The CITIZEN Group's CSR

Our Approach to CSR

We have established the "Citizen Group Code of Conduct" based on the corporate philosophy, "Loved by citizens, working for citizens." We believe that CSR activities contribute to the resolution of social issues, through disseminating this Code of Conduct to each and every employee and ensuring that it is practiced. The concept of broadly contributing to the lives of

people throughout the world, through 'manufacturing of products that are loved and trusted by citizens,' has been a part of our company since its foundation. In addition to offering good products, the CITIZEN Group also aims to meet the demands of society through its corporate activities and to be a corporation that continues to be indispensable.

Features of Our CSR Activities

While referring international social standards such as the United Nations Global Compact, in FY2016 we revised the "Citizen Group Code of Conduct," which embodies our corporate philosophy and solidifies the foundation of our CSR activities going forward. In addition, we reassessed the directionality of our CSR initiatives to date, based on factors such as the social landscape and demands from stakeholders including our customers and clients, and defined materiality

(material issues). We began "Workshop for Employees Raising Children" to create a pleasant work environment, published the group-wide "CSR Procurement Guideline" to advance responsible procurement, and encouraged environmental innovation to produce new, environmentally friendly products. Since April 2017, we have cooperated in temporary employee transfers to the Global Compact Network Japan.

*Please see the relevant pages of this digest and our CSR website for details on materiality.

CSR Management Structure

In October 2016, the three companies of CITIZEN HOLDINGS CO., LTD., CITIZEN WATCH CO., LTD., and CITIZEN BUSINESS EXPERT CO., LTD. merged to begin corporate activities as the newly formed CITIZEN WATCH CO., LTD. Coinciding with this merger, we reassessed and reinforced the CSR activities implemented as the CITIZEN Group up to that point.

Centering on the CSR Department of CITIZEN WATCH, the CSR committee and CSR department in each Group company collaborate and share information. The CSR departments in each group

company periodically meet and hold a Group CSR Liaison Conference in which they discuss directions and measures regarding group-wide activities, and share best practices within the Group, such as confirming the status of activities in each company.

In addition, the CITIZEN Group has linked its CSR objectives to the "Citizen Group Code of Conduct," and practices CSR activities in which everyone participates so that each employee contributes what they can to society on a daily basis without ever forgetting the origins.



Relationship with Stakeholders

The CITIZEN Group conducts corporate activities with the support of various stakeholders. We also communicate daily with our stakeholders to achieve our corporate philosophy, "Loved by citizens, working

for citizens." We endeavor to gain the trust of society and appreciate our relationship with our stakeholders as we aim to be a corporation capable of continuing to provide value.

\odot Government

We carry out fair and impartial corporate activities in accordance with laws, regulations, and societal norms, and each employee acts as a good member of society as well.

⊕ NGO · NPO

We hold dialogue with NGOs and NPOs, and build partnerships that utilize one another's fields of expertise.

Regional Community

Based on our corporate philosophy, we promote a variety of social contribution activities in accord with regional and international societies.

Customers

Aiming to further improve customer satisfaction, we continue endeavors that make the most of customer opinions in all businesses.

★ Stockholders

To steadily meet the trust and expectations of our stockholders and investors, we strive to conduct active dialogue and disclose appropriate information in the appropriate manner and at an appropriate time.

We work to realize fair and transparent transactions to advance and grow together with our clients Supplier, who are also our business partners

⊕ Employees

We respect each employee, recognize diversity, and are making efforts to create a work environment that is safe and pleasant for all.

The CITIZEN Group's Materiality and Sustainable Development Goals (SDGs)

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To establish materiality, the CITIZEN Group contemplated social issues important to society and our stakeholders, and examined them against our corporate philosophy, Code of Conduct, and business strategies from our medium-term management plan and other schemes in order to determine which are of the utmost importance to the CITIZEN Group. Moreover, linking the topics considered material to the CITIZEN Group to the

United Nations Sustainable Development Goals (SDGs) serves to reaffirm the importance of a sustainable society and clarifies anew what the CITIZEN Group can do to that end through its business activities.

The CITIZEN Group is taking long-term action and working earnestly to realize a sustainable society to take responsibility as a member of international society and become a "solid global company."

■ Strengthening Corporate Governance

With the goal of continually improving the CITIZEN Group's corporate value, we streamline our organization and company systems to conduct affairs efficiently throughout the Group, build an oversight mechanisms, and ensure transparent and sound

■ Creating a Pleasant Work Environment

We improve our corporate climate so that it recognizes diversity and enhances one another's skills. We accomplish a work environment where everyone can work in safety and peace of mind.





■ Comprehensive Risk Management

The CITIZEN Group promotes risk management to prevent all kinds of risk involving cross-sectional and individual undertakings, and to enable business to continue while taking into consideration the safety of employees and local communities in the event of an emergency.

■ Advancing Responsible Procurement

With the aim of optimizing procurement activities throughout the Group, together with our clients, we are working to resolve social issues in the supply chain.

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element of management, an action that is key to thoroughly spreading the "Citizen Group Code of Conduct."

■ Thorough Compliance

The Group as a whole promotes

thorough compliance as a core

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■ Promoting Environmental Innovation

We endeavor to reduce environmental load of/b CITIZEN Group products and in the value chain business process.







3.GOOD HEALTH AND WELL-BEING 5.GENDER EQUALITY 7.AFFORDABLE AND CLEAN ENERGY 8.DECENT WORK AND ECONOMIC GROWTH 10.REDUCED INEQUALITIES 12.RESPONSIBLE CONSUMPTION AND PRODUCTION 13.CLIMATE ACTION 14.LIFE BELOW WATER 15. LIFE ON LAND 16.PEACE, JUSTICE AND STRONG INSTITUTIONS 17.PARTNERSHIPS FOR THE GOALS

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