

# OMRON Group Modern Slavery Act Statement for FY2023

This OMRON Group Modern Slavery Act Statement for FY2023 (“Statement”) is made to fulfill reporting obligations based on the UK Modern Slavery Act 2015 and the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act.

The OMRON Group (as defined in this statement) strives to ensure that no infringement of human rights takes place in any part of our business and supply chains, and that we do not have a hand in any other party’s infringement of human rights. While doing so, we recognize that slavery and human trafficking are major global issues. We are also aware that slavery could occur in business in the form of forced labor or child labor. The following describes OMRON’s activities in our business and supply chains to prevent slavery and human trafficking for the fiscal year ended March 31, 2024 (FY2023).

## 1. About OMRON

OMRON Corporation and its 165 consolidated subsidiaries (jointly, the “OMRON Group”) employ approximately 28,000 employees worldwide, all who work to provide products and services globally. We are engaged in automation-related businesses, drawing on their core technology of sensing and control. Our business fields cover a broad spectrum, ranging from industrial automation and electronic components to social infrastructure systems including automated ticket gates, solar power conditions, and healthcare.

OMRON Corporation provides this statement on behalf of the multiple overseas subsidiaries subject to disclosure requirements in their respective regions.

OMRON Group companies subject to the UK Modern Slavery Act:

- OMRON EUROPE B.V.,
- OMRON ELECTRONICS LTD.,
- OMRON ELECTRONIC COMPONENTS EUROPE B.V.,
- OMRON HEALTHCARE EUROPE B.V.

Companies subject to the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act:

- OMRON CANADA INC.
- OMRON HEALTHCARE INC.

Further details regarding the OMRON Group and our business are available on the OMRON Global website: <https://www.omron.com/global/en/about/corporate/outline/>

The OMRON Group conducts business with more than 1,800 suppliers worldwide. We strive to procure materials, processed parts, subassemblies, products, equipment, and other items in optimal locations depending on the procurement items and local business conditions. By region, suppliers in Asia (Japan, China, and Asia-Pacific) account for over 90% of procurement.

Further details regarding our supply chain are available on the OMRON Global website: <https://sustainability.omron.com/en/procurement/policy/>

## 2. Our policies in relation to the prevention of slavery and human trafficking

### A. The OMRON Principles

The mission of the OMRON Group is “To improve lives and contribute to a better society” as stated in the OMRON Principles. The values of the OMRON Group to live up to are; “Innovation Driven by Social Needs,” “Challenging Ourselves,” and “Respect for All.” The value “Respect for All” represents our pride in acting with integrity and our ongoing belief in human potential. The value of “Respect for All” also refers

to respecting diversity, personality, and individuality, while additionally comprising the underlying values for all our activities, as we pursue fulfillment at work and a rewarding life at home and in society. The OMRON Principles are accessible via the following link:

<https://www.omron.com/global/en/about/corporate/vision/philosophy/>

## **B. OMRON Human Rights Policy**

As of March 1, 2022, the OMRON Group had established the OMRON Human Rights Policy ("Policy"). The Policy forms the basis for the human rights initiatives of the OMRON Group. It states that OMRON will conduct due diligence based on the UN Guiding Principles on Business and Human Rights (UNGPs) and does not tolerate forced labor, child labor, and any other practice, including slavery and human trafficking, that could cause or encourage negative impacts on human rights. The Policy is accessible via the following link:

<https://sustainability.omron.com/en/social/human-rights/>

## **C. OMRON Group Sustainable Conduct Policies and Rules for Ethical Conduct**

We have established the "OMRON Group Sustainable Conduct Policies" and "Rules for Ethical Conduct" to stipulate our basic policies for management practices. These also include action guidelines that OMRON Group directors, officers, and employees are required to follow. The "OMRON Group Sustainable Conduct Policies" and "Rules for Ethical Conduct" clearly indicate that the OMRON Group is conscious of the fact that all human beings are born to be free and equal, and that we must respect the basic human rights of all individuals. Also specified is the prohibition of discrimination on any basis and violation of human rights in any other form. Moreover, the "OMRON Group Sustainable Conduct Policies" and "Rules for Ethical Conduct" prohibit any form of forced, compulsory, or child labor, including slavery and human trafficking. The "OMRON Group Sustainable Conduct Policies" and "Rules for Ethical Conduct" are accessible via the following link:

[https://www.omron.com/global/en/assets/img/sustainability/pdf\\_inquiry/omron\\_group\\_sustainable\\_conduct\\_policies\\_rules\\_for\\_ethical\\_conduct\\_fy21.pdf](https://www.omron.com/global/en/assets/img/sustainability/pdf_inquiry/omron_group_sustainable_conduct_policies_rules_for_ethical_conduct_fy21.pdf)

## **D. OMRON Group Purchasing Policies and Sustainable Procurement Guidelines**

For our supply chains, we have also established the "OMRON Group Purchasing Policies" which set forth our commitment to fulfilling our corporate social responsibility by globally promoting comprehensive sustainable procurements. These cover compliance with laws and regulations and also focus on environmental preservation. For the implementation of these "OMRON Group Purchasing Policies", we have also established the "OMRON Group Sustainable Procurement Guidelines" which clearly specify that slavery and human trafficking are prohibited and should not take place in any part of our supply chain. We request that all our suppliers understand and acknowledge these "OMRON Group Sustainable Procurement Guidelines" and follow them. The "OMRON Group Sustainable Procurement Guidelines" were established by referring to the Responsible Business Alliance ("RBA") Code of Conduct and incorporating content therein. Both the "OMRON Group Purchasing Policies" as well as the "OMRON Group Sustainable Procurement Guidelines" are accessible via the following links:

<https://www.omron.com/global/en/about/corporate/purchase/>

[https://www.omron.com/global/en/assets/file/about/purchase/purchaseguideline\\_en.pdf](https://www.omron.com/global/en/assets/file/about/purchase/purchaseguideline_en.pdf)

# **3. Our efforts to prevent slavery and human trafficking**

## **A. Due diligence**

### **( i ) Due diligence process**

As a part of our human rights due diligence process, OMRON conducts company-wide human rights impact assessments and does a systematic periodic review of the risk mapping of potential issues. Regarding forced labor including slavery, a priority issue, we learned that potential risks could arise in OMRON Group production sites and supply chains in Japan, China, and Southeast Asia by human rights

impact assessments conducted in FY2022. We determined that potential risks are especially high with temporary workers, contract workers, and foreign workers who are engaged in production. We conducted additional assessments for these risks in FY2023.

OMRON has also joined the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to responsible business conduct in global supply chains, in January 2024. Accordingly, OMRON upholds the RBA Code of Conduct and strives to prevent forced labor in OMRON Group production sites as well as in our supply chains through due diligence that meets RBA standards. Further details regarding OMRON's human rights initiatives are accessible via the following links:

<https://sustainability.omron.com/en/social/human-rights/>

## **( ii ) Risk assessment and measures taken**

As we did in the previous fiscal year, for FY2023 we conducted risk assessments that meet RBA standards at OMRON group production sites as well as in our supply chain and took measures, responding to risk assessment results. The details are as follows.

### ***OMRON Group internal initiatives:***

Internally, we conducted surveys to assess human rights risks at 25 production sites, mainly those in Japan, China, Asia Pacific, Europe, and the Americas, using the Self-Assessment Questionnaire (SAQ) from the RBA. Of these sites, the Chinese factory (in Dalian) and the Vietnamese factory underwent a third-party audit with the RBA Validated Assessment Program (RBA-VAP). Responding to audit results, several corrective measures related to labor management and health & safety were executed.

Following the previous fiscal year, the Vietnamese factory once again underwent a third-party audit in FY2023. For matters regarding personal protective equipment such as masks that the audit pointed out, corrective measures were taken to use suitable protective equipment in compliance with RBA requirements. The Dalian factory that was awarded PLATINUM status, the highest in the RBA certification program, conducted monthly compliance reviews for specified items in order to improve and maintain its compliance status with the RBA Code of Conduct.

As one of our key challenges, we are continuously working on the protection of human rights for the employees of contractors who provide services (such as production, development, in-house logistics, security guards, meal service, cleaning, etc.) at our production sites. To address this challenge, we conducted human rights training programs and operated whistleblower systems in Japan, China, Asia Pacific, Europe, and the Americas. We also proceeded with the monitoring of onsite contractors concerning human rights and labor practices. When onsite contractors' employees start working within our sites, we communicate with them about our human rights policy and human rights-related initiatives such as access to remedies open to them, which include human rights consultations and compliance hotline programs. Additionally, targeting contractors' onsite leaders, we offer them human rights training sessions so that they can share the learnings with the rest of their onsite members as well. We ask onsite contractors to comply with the OMRON Group Supplier Code of Conduct, provide information related to onsite personnel, and ensure that secondary suppliers are fully aware of the Code. We require them to confirm their agreement in writing.

### ***Initiatives in the OMRON Group supply chain:***

As for our supply chains, as mentioned in this statement, we are working together with our suppliers to prevent the occurrence of human rights-related issues. To avoid the risk of infringing upon human rights, we implement a periodic review of our suppliers. Specifically, we conduct a survey by distributing self-assessment sheets. With these, suppliers can confirm their compliance with the "OMRON Group Sustainable Procurement Guidelines", including observance of human rights and fair labor practices. Based on the results of the survey, we request that suppliers make improvements as necessary. We conduct assessments every year for critical suppliers selected based on transaction volumes and importance, and at least once every three years for other suppliers.

In FY2023, we conducted RBA SAQ assessments for 60 critical suppliers and conducted a self-assessment questionnaire on human rights and labor practices for another 637 suppliers. Based on the results of a risk analysis conducted in FY2022, we have designated suppliers with production bases in China and Malaysia in particular as targets of our initiatives through FY2024. As a specific initiative implemented in FY2023, more detailed self-assessments on human rights issues were performed at 69 Chinese suppliers performing labor-intensive operations posing high potential risk regarding human rights, and 51 Malaysian suppliers that employ foreign workers from neighboring countries. Detailed checking of the self-assessment responses indicated two Chinese suppliers and three Malaysian suppliers posed high potential risk concerns. For these suppliers, we conducted on-site surveys and discovered the following conditions: "No properly trained staff available for providing first-aid medical procedures for injured or sick workers" (China) and "No contracts concluded with foreign workers in their native languages when employed" (Malaysia). We have indicated the results to the companies and are asking them to make improvements based on the corrective action plans.

### **( iii ) Training**

With the aim of promoting fairness, integrity, and honesty in business practices, OMRON has designated October of each year as "Corporate Ethics Month". During this month, messages from top executives regarding business ethics are delivered to employees and executives of OMRON Corporation and its subsidiaries throughout the world. These messages are delivered in 14 different languages. In FY2023, human rights training under the theme "Business and Human Rights" was executed. The training program consisted of self-education through e-learning for informing employees of the OMRON Human Rights Policy and international human rights-related issues, disseminating them, and mutual-learning-based discussions for deepening awareness of the need for businesses to respect and protect human rights. 98.9% of OMRON Group employees and contractors who provide service at OMRON Group production sites worldwide undertook training to increase their understanding of respect for human rights. To additionally target managers and promoters who lead the promotion of respect for human rights, we offered training on promoting understanding and instilling awareness regarding international guidelines, with emphasis on the UNGPs and the RBA Code of Conduct. Moreover, a study session was organized targeting directors and corporate auditors with the theme "Growing Responsibility for Respecting Human Rights and Expected Roles for the Board of Directors to Perform" and also targeting executive officers with the theme "Growing Demand for Protecting Human Rights and Impact on Business."

As for procurement operations, the OMRON Group Management Policy stipulates, "OMRON Group companies shall fulfill their corporate social responsibility by promoting comprehensive sustainable procurement practices on a global scale, including consideration of the environment while complying with laws and regulations." This also includes the protection of human rights and the prevention of forced and compulsory labor. To set forth the procedures for implementing this policy, we have established the "OMRON Group Rules for Procurement". Currently, we are working to instill these rules across the OMRON Group by briefing each individual business division's purchasing managers and staff. To promote understanding of sustainable procurement amongst our suppliers, we have created training materials and promoted e-learning courses. In FY2023, suppliers participating in training numbered 481 globally.

### **( iv ) Effectiveness of our actions**

As mentioned above, OMRON conducts assessments using a self-assessment questionnaire that meets RBA standards and also third-party audits for OMRON Group production sites and suppliers every year. We verify the effectiveness of our actions to prevent human rights infringement by monitoring the number of conducted self-assessments, audits, and resulting scores. We also track training participation rates for our employees and the number of training participants at our suppliers.

Our initiatives to address sustainability issues, including slavery, human trafficking, and other human rights-related issues, are reported annually to the Executive Council and the Board of Directors.

## **B. Remediation**

For OMRON Group employees (including temporary and contingent workers), a whistleblower system is available at each OMRON Group company (or each region). This system enables anyone within the company to easily report violations of laws, regulations, or internal rules and non-ethical conduct, or seek advice on a matter of concern. This can also be done anonymously if desired and allowed under local law.

For our supply chains in Japan, the Compliance Hotline is in place for suppliers to facilitate reporting suspected acts of impropriety or to seek advice. For overseas suppliers as well, a reporting system on such issues was established in all regions in FY2023 and is subject to continuing operational improvements. Reported matters are subject to confidential investigation and whistleblowers are strictly protected from any detrimental treatment. Moreover, reported issues are subject to a fair and neutral fact investigation and treated appropriately. The operational status of the whistleblower system is published on the OMRON website.

In FY2022, the OMRON Group joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) as a regular member. JaCER provides a non-judicial "Engagement and Remedy Platform" for redress of grievances based on the UNGPs. At the OMRON Group, in addition to the above-mentioned whistleblower system, initiatives are in progress to redress and remedy human rights violations against external stakeholders, including local communities, customers, and tier 2 and subsequent suppliers, using this platform. The "Whistleblower System" and the "JaCER" respectively are accessible via the following links:

<https://sustainability.omron.com/en/compliance/>

<https://sustainability.omron.com/en/social/human-rights/>

## **4. Looking forward**

The OMRON Group identified "Respecting human rights in the value chain" as a material sustainability issue in our long-term vision "Shaping the Future 2030 (SF2030)" and is promoting human rights initiatives by combining all Group companies' efforts. In FY2024, we will strive to reduce forced labor and human trafficking risks based on the results of human rights impact assessments we have conducted so far, as well as assessments for production sites and suppliers in China and Malaysia, both designated high-risk countries, along with Japanese production sites employing foreign technical interns.

Material Sustainability Issues are accessible via the following links:

[https://sustainability.omron.com/en/omron\\_csr/sustainability\\_management/](https://sustainability.omron.com/en/omron_csr/sustainability_management/)

## **5. Approval and signing**

This Statement was approved and signed by a director delegated by the OMRON Corporation Board of Directors, the main governing body pursuant to Section 54 of the UK Modern Slavery Act and Section 11 of the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act. OMRON will publish this statement at least on its global website, [www.omron.com](http://www.omron.com), and include a link to the statement in a prominent place on that website's homepage.

In accordance with the requirements of the Acts, and in particular section 47 of the English Law and section 11 of the Canadian Law, I attest that I have reviewed the information contained in the report for the OMRON group entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate, and complete in all material respects

for the purposes of the Acts, for the FY2023.

Name: Masahiko Tomita

Title: Director, Senior Managing Executive Officer, CHRO, OMRON Corporation

Date: May 22, 2024

Signature:  \_\_\_\_\_