

# 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 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.



### 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.

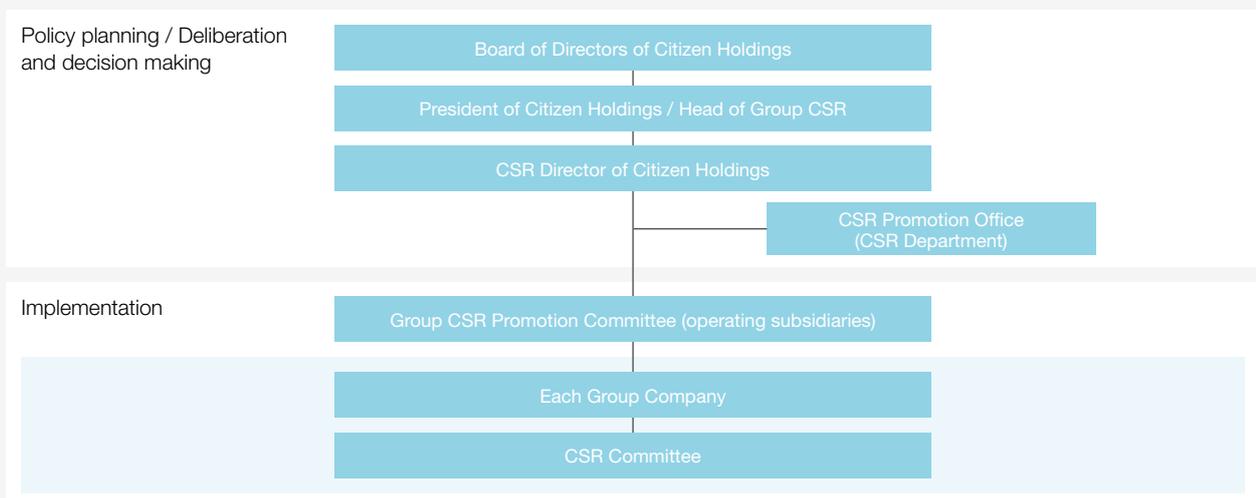
## ▶ CSR Promotion System

The Citizen Group has established the Group CSR Promotion Committee where the president of Citizen Holdings provides ultimate supervision and the CSR director acts as a committee member. In addition, the CSR Department acts as the CSR Promotion Office.

The Group CSR Promotion Committee determines policies and drafts measures for the Citizen Group and oversees their implementation. In addition, the committee conducts seminars and CSR training with the aim of promoting and

enhancing the CSR activities of each Group company. At the same time, the committee conducts CSR awareness surveys of all employees, including executives, to evaluate the Group's CSR activities and identify potential issues.

### Schematic Diagram of Our CSR Promotion 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.

The company and its employees will make untiring efforts to observe this Code of Conduct. If a situation that contravenes this Code of Conduct arises, the company will strive to resolve it and prevent its recurrence, and make an appropriate public report. The company will also take strict disciplinary measures upon determining the responsibility and authority of those involved.

Effective April 6, 2007

Enacted by the Corporate Strategy Committee of the Citizen Group

### CSR Seminars for Employees

In the 9th CSR Awareness Survey, employees expressed a desire to deepen their understanding of ISO 26000. In response to this feedback, we invited outside instructors to provide lectures on ISO 26000 and our CSR activities as well as integrated reporting. Participants' comments included, "How to go about enhancing the quality of our daily CSR activities is an issue we must address, and these lectures gave me a chance to once again consider the role of my division in overcoming this issue" and "The discussion on how the disclosure of non-financial information is gaining the attention of institutional investors as a means to ensure the credibility of corporate activities in general was extremely interesting." In this way, this seminar provided employees with an opportunity to consider the relationship that a company's business activities has with the development of a sustainable society.



Seminar conducted by the Group CSR Promotion Committee