

DRC Conflict Free Mineral Management for CITIZEN L Independent Review Report



To: Citizen Watch Co., Ltd

September 1st, 2016

Bureau Veritas Japan Co., Ltd.
System Certification Services Headquarters



Bureau Veritas Japan Co., Ltd. (Bureau Veritas) has been engaged by Citizen Watch Co., Ltd (Citizen) to conduct an independent review of the operational application of the internal procedure in place to ensure DRC conflict free mineral sourcing for its CITIZEN L product line.

Bureau Veritas has the responsibility to carry out an independent review and produce a statement on the operational application of the procedure in place for managing Citizen's DRC conflict free mineral sourcing for CITIZEN L. Bureau Veritas is not providing assurance over the DRC conflict free status of minerals sourced by Citizen.

1. Review Methodology

Bureau Veritas visited Citizen's Head Office to review its procedure for managing its DRC conflict free minerals sourcing for CITIZEN L. Bureau Veritas conducted reviews of the following:

- The supplier survey, including the process in place and the assignment of roles and responsibilities for completing the survey; and
- The DRC conflict free mineral survey plan and reported results by CITIZEN L suppliers.

2. Review Standard

Bureau Veritas conducted its review on a sampling basis using Bureau Veritas' performance audit review procedure. This procedure refers to the following international standards and guidelines:

- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Due Diligence Guidance)
- U.S. GAO, The Generally Accepted Government Auditing Standards

3. Review Conclusions

Based on our review activities,

- No evidence has come to our attention to suggest that there was:
 - significant inconsistency between the defined procedure by Citizen and its operations
 - significant error in the information disclosed on the CITIZEN L website and the information gathered during the Citizen Head Office visit
- Bureau Veritas found that Citizen had identified clear roles and responsibilities for the delivery of the supplier survey and reporting on its DRC conflict free mineral sourcing for its CITIZEN L product line.

Note

- DRC : Democratic Republic of the Congo