

## Group Code of Conduct, Article ②

Engage in fair, transparent and open competition in business transactions, and maintain healthy relationships with our suppliers and government regulatory authorities.

# Reinforcing Overseas Green Procurement



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## Building Structures That Support Mutual Development

The watch business conducts transactions with a total of about 400 suppliers (green partners) in Japan and other countries, and all suppliers cooperate with Citizen's green procurement efforts.

The percentage of manufacturing conducted overseas has been rising rapidly in recent years, and it is important not only to comply with environmental regulations of each country including in Europe, the United States, China, and so on, but also to conduct rigorous control of hazardous substances such as lead contained in materials, parts, and components. For this reason, that establishing verification systems that can maintain the best relationships for both sides is an urgent matter.

## China Advancing and Evolving on a Daily Basis

Our green partners in China are caught up in the whirlwind of change that is taking place amidst rapid growth, and

conditions are unstable and fluid. In response to these circumstances, ongoing checks on a daily basis are necessary for both sides. We make every effort to travel to local sites and engage in repeated face-to-face discussions in order to actively identify problems and learn about management's approaches.

The primary objective of green procurement is to provide customers with safe and secure products. In the case of external ornamentation of watches in particular, we have many overseas suppliers, and the success of green procurement in the watch business depends on overseas green partners.



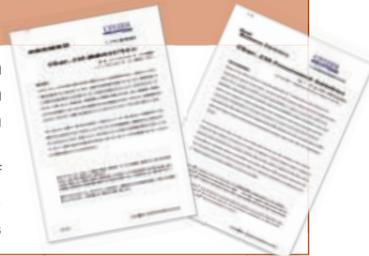
Verification testing using samples  
(fluorescent x-ray analysis)

## CSR Procurement

The Citizen Electronics Group engages in procurement activities in accordance with the spirit of the Citizen Group Code of Conduct and the United Nations Global Compact including comprehensive compliance with the aims of building strong partnerships with suppliers who actively undertake CSR including consideration for the environment and human rights and achieving a harmonious coexistence and mutual benefit.

Suppliers are requested to comply with the CSR Procurement Guidelines, a statement of requirements concerning observance of human rights, labor, occupational safety and health, fair trade, and so on.

The CSR Procurement Guidelines



## Group Code of Conduct, Article 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.

# Information Disclosures and Communication with Investors

## Active and Fair Information Disclosures

In order to be selected by all stakeholders as a trusted partner that has earned the trust of society, it is essential that Citizen is understood as a company.

As the departments responsible for the external dissemination of information, the Public Relations Section and Investor Relations Section are bodies within the Management Planning Department that develop structures for fair disclosures by engaging in active communications while sharing information with each other.

Under this type of structure, building trusting relationships with stakeholders, increasing corporate value and brand value and supporting the continuous growth and development of the Group while raising social recognition of the Citizens Group and improving understanding of the Group's corporate philosophy and its management stances are important roles shared by the Public Relations Section and Investor Relations Section. We also believe that these activities are essential for carrying out our responsibilities as a business enterprise.

## Conducting Appropriate Communications

To actively disclose accurate corporate information in a timely manner, the Public Relations Section works with

each group company and periodically confirms and shares information concerning new products, management, personnel matters, and so on while developing structures to consolidate, manage, and distribute information concerning Citizen Holdings. In order to gain trust broadly throughout society, rather than disseminating information based primarily on the company's own ideas, we continuously strive to disclose information from the consumer's perspective, taking into account people's lifestyles and needs while maintaining our objectivity.

The Investor Relations Section holds financial briefings four times each year and actively responds to requests from the media, working to increase opportunities for dialogue with shareholders and investors, enhance the transparency of corporate activities through appropriate dissemination of information concerning the latest developments and management's vision, and raise corporate value. In other of the Section's important roles is supporting bidirectional communications to convey within the Company perspectives and opinions from outside the Company with the aim of improving corporate activities. We are working to increase understanding of the Citizen Group by as many people as possible and build long-term trusting relationships.

## "Gaining the understanding and trust of stakeholders and building good relationships is our responsibility."

### Assessment by Outside Organizations

Citizen Holdings has been selected for inclusion in the Ethibel Sustainability Index by Belgian socially responsible investment (SRI) assessment company Ethibel for eight consecutive years since 2004.



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Management Planning Department and  
members  
Citizen Holdings Co., Ltd.