

CSR at the Citizen Group

Supporting the United Nations Global Compact

By realizing its corporate philosophy, the Citizen Group strives toward the sustainable development of society and Group growth, while aiming to be a company that is loved, respected, and truly needed by society. In 2005, we joined the U.N. Global Compact,* and we develop our business in accordance



Network Japan
WE SUPPORT

with the precepts of the Global Compact and through CSR activities based on the Citizen Group Code of Conduct. We consider conducting our management in keeping with stakeholder requests and expectations essential to maximizing the value we provide to society, and we are reinforcing stakeholder communications accordingly.

CSR Promotion

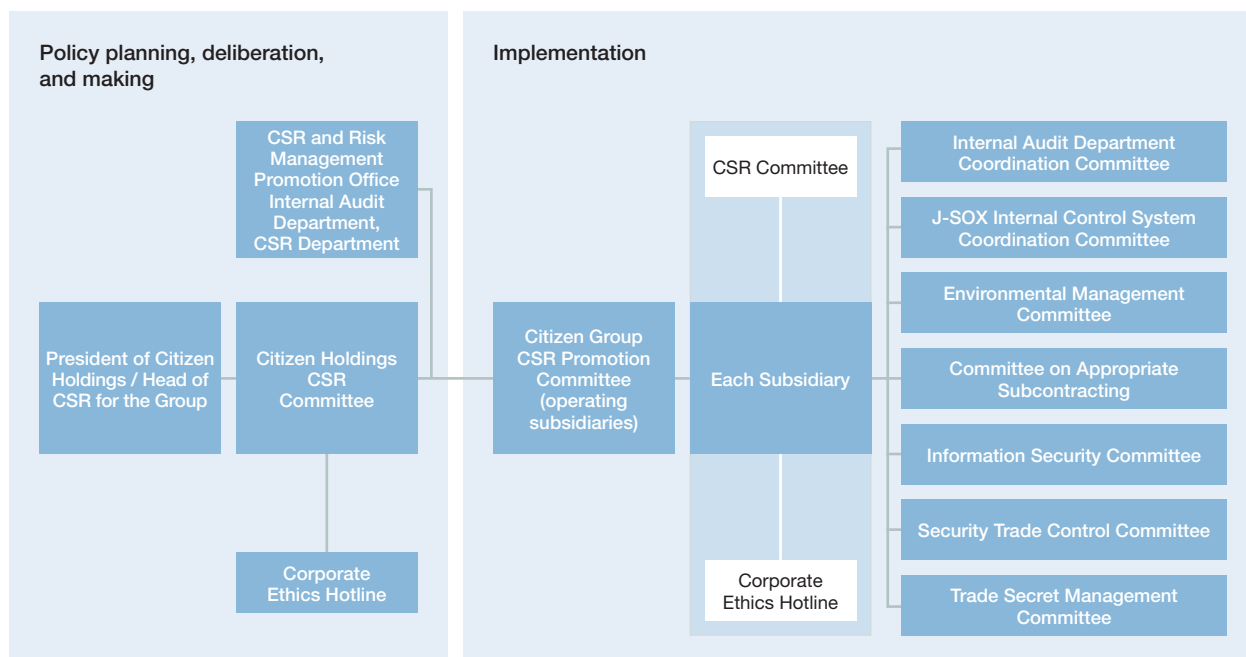
The Citizen Holdings CSR Committee, with the president of Citizen Holdings providing ultimate oversight, sets policies and drafts and proposes measures for the Citizen Group. Additionally, the committee partners with the auditing departments of Group companies to improve their CSR and risk management programs. Together, they perform audits and evaluations on program effectiveness and efficiency, focusing on governance. The committee also conducts seminars for management and Group-wide CSR training among other programs for raising awareness of these issues.

The 10 Principles of the U.N. Global Compact

Human Rights	Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2:	make sure that they are not complicit in human rights abuses.
Labour	Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4:	the elimination of all forms of forced and compulsory labour;
	Principle 5:	the effective abolition of child labour; and
	Principle 6:	the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7:	Businesses should support a precautionary approach to environmental challenges;
	Principle 8:	undertake initiatives to promote greater environmental responsibility; and
	Principle 9:	encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.

* U.N. Global Compact: By demonstrating responsible and creative leadership, companies and other organizations behave as good members of society and participate voluntarily in an international framework to realize sustainable growth. Joining the compact indicates a company's dedication to initiatives to achieve the 10 principles, based on a commitment by top management.

Schematic Diagram of Our CSR and Risk Management System



Citizen Group Code of Conduct

CITIZEN GROUP CODE OF CONDUCT

- 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 all countries and regions, 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.

Taking the Citizen Group Code of Conduct Overseas

To maintain a firm international CSR perspective and ensure consistency throughout the Group in Japan and overseas, in March 2015 we translated the Citizen Group Code of Conduct into four languages—English, Chinese, Thai, and Vietnamese—and distributed it to Citizen Group companies.



CSV Seminars

In response to employee feedback in the 8th CSR Awareness Survey, Citizen Holdings conducted a CSV Seminar for 173 members of six key companies. Attendees learned from outside instructors using case studies about good relations among the economy, society, and the natural environment, thereby clarifying their understanding of CSV. Working in groups, employees discussed the possibilities for each of their businesses. The seminar provided an opportunity for incorporating the perspective of resolving societal issues into business. Participants' comments included, "I got a sense of new possibilities for business creation," and "I would like to see this training rolled out to other departments, too."



To communicate the variety of CSR initiatives Citizen is undertaking as a global company in an easy-to-understand manner, this report follows the core themes of ISO 26000,* the international standard for organizational social responsibility, explaining initiatives in light of these themes.

* ISO 26000: An international guideline on social responsibility targeting a variety of organizations and issued by the International Organization for Standardization