

## **CITIZEN Group Modern Slavery and Human Trafficking Statement for the Fiscal Year Ending March 31, 2025**

This statement is made pursuant to the United Kingdom Modern Slavery Act of 2015.

The CITIZEN Group (CITIZEN WATCH CO., LTD. and its group companies) endeavors to ensure that there are no violations of human rights nor complicity in the violation of human rights in any way in our own business operations or our supply chains. We hereby provide this disclosure statement regarding our activities to prevent and tackle modern slavery and human trafficking.

### **1. Organizational structure, businesses and supply chains**

The CITIZEN Group has been engaged in the manufacturing and sales of products in various business fields, such as Watches, Machine Tools, Devices & Components and Electronic Products, based on the compact precision technology which CITIZEN has developed since its establishment in 1918. Details of our corporate and business information can be found on the “About Us” page of the CITIZEN WATCH’s website.

Our business activities in the UK consist of sales of products and provision of services by our group companies: CITIZEN WATCHE UNITED KINGDOM, LTD. and CITIZEN MACHINERY UK LTD.

Materials, parts and some finished products used for production by the CITIZEN Group are purchased from external suppliers in and outside of Japan. The majority of our overseas suppliers are located in China, the Philippines, Thailand, Vietnam and Malaysia.

### **2. Policies related to modern slavery and human trafficking in operations and supply chains**

-CITIZEN Group Code of Conduct

<https://www.citizen.co.jp/sustainability/management/policy.html>

The CITIZEN Group Code of Conduct, which sets forth the basic stance of the CITIZEN Group's social responsibility and serves as a standard for the behavior and judgment required of each and every employee of the Group, has been established and translated into 10 languages for global

deployment.

-CITIZEN Group Human Rights Policy

<https://www.citizen.co.jp/sustainability/social/humanrights.html>

Based on the "respect for human rights" and "responsible and sustainable procurement" as stipulated in the CITIZEN Group Code of Conduct, we have formulated the CITIZEN Group Human Rights Policy to further respect "universal and fundamental human rights" and apply the policy to all officers and employees within the CITIZEN Group.

-CITIZEN Group CSR Procurement Guideline

<https://www.citizen.co.jp/sustainability/social/sourcing.html>

Through the CITIZEN Group CSR Procurement Guideline, we strongly demand that suppliers in our supply chain prohibit "forced labor, inhumane treatment, and child labor". At the same time, we require their cooperation in ensuring that the CITIZEN Group addresses social issues related to human rights, labor, the environment, and anti-corruption throughout its supply chain, to promote responsible procurement that supports the development of a sustainable society. These efforts are in line with the Ten Principles of the UN Global Compact.

-CITIZEN Group Responsible Mineral Procurement Policy

<https://www.citizen.co.jp/sustainability/social/sourcing.html>

The CITIZEN Group recognizes that the use of minerals (tantalum, tin, tungsten, gold, and cobalt) originating from conflict and high-risk areas (CAHRAs), such as the Democratic Republic of the Congo and its neighboring countries, as a source of funding for armed groups, contributing to conflict, human rights abuses and environmental destruction, is an important international issue. The CITIZEN Group Responsible Mineral Procurement Policy states that the Group will not use any mineral that may contribute to human rights abuses, such as child labor and forced labor, environmental destruction, conflicts, terrorist financing, money laundering, corruption, or illicit financing through mining, trading, handling, or export. Under our policy of not using these minerals, we are conducting surveys in line with the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict and High-Risk Areas, issued by the Organization for Economic Cooperation and Development (OECD).

The CITIZEN Group has also supported the Ten Principles of the UN Global Compact since we joined in it in April 2005.

### 3. Due diligence process and risk assessment related to modern slavery and human trafficking

Within the CITIZEN Group, we conduct human rights and labor monitoring surveys annually in accordance with the above “CITIZEN Group Human Rights Policy” to ensure that there is no child labor or and forced labor practices.

In addition, officers and employees of the CITIZEN Group can report to the internal or external compliance hotline if they know that the Code of Conduct has been, or is likely to be, violated. Whistleblowers are protected as they can report anonymously and any prejudicial treatment of whistleblowers is prohibited. The CITIZEN Group endeavors to detect and correct human rights risks as early as possible, by establishing various compliance hotlines.

As part of our commitment to human rights, the Citizen Group allows for anonymous reporting and prohibits any disadvantageous treatment of whistleblowers, thereby ensuring their protection. At the same time, to establish a “relief system” within the supply chain, we launched the “Supplier Hotline” in April 2023.

The Citizen Group Supplier Hotline serves as a reporting channel aimed at enhancing transparency and fairness in transactions with our business partners, and at building deeper relationships of trust. If there is any act that violates, or is suspected to violate, laws, contractual agreements, or the Citizen Group Human Rights Policy in transactions with our business partners, this hotline encourages such matters to be reported so that they can be addressed appropriately.

Through the establishment of these various hotlines, the Citizen Group strives for the early identification and correction of human rights risks.

The Citizen Group conducted awareness surveys and other assessments targeting the two group companies employing foreign technical intern trainees. As a result, no typical problematic behaviors or conditions—such as the retention of passports by the company, illegal long working hours, or other issues—were identified.

The Citizen Group is also engaged in group-wide risk management, including the identification and improvement of potential human rights and procurement risks within the supply chain. Specifically, we have identified potential risks related to conflict minerals and the labor environment at raw material suppliers, and are implementing measures to prevent and remedy these risks.

During fiscal years 2023 and 2024, we visited five raw material suppliers for our watch business in China and conducted on-site assessments using a proprietary “Occupational Health and Labor Management Checklist” to evaluate working environments involving polishing and dust exposure.

With regard to conflict minerals, we have strengthened due diligence on smelters for each 3TG mineral.

The Citizen Group will continue to take a unified approach to proactively prevent and remedy human rights risks. We also request our suppliers to cooperate with the Citizen Group CSR Procurement Guidelines to help eliminate supply chain risks, including modern slavery and human trafficking. In fiscal year 2024, we held briefing sessions for suppliers, including video-based formats, and requested key suppliers to deepen their understanding of CSR procurement, responsible mineral sourcing, and green procurement.

For human rights due diligence, we conduct surveys using the SAQ (Self-Assessment Questionnaire) as well as the CMRT and EMRT issued by the Responsible Minerals Initiative (RMI) for conflict minerals. Based on SAQ responses, we conduct additional assessments, referred to as supplier audits, as needed. In fiscal year 2024, these audits were conducted for 17 companies. We will continue to expand the scope of both self-assessment and on-site audits, and in cases where there is a risk of human rights violations by suppliers, we will request appropriate corrective actions.

The CITIZEN Group implements responsible mineral procurement initiatives in conjunction with CSR procurement. Targets and results are reported at the CITIZEN Group Sustainable Procurement Committee, which meets twice a year, and are linked to ongoing efforts and improvements aimed at realizing the CITIZEN Group Human Rights Policy.

#### 4. Training and capacity building related to modern slavery and human traffic

To deepen understanding of the importance of human rights and how it ties into our business, we designated December as “CITIZEN Group Human Rights Month”, starting in the fiscal year ended March 31, 2020. In fiscal year 2024, our understanding was deepened with respect to gender diversity among people working in our workplaces, focusing on “promoting awareness and understanding of sexual diversity”.

Each year, the CITIZEN Group Sustainable Procurement Committee invites outside lecturers to conduct "expert study sessions" to improve procurement risks and resolve issues. In fiscal year 2024, we held a study session on corrective actions in responsible mineral sourcing investigations, utilizing external advisory services.

This statement was approved by the Board of Directors of CITIZEN WATCH CO., LTD. on June 20, 2025.

June 20, 2024

高良治大

President & CEO

CITIZEN WATCH CO., LTD.