

OMRON Group Slavery and Human Trafficking Statement for FY2017

This statement (“Statement”) is made pursuant to Section 54 of the UK’s Modern Slavery Act 2015 (“Act”). OMRON Group strives to ensure that no infringement of human rights takes place in any part of our business or 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 modern slavery could occur in business in the form of forced labor or child labor. The following describes the measures we are taking to prevent modern slavery and human trafficking in our business and supply chains.

1. About OMRON

OMRON Corporation and its more than 160 consolidated subsidiaries (jointly “OMRON Group”) have some 36,000 employees worldwide working to provide products and services in 117 countries. We are engaged in automation-related businesses, drawing on its core technology of sensing and control. Our business fields cover a broad spectrum, ranging from industrial automation and electronic components to automotive electronic components, social infrastructure systems, and healthcare. This Statement regards to the OMRON Group, including the following companies that – directly or indirectly – market and supply products in the United Kingdom and that meet the requirements of the Act: OMRON Corporation, OMRON Europe B.V., OMRON Electronic Components Europe B.V., OMRON Automotive Electronics Co., Ltd., OMRON Healthcare Co., Ltd., and OMRON Healthcare Europe B.V.

Further details regarding OMRON and our business are available at OMRON website:
<https://www.omron.com/about/outline/>

2. Our policy on prevention of slave labor and human trafficking

The OMRON Principles

For the whole OMRON Group we have established “To improve lives and contribute to a better society” as our mission in the OMRON Principles. Our values to live up to are stated

as “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. Accordingly, we have set forth specific examples of actions that should be practiced. These include: strictly complying with laws, regulations, and social rules; acting ethically and responsibly; keeping a firm determination to maintain integrity in any situation we face, and others.

The OMRON Principles: <https://www.omron.com/about/principles/>

OMRON Group CSR Practice Policy and Rules for Ethical Conduct

We have established OMRON Group CSR Practice Policy and Rules for Ethical Conduct to stipulate our basic policies for CSR-oriented management practices and practice guidelines that OMRON Group directors, officers, and employees are required to follow. These OMRON Group CSR Practice Policy 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 individuals. Also specified is the prohibition of discrimination on any basis and violation of human rights in any other forms. The OMRON Group CSR Practice Policy and Rules for Ethical Conduct also prohibit any form of forced, compulsory, or child labor, including slave labor and human trafficking.

OMRON Group CSR Practice Policy and Rules for Ethical Conduct:

https://www.omron.com/about/sustainability/pdf_inquiry/pdf/omron_csr_guideline_w.pdf

OMRON Group Purchasing Policies/CSR Procurement Guidelines

For our supply chains, we have established OMRON Group Purchasing Policies, which set forth our commitment to fulfilling social responsibility by globally promoting comprehensive CSR procurements. These cover compliance with laws and regulations as well as environmental preservation. For the implementation of these OMRON Group Purchasing Policies, we have also established OMRON Group CSR Procurement Guidelines, which clearly specify that slave labor and trafficking in persons are prohibited. We request that all of our suppliers understand these OMRON Group CSR Procurement Guidelines and follow them. The OMRON Group CSR Procurement Guidelines were established by referring to the Responsible Business Alliance (“RBA”) Code of Conduct.

OMRON Group Purchasing Policies:

<https://www.omron.com/about/purchase/>

OMRON Group CSR Procurement Guidelines:

<https://www.omron.com/about/purchase/index/img/gideline.pdf>

Upholding the United Nations Global Compact's Ten Principles

In 2008, we declared our support for the Ten Principles of the United Nations Global Compact (UNGCC), including the elimination of all forms of forced and compulsory labor. https://www.omron.com/about/sustainability/omron_csr/message/

3. Our efforts to prevent slave labor and human trafficking

Revision of Human Rights Policy

In fiscal 2017, we revised Chapter 1. "Human Rights, Labor Conditions, and Occupational Health and Safety" of the OMRON Group CSR Practice Policy. Through this revision, we explicitly stated that the OMRON Group respects the UN Guiding Principles on Business and Human Rights and fulfills its corporate responsibility to respect human rights by developing procedures to identify, prevent, mitigate, and remedy any adverse impact on human rights.

Concurrent with the revision of this policy, we identified issues related to human rights and labor practices, such as slave labor and human trafficking, which are matters of growing global concern, as sustainability issues requiring OMRON's focus. These issues were then integrated into the OMRON Group's medium-term management plan, VG2.0. As a specific initiative, we declared our determination to establish a human rights management system and conduct human rights due diligence in accordance with global standards.

Risk Analysis and Identification

We recently carried out an in-house analysis to determine which parts of our value chains are most subject to human rights risks, such as incidences of slave labor and human trafficking. To do this, we referred to the reporting of an international human rights NGO, as well as advice from an external consulting firm. As a result, we confirmed that slave labor and human trafficking are more likely to take place in our supply chains than within the OMRON Group. In particular, we determined that potential risks are very high with foreign workers who work at our production sites in China and Asia Pacific countries with high country risks.

Risk Prevention, Reduction, and Corrective Action

In view of the results of risk analysis and identification, we conducted on-site investigation and assessment at 16 OMRON Group production sites in Japan, China, and Asia Pacific

countries, using the Self-Assessment Questionnaire (SAQ) from the Responsible Business Alliance (RBA). Of these sites, the Malaysian factory, which has an especially large number of foreign workers, underwent an external audit by two third-party audit firms based on the RBA auditing standards. In this audit, foreign workers from Nepal, Bangladesh, Myanmar, and other countries were directly interviewed to accurately assess and understand the actual conditions. As a result, we confirmed that there was no critical legal nonconformance. However, some issues were detected regarding terms of employment for foreign workers employed through labor agencies and their welfare facilities, for which we have made improvements.

As for human rights issues related to our supply chains, we are working together with our suppliers to prevent the occurrence of these incidents. To avoid the risk of infringing upon human rights, we implement a periodic review of our suppliers. For example, we conduct a questionnaire survey by distributing self-assessment sheets.

With these, suppliers can confirm their compliance with the OMRON Group CSR Procurement Guidelines, including protection of human rights and fair labor practices. Based on the results of the survey, we request that suppliers make improvements as necessary. In fiscal 2017, OMRON's 43 major suppliers conducted self-assessment and self-improvement by using RBA-Online, RBA's self-assessment tool. As in the previous fiscal year, all of our 425 suppliers in Greater China conducted a self-assessment. As for Europe and the Americas area, we gave priority to the collection of basic information on suppliers, with a plan to start suppliers' self-assessments on a global basis in fiscal 2018.

Management Review

Our initiatives to address sustainability issues, including the aforementioned human rights issues, are annually evaluated by the Sustainability Committee, which then reports the results of evaluation and identified issues to the Executive Council and the Board of Directors. In fiscal 2017, action to solve human rights and labor issues, including extended working hours in China, was deliberated upon at the Executive Council and Board of Directors meetings.

Whistleblower hotlines

For OMRON Group employees, a whistleblower hotline is available at each OMRON Group company (or each region), as well as a hotline exclusive to OMRON Corporation called the "OMRON Compliance Hotline." With these, employees can easily blow the whistle or seek advice in a confidential and, if so desired and allowed under local law, anonymous way. For our supply chains as well, the OMRON Compliance Hotline is

available for use by suppliers to report suspected acts of impropriety or seek advice. Reported matters are subject to confidential investigation and whistleblowers are strictly protected from any detrimental treatment.

Employee training

With aim of promoting fairness, integrity, and honesty in business practices, OMRON specified October as Corporate Ethics Month, during which top management's messages regarding business ethics are delivered to employees and executives of OMRON Corporation and its subsidiaries throughout the world. Other activities include workplace training and distribution of corporate ethics cards. In fiscal 2017, top management messages were delivered in 25 different languages, a significant increase from the previous fiscal year. Moreover, activities more closely tailored to local situations were promoted, such as the implementation of individual education programs at major overseas sites. Through these activities, we sought to enhance awareness of business ethics among OMRON Group employees and executives.

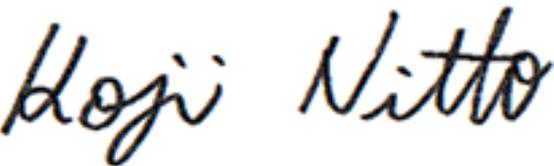
As for procurement operations, a policy was established to globally promote comprehensive CSR practices in procurement, including compliance with laws and regulations, protection of human rights, and prevention of forced and compulsory labor. To set forth the procedures for implementing this policy, the OMRON Group Rules for Purchasing were established. Currently, we are working to instill these rules across the OMRON Group by sharing information at meetings involving the purchasing officers of all OMRON Group companies, and giving a briefing to each factory's purchasing department. To maintain and raise the level of implementation of the OMRON Group Rules, the audit department conducts periodic auditing.

4. Looking forward

In the next fiscal year as well, we will continue monitoring and auditing our production sites and suppliers using RBA tools, as we look to assess risks and take corrective actions. In the risk assessment and analysis carried out in fiscal 2017, the vulnerability of systems to protect workers' human rights was discovered for temporary agency workers who work at our production sites and employees of contractors providing service (such as production, development, in-house logistics, security guards, meal service, cleaning, etc.). In response, in fiscal 2018 we will ask suppliers of these services to strictly comply with our Code of Conduct, while working to build a system to monitor their status of compliance.

This statement was approved and signed by a director delegated by the OMRON Corporation Board of Directors.

September 2018

A handwritten signature in black ink that reads "Koji Nitto". The signature is written in a cursive, flowing style.

Koji Nitto
Director, Senior Managing Executive Officer, CFO
OMRON Corporation