

Requests to Business Partners

The rapid globalization of the economic environment is making it more difficult for companies to complete their businesses alone. Under these circumstances, in order to fulfill our social responsibilities, we recognize that it is important to understand and put into practice the concept of CSR procurement together with our business partners throughout the entire supply chain. The "Requests to Business Partners" summarizes the Citizen Group's ideas from this perspective.

In April 2005, the CITIZEN Group signed up to the United Nations Global Compact (UNGC) and its universal human rights, labor, environment and anti-corruption principles. When revising our CITIZEN Group Code of Conduct, the UNGC principles are referred to, and they serve as the basis of the CITIZEN Group CSR activities. In order for the CITIZEN Group to practice this UNGC philosophy throughout the supply chain and fulfill our social responsibility together with our business partners, the "Requests to Business Partners" has been prepared to summarize the CITIZEN Group's approach to the 10 principles in four areas of the UNGC.

For the purpose of achieving sustainable business development between our business partners and the CITIZEN Group, we seek further cooperation from them in promoting CSR procurement, by deepening communication more than ever, based on the acknowledgement of the "Requests to Business Partners" along with the CITIZEN Group CSR Procurement Guidelines.

The CITIZEN Group will continue to fulfill its social responsibilities throughout the supply chain and work to strengthen cooperation with business partners so that they can offer products and services acceptable by customers with love.

CITIZEN ELECTRONICS CO., LTD.

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Citizen Group Code of Conduct

1. Act responsibly towards society and strive to raise the corporate value of the Citizen Group.
2. Create and promote products and services that demonstrate our commitment to safety, quality, and the environment.
3. Engage in business practices that are fair, transparent, open to competition, and responsible.
4. Respect human rights and diversity, and provide a safe and pleasant working environment.
5. Recognize the importance of environmental conservation, and take voluntary and proactive measures.
6. Manage and protect company assets in an appropriate manner.
7. Abstain from actions that would harm the company's long-lasting values.
8. Strive to contribute to regional communities in which we operate.。

(Revised on January 1, 2017)

Citizen Group Human Rights Policy on

The Citizen Group (Citizen Watch Co., Ltd. and its group members) has a corporate philosophy of "Be loved by and contribute to citizens" and seeks to contribute to the lives of people around the world.

In addition, the Citizen Group announced in April 2005 that it would participate in the United Nations Global Compact as a company that conducts business globally, and the entire group is putting its ten principles into practice.

In pursuing this initiative, the Citizen Group is seeking to fulfill its responsibility to respect the human rights, or the fundamental rights that all people have by nature, across its value chain by offering products and services acceptable by customers with love.

1. Fundamental Policy on Human Rights

Citizen Group supports and maintains international norms relating to human rights. These include the International Bill of Human Rights (International Covenants on Human Rights/Universal Declaration of Human Rights/International Covenant on Civil and Political Rights/International Covenant on Economic, Social and Cultural Rights), which describe the fundamental human rights that should apply to people throughout the world. They also include fundamental rights relating to labor as outlined by the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work (including freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, the effective abolition of child labor, and the elimination of discrimination in respect of employment and occupation). These policies have also been formulated based upon the UN's Guiding Principles on Business and Human Rights.

Citizen Group ensures that its business activities conform with laws and regulations in the respective countries and regions it operates in. If there are inconsistencies between internationally recognized human rights and

the laws/regulations of individual countries or regions, the Group pursues methods which fundamentally respect international human rights.

2. Applicable Boundaries

This policy applies to all executives and employees of Citizen Group. Citizen Group also expects that all business partners related to its products and services conform to these policies.

3. Respecting Human Rights throughout our Business Operations

Citizen Group respects the dignity and rights of all people. It works to ensure that fundamental human rights are maintained and respected throughout its business operations, and that it does not contribute to infringing on these rights. The Group ensures that these rights continue to be respected through its responses to any negative effects on human rights uncovered in the Group's operations. The Group ensures that progress is made with its efforts to respect human rights by following the policies and guidelines it has created for the various fields it operates in. If the Group determines that its business operations are having a negative influence on human rights, it takes responsibility by both implementing remedial measures to resolve these issues as well as by making appropriate corrective responses.

※Individuals in charge

Citizen Group ensures that there is clarity regarding which executives are responsible for executing these policies, and monitors the status of their implementation

※Human Right Due Diligence

Through its efforts towards due diligence, Citizen Group aims to identify any negative influences on human rights it might have, and both prevent and/or mitigate their effects.

※Education/Training

Citizen Group has implemented all required administrative procedures to ensure that the policy becomes incorporated throughout its business operations. It also provides appropriate education and training to both executives and employees, thus ensuring the policy are fully understood and effectively implemented.

※Employment and Labor

(Prohibition of Forced / Child Labor)

As defined by local laws and regulations, Citizen Group does not employ children who are younger than the legally required working age. In the same way, it does not allow forced labor. The Group also requires that its business partners and suppliers follow these.

(Positive Employer-Employee Relationships)

Citizen Group promises to respect the freedom to form unions and recognition of collective bargaining rights.

(Elimination of Discrimination)

Citizen Group works to ensure equal opportunities for employment, job placement, advancement, and development of skills.

※Dialogues/Consultations

Citizen Group consults with related stakeholders when responding to latent and actual issues relating to human rights.

※Remedies

If Citizen Group has had a negative effect on human rights, or has contributed to this in some manner, the Group will work to implement proper effective corrective measures and remedies through taking necessary actions both inside and outside of the Group.

※Disclosure of Information

Citizen Group reports on its human rights efforts through both its website and CSR report.

Established: April 1, 2019

Citizen Watch Co., Ltd.

President & CEO

Toshihiko Sato

Citizen Group Basic Policy on Health and Safety

<Basic Policy>

The Citizen Group aims to make an extensive contribution to the lives of people around the world under the corporate philosophy of "Be loved by and contribute to citizens." To that end, recognizing that "ensuring safety and health is essential", we promote the creation of a work environment that ensures the security and sanitation of the workplace, as well as the safety and physical and mental health of workers.

<Applicability>

This policy applies to all Citizen Group executives and employees.

<Action Guidelines>

1. We will comply with local safety and health-related laws and regulations and improve management levels.
2. To prevent unforeseen accidents and disasters, we will always be aware of safety during work and endeavor to prevent occupational accidents.
3. We will establish a system to promote health and safety activities and clarify responsibilities related thereto.
4. We will evaluate risks and harms thoroughly in the area of business activities in order to reduce health and safety risks.
5. To build a safe and healthy workplace, we will establish a system to maintain mental and physical health and will support health management.
6. We will fully communicate the importance of safety and health activities through training and education.
7. We will regularly monitor the status of health and safety activities, make improvements, and disclose information as necessary.

(Established: April 1, 2020)

Citizen Group Environmental Policy

<Basic Policy>

Based on its corporate philosophy of "contributing to and being loved by citizens," the Citizen Group will contribute to a sustainable civil society where people can live rich in spirit and with peace of mind, by carrying out business activities, while keeping the global environment and people all over the world strongly in mind.

<Environmental Action Guidelines>

1. We will endeavor to preserve the global environment by reducing adverse environmental impact throughout the life cycle of our products and services and by promoting "environmentally friendly manufacturing" through the development and provision of environmentally friendly products.
2. We will comply with laws, ordinances, regulations, agreements and other requirements regarding the environment.
3. We will endeavor to mitigate and adapt to climate changes by promoting greenhouse gas reduction and energy saving in our business activities.
4. We will endeavor to use resources sustainably by saving resources, reducing waste, conserving water resources, and taking other appropriate actions.
5. We will endeavor to prevent pollution by strengthening the management of chemical substances contained in products or handled at business sites.
6. We will strengthen harmony with local communities by deepening communication with them through such initiatives as participation in environmental conservation activities and in biodiversity and ecosystem protection activities in local communities.
7. We will strengthen the environmental awareness of our employees through education and awareness building activities concerning the environment. We will also actively disclose information on environmental initiatives to fulfill our accountability to the community.

The Citizen Group will establish environmental targets in accordance with this Environmental Policy and work with suppliers, buyers, and other business partners to implement, evaluate, and continuously improve those targets. This Environmental Policy will be made publicly available and communicated to all employees and people working together.

(Established: December 26, 2019)

Citizen Group Anti-Corruption Policy

Since its establishment, the Citizen Group has been seeking to contribute widely to the lives of people around the world through its business activities under the corporate philosophy of “Be loved by and contribute to citizens”. The Citizen Group recognizes that corruption in all its forms, including extortion and bribery, is one of the key issues that significantly undermine corporate trust. We will clarify our attitude that we will not allow any such misconduct in the pursuit of profits and will actively work to prevent corruption, including giving or receiving any gift or entertainment that may cause social suspicion or distrust, through a sound relationship with our stakeholders. We also seek understanding and cooperation for similar initiatives throughout the supply chain.

1. We will comply with international anti-corruption rules and laws and regulations relating thereto in countries and regions where we do business.
2. We will not give or receive gifts or entertainment for the purpose of acquiring or maintaining unfair profits or preferential treatment. Also, we will not give or receive gifts or entertainment that deviates from normal business practices or social common sense. We will continue to review business practices in order to ensure economic rationality, consumer interests, transparency, and fairness.
3. Based on fair, transparent and free competition, we will maintain clean and healthy relationships with government agencies, for example, by prohibiting facilitation payments.
4. We will not approach antisocial forces and will not be involved in such crimes as money laundering.
5. In order to prevent violations of laws and regulations, to detect them early, and to reinforce our self-cleaning actions, we will establish an internal reporting system that allows anonymous reporting to both internal and external organizations.
6. By working to understand social trends related to anti-corruption and by implementing anti-corruption education, we will continuously improve our anti-corruption efforts as needed, including training of officers and employees on this Policy and relevant internal rules.
7. In the event that an unexpected situation arises in relation to the prevention of corruption, we will promptly investigate the cause, take appropriate action to prevent recurrence, and disclose information to the public and fulfill accountability.

8. We will conduct audits to ensure that the anti-corruption system based on this Policy is functioning properly, that necessary training is provided, that appropriate responses are made to unforeseen circumstances, and that accountability and other action are satisfied through information disclosure. Audit results will be periodically reported to the Board of Directors. This Policy shall be reviewed periodically and approved by the Board of Directors.

Citizen Watch Co., Ltd.
(Established: April 1, 2020)

Citizen Group Procurement Basic Policy

Citizen Watch provides various kinds of products/services under its corporate philosophy “Loved by citizens, working for citizens.” For the procurement of articles and services necessary for this, we have decided the following procurement basic policy in order to carry out fair, transparent, and free trading.

1. Fair and transparent trading

For the procurement of articles and services, we select our partners based on ethical standard measuring their compliance with laws and regulations, and social norms besides quality, price, and delivery date.

2. Compliance with laws and regulations, and social norms We will comply with laws and regulations, and social norms of each country.

3. Respect for human rights and considerations for work environments We respect internationally declared human rights standards and promote procurement activities with considerations for work environments.

4. Promotion of Green Procurements with considerations for the environment To promote environmentally-friendly manufacturing, we adopt components with less environmental loads in a preferential manner, to contribute to the reduction of loads on the global environment.

5. Co-existence and co-prosperity with partners

We will build a better partnership with all the partners with whom we can share the goal, either in Japan or overseas.

(Established: April 2017)

Citizen Group CSR Procurement Guidelines (Version 2)

Citizen Group (Citizen Watch Co., Ltd. and its group companies) aims to contribute to the living of the population of the world widely through “manufacturing activities well-loved by and friendly to citizens”, by hoisting the corporate philosophy of being “well-loved by and contributing to citizens”. With such corporate philosophy as a slogan, Citizen Group intends to create strong partnerships with its business partners who give due consideration to social issues and actively promote CSR, based on the spirit of the “United Nations Global Compact” concerning the human rights, labor issues, the environment and corruption prevention, and by strictly abiding by the “Code of Behavior Charter of Citizen Group”.

While we have been soliciting our business partners to be involved in CSR initiatives, we revised here our “Citizen Group’s CSR Procurement Guidelines” in order to further develop the relationships of mutual trust with our business partners and to proceed with responsible procurement activities, towards the realization of sustainable society.

We sincerely would like all of you to understand and agree to the aims of the Guidelines and cooperate with us in promoting CSR procurement activities, including further propagation of the initiatives in your supply chains.

Corporate Governance

1. Establishment of a CSR promotion system

We endeavor to conduct business activities to achieve a sustainable society while observing the law as a responsible company, abiding by social norms, meeting society’s expectations, and taking care not to have a negative impact on society and the environment. Toward that end, we establish a system for risk management of ESG (environment, social and governance) related to CSR and for implementing the PDCA (plan, do, check and act) cycle.

2. Healthy business activities

With a view to establishing an organizational structure for sound corporate management, we establish management systems and schemes within our company to ensure compliance with laws and regulations related to our business activities, effectiveness and efficiency of our operations as a company, and

reliability of financial reporting and asset protection, and secure proper and effective business execution, transparency of management, and multifaceted management monitoring system.

3. Risk management

Toward the enhancement of our corporate governance and product quality compliance, we secure and establish schemes to verify the progress of the state of our addressing risks and our response status against important risks and to respond to new risks including ESG risks such as those related to compliance and BCP (business continuity plan), trade secret, intellectual property, information security, labor practice, and environmental problems, in addition to financial risks.

4. Establishment of a whistle-blower system

For prevention, early detection, and improvement in the self-cleaning functions of compliance-related problems in our company's business activities, such as legal violation or wrongful act or an act that could be a compliance problem, or for our employees who themselves have suffered human rights or labor abuses, we secure a system for our employees to directly report to or consult with a dedicated department or outside contact, even anonymously. We also secure a system to ensure confidentiality and that the whistleblower or the persons who have consulted will not be treated unfavorably.

5. Disclosure of information

We place importance on the relationships with society and stakeholders in our business activities, we promptly and accurately disclose financial information and non-financial information in response to requests for transparency and accountability.

Human rights

1. Respect for human rights and prohibition of discrimination

We support and respect protection of internationally declared human rights*, and strongly deny any kind of discrimination (including but not limited to any discrimination based on gender, sexual orientation, sexual expression, age, existence of a disability, nationality, race, skin color, religion, and marital history).

* Universal Declaration of Human Rights, International Labor Organization's Declaration on Fundamental Principles and Rights at Work, Ten Principles of the

UN Global Compact, UN “Guiding Principles on Business and Human Rights”, OECD Guidelines for Multinational Enterprises, and UK Modern Slavery Act, etc.

2. Avoidance of complicity in human rights abuses

We take due care so that none of our business activities, products nor services will ever cause human rights abuses or lead to complicity in human rights abuses. Should it become clear, however, that we happened to be involved in any of such issues, we properly deal with corrections and remedies of the situation by taking appropriate procedures.

3. Prohibition of inhumane treatment

We respect human rights of our employees and prohibit any kind of inhumane treatment such as abuse, physical punishment and harassment.

Labor

1. Basic attitude toward labor practices

We recognize that the labor principles presented in international norms* as universal values and adopt them as our basic workplace principles.

* Universal Declaration of Human Rights, International Labor Organization’s Declaration on Fundamental Principles and Rights at Work, Ten Principles of the UN Global Compact, UN “Guiding Principles on Business and Human Rights”, OECD Guidelines for Multinational Enterprises, UK Modern Slavery Act, etc.

2. Provision of equal opportunities

We respect each of our employees, provide them with equal opportunities for promotion and training, establish a proper system where everyone can fully demonstrate his or her abilities, and endeavor to provide them with a place for their career advancement and human resources development. During recruitment process, we place emphasis on the abilities, aptitude and willingness/motivation of the applicants, and endeavor to ensure/maintain equal opportunities and diversity among them.

3. Payment of fair wages

We abide by the legal minimum wage of the country and region where our business activities are conducted, and will not reduce wages unreasonably. We abide by the laws and regulations of the country and region where our business

activities are conducted regarding overtime work, payroll deduction, piecework wage, other benefits, etc. At the time of paying wages, we deliver pay slips that can confirm the accurate rewards corresponding to the work performed, at the appropriate time.

4. Fair application of working hours, time off, and paid time, etc.

We abide by working hours agreed to with employees in advance and ensure that employees' working hours are managed appropriately so that they do not exceed the statutory limit in the country and region where our business activities are conducted, and seek for prevention of excessive overtime work. All of our employees are given the right to take paid time off and also given at least one day off per week.

5. Prohibition of forced labor

We avoid making people work against their will and making people do work that restricts their freedom to leave their jobs. We ensure that work coercion using unjustified means of restraint, compulsion of overtime work and bonded labor, slave labor, prison labor, etc. are not practiced and also that unjustified retention of identification documents and unjustified collection of deposits are not practiced.

6. Prohibition of child labor

We avoid employing children under the legal working age in the country and region where our business activities are conducted. We ensure that children are not made to perform night work, dangerous work, etc. that could harm their health, development, safety, or morals.

7. Recognition of freedom of association and the right to collective bargaining

We respect basic labor rights of our employees such as their freedom of association, freedom to join a labor union, and their right to collective bargaining.

8. Proper management of employees' safety and health

We secure safety of the work environment and perform inspections and proper maintenance of our facilities thoroughly so as to prevent unforeseen accidents and disasters. We grasp the risks of harmful chemical substances, noise, odors, etc. on the human body, and secure sanitary, safe and healthy work environment. We promote creation of a workplace considerate of employees' mental and physical

health.

Environment

1. Basic attitude toward environmental initiatives

We should be aware of environmental issues in business processes and establish systems to resolve them. We also identify factors that have an impact on the environment and properly manage them.

2. Management of chemical substances

We manage chemical substances indicated in laws and regulations of the country and region where our business activities are conducted, and ascertain and report the amount of handled chemical substances to the government properly.

3. Reduction of environmental burden

We endeavor to prevent occurrence of pollution, monitor and control waste water, sludge and air emission, etc., and to reduce outflow. We also set our independent reduction targets for reduction of environmental burden at the level prescribed by law in the country or region where our business activities are conducted or even more rigorous voluntary environmental impact reduction targets, and make further improvements thereof.

4. Sustainable and efficient utilization of resources (energy, water, raw materials, etc.)

We set our independent reduction targets for implementing resource conservation and energy savings, and make efforts to use resources and energies effectively and continuously.

5. Reduction of GHG (greenhouse gases) emissions

As a means to combat climate change, we set our independent reduction targets for greenhouse gases such as carbon dioxide, methane and fluorocarbons, and endeavor to reduce them continuously.

6. Reduction of waste

We set our independent reduction targets for waste, and endeavor to conduct responsible disposal or recycling of waste.

7. Protection of biodiversity

We conduct investigations into the direct and indirect impacts of our business on the ecosystem, and endeavor to protect biodiversity and ensure its sustainable utilization.

Fair business practices

1. Corruption prevention

We maintain healthy relationships with national/local governments and public officials in the country and region where our business activities are conducted, by establishing appropriate relationships with them.

2. Prevention of the giving and receiving of improper advantages

We maintain healthy relationships with our customers and trade partners, etc. in sales and purchasing activities, etc., by preventing the giving and receiving of improper advantages between ourselves.

3. Prevention of competition law violations

We prevent unfair business practices such as bid rigging, cartels, abuse of dominant bargaining position, and other unfair trading practices from occurring.

4. Rejection of relationships with antisocial forces

We prohibit our employees to make contact with and any benefit-giving to antisocial forces.

5. Respect of a third party's intellectual property

We respect intellectual property rights including patent rights, copyrights, and trademark rights, and do not infringe others' intellectual property rights.

6. Prohibition of insider trading

We prohibit persons involved with a listed company, etc. from using undisclosed company information to trade that company's stocks, etc.

7. Prohibition of acts with conflicting interests

We prohibit our employees from enjoying personal benefits at the expense of the company's benefits. Any act that may be interpreted as such must be avoided and appropriate trading must be pursued.

8. Services for responding to complaints from outside the company and for consultations

Our trade partners or customers who have knowledge of important risk information can directly report or consult with a dedicated outside contact department of our company. We establish a system to ensure confidentiality and to ensure that the informant will not be treated unfavorably.

9. Establishment of a BCP (Business Continuity Plan) system

We establish a system where quick restoration is realized while our continuing important duties and businesses even in the event of occurrence of a state of emergency such as disasters.

10. Management of confidential information and protection of private information

We perform proper management so that any of confidential information of our customers, business partners, our own company, etc. is never leaked. We also properly manage and protect private information of our customers, trade partners, our employees, etc.

Quality and safety

1. Ensuring product and service quality and safety

We provide products and services that meet the quality standards required, and the safety standards stipulated in laws and regulations of the country and region where our business activities are conducted.

2. Appropriate response to product and service accidents

In order to prepare for situations where any accident relating to our product or service has occurred or where any defective goods of our company have been circulated, we establish a system by which we disclose information promptly, notify the relevant authorities of the situation, recall the product in question and take safety measures for our supply destinations, and strive to prevent recurrence.

3. Response to our customers' needs

We provide environment-friendly and socially beneficial goods and services that pursue quality and costs acceptable to our customers, by correctly grasping the social needs.

Information security

1. Basic attitude toward information security

We properly manage and protect information obtained through our business activities and to take defensive measures against threats on our computer networks.

2. Defense against attacks on computer networks

We take defensive measures against attacks on our computer networks, and manage so as to not cause damage to our company and to any other companies.

Supply chain

1. Basic attitude toward the supply chain

In order to fulfill social responsibility not only of our company but also throughout the supply chain, we endeavor to make the importance of sustainable procurement policy widely known and spread among our trade partners.

2. Responsible procurement of minerals

We make it our company's policy not to purchase nor use raw materials using tantalum (Ta), tin (Sn), tungsten (W) and gold (Au), which are conflict minerals connected to inhumane acts committed by local armed groups in the Democratic Republic of the Congo and its surrounding regions.

Harmonious coexistence with local communities

1. Contribution to local communities

We respect the culture and customs in the country and region where our business activities are conducted and carry out initiatives which can contribute to the sustainable development of local communities.

(Amended on April 1, 2020)