common concern of mankind and a crucial issue for management in terms of the survival and activities of the company, and engage these issues in a voluntary, proactive manner.
- ⑤ Value symbiosis with local communities, and strive to contribute to society as a good corporate citizen.
- ⑥ Ensure a safe and pleasant working environment and encourage the development of our employees' abilities and energies while respecting their characters, individuality, and diversity.
- ⑦ Respond to anti-social behavior by individuals and organizations in a decisive manner.
- ⑧ Value and respect the different cultures and customs of foreign countries, and contribute to the development of local communities.
- ⑨ The top management of the Citizen group recognize that implementing this Code of Conduct is their personal responsibility, and that they must take the lead not only in enforcing it within the company, but in conveying it to our business partners and suppliers. In addition, they must always be conversant with opinion within the company and outside it, develop an effective internal system for compliance with the Code of Conduct, and work to ensure a thorough adherence to corporate ethics.

Effective April 6, 2007

## The Citizen Group's CSR and Risk Management Promotion Structure

The president of Citizen Holdings has overall responsibility for the CSR activities and risk management in the Citizen Group. Immediately under the president, the CSR Committee consists of representative members of Citizen Holdings, developing and proposing strategies and policies for the Group.

As an executive body, the Group CSR Promotion Committee consists of supervisory personnel in charge of CSR selected at operating subsidiaries. Individual subsidiaries have their own CSR committees. With respect

to key issues to the Group, we have set up committees with Group companies to plan and execute measures.

Individual subsidiaries carry out activities to raise compliance awareness. They offer CSR education based on their own educational framework designed according to the level of their employees. We also organize separate educational CSR and compliance sessions for eligible members of staff at all Group companies as part of training for new recruits and induction training for new managers and new directors.

### CSR Promotion Framework



For more detailed information, please refer to our website.  
Citizen Holdings > CSR Activities > Base of CSR > Citizen Group CSR/Risk Management