

## **OMRON Group Slavery and Human Trafficking Statement for FY2019**

This OMRON Group Slavery and Human Trafficking Statement for FY2019 (“**Statement**”) is made pursuant to Section 54 of the UK’s Modern Slavery Act 2015 (“**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 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 any part of our business and supply chains.

### **1. About OMRON**

OMRON Corporation and its 148 consolidated subsidiaries (jointly, the “**OMRON Group**”) employ some 28,000 employees worldwide, all whom work to provide products and services in approximate 120 countries. 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 tickets gates, solar power conditions 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 ITALY S.R.L., OMRON HEALTHCARE Co., Ltd. and OMRON HEALTHCARE EUROPE B.V.

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

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

#### **A. The OMRON Principles**

For the whole OMRON Group we have “To improve lives and contribute to a better society” as our mission in the OMRON Principles. Our 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. This refers to respecting diversity, personality, and individuality, while also 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/about/principles/>

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

We have established “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. They also clearly state that the OMRON Group upholds 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 practice that may have an adverse impact on human rights. The revised fiscal 2019 edition added the phrase: “We also expect business partners related to our operations, products and/or services to understand and comply with this policy.” In this way, we clearly demonstrate our policy of exercising our influence on our external stakeholders, including any part of our supply chain, as well as our employees. The “OMRON Group Sustainable Conduct Policies” and “Rules for Ethical Conduct” are accessible via the following link:

[https://www.omron.com/about/sustainability/pdf\\_inquiry/pdf/omron\\_csr\\_guideline\\_w.pdf](https://www.omron.com/about/sustainability/pdf_inquiry/pdf/omron_csr_guideline_w.pdf)

#### **C. OMRON Group Purchasing Policies/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 as well as focusing 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. We request that all of our suppliers understand 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. The

“OMRON Group Purchasing Policies” and the “OMRON Group Sustainable Procurement Guidelines” respectively are accessible via the following links:

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

<https://www.omron.com/global/en/assets/file/about/purchase/gideline.pdf>

#### **D. 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 (UNGC), including the elimination of all forms of forced and compulsory labor.

[https://www.omron.com/about/sustainability/omron\\_csr/message/](https://www.omron.com/about/sustainability/omron_csr/message/)

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

We have identified issues related to human rights and labor practices, such as slavery and human trafficking, which are matters of growing global concern, as sustainability issues requiring the focus of the OMRON Group. We are addressing these issues by integrating them into the OMRON Group’s medium-term management plan. As a specific initiative, we established a human rights risk management system, and we conduct due diligence regarding human rights in accordance with applicable global standards.

#### **A. Due Diligence**

In fiscal year 2017, we 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 slavery 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 learned that there is a potential risk of slave labor and human trafficking taking place at OMRON Group factories and supply chains in Japan, China, and Southeast Asia. In particular, we determined that potential risks are especially high with temporary workers, contract workers, and foreign workers who are engaged with production. In fiscal year 2019 as well, we took measures in response to the results of this risk assessment.

#### **The OMRON Group: investigations and assessments**

Internally, we conducted onsite investigations and assessments at 19 OMRON Group production sites, mainly those in Japan, China, and Asia Pacific countries, using the Self-Assessment Questionnaire (SAQ) from the RBA. Of these sites, the Vietnamese factory underwent an audit by the RBA Validated Assessment Program (RBA-VAP), receiving an assessment from a third-party audit firm. As one of our key challenges, we are currently 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 have enhanced our human rights training program and whistleblower system in Japan. We have also begun preparatory steps for the monitoring and auditing of contractors with regard to human rights and labor practices.

### Supply Chains

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. In fiscal 2019, our 51 major suppliers, 666 suppliers in Japan, 472 suppliers in Greater China, and 61 suppliers in Asia Pacific were subject to self-assessment. Our 17 suppliers in Greater China underwent onsite investigation in addition to self-assessment in order to confirm their compliance with the OMRON Group Sustainable Procurement Guidelines. Suppliers for whom risks were identified such as long working hours as a result of the onsite investigation were requested to draw up an improvement plan, and corrective action is now being taken. In fiscal 2020, we plan to conduct a self-assessment survey at our major suppliers, as well as other suppliers in China.

### **B. Management Review**

The results of the aforementioned human rights due diligence revealed that OMRON had no cases of slavery or human trafficking in fiscal 2019. Our initiatives to address sustainability issues, including slave labor, human trafficking, and other human rights-related issues, are annually evaluated by the Sustainability Committee, which then reports the results of evaluation to the Executive Council and the Board of Directors.

### **C. Whistleblower hotlines**

As mentioned above, OMRON Group employees (including temporary workers), a whistleblower system is available at each OMRON Group company (or each region). With this system, employees can easily blow the whistle on unethical corporate activities or seek advice in a confidential manner on a topic of concern. This can also be done anonymously if desired and allowed under local law. In fiscal 2019, this system was also made available for use by employees of the contractors who provide services at our production sites in Japan. For our supply chains, the Compliance Hotline is in place for use 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.

#### **D. Employee training**

With the aim of promoting fairness, integrity, and honesty in business practices, OMRON specified 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 25 different languages. Other activities include workplace training and distribution of corporate ethics cards.

As for procurement operations, a policy was established to globally promote sustainable procurement practices on a comprehensive basis. This includes 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 by giving briefings to each factory’s purchasing department.

In fiscal 2019, a study session was organized targeting purchasing representatives from OMRON Headquarters and those in China for the purpose of realizing sustainable procurement. In this study session, participants reaffirmed the importance of avoiding human rights risks on global supply chains, including forced, compulsory, and child labor. Participants also exchanged opinions regarding issues of ongoing activities and countermeasures to be taken in the future.

#### **4. Looking forward**

In fiscal year 2020, we will continue the monitoring and auditing of our production sites and suppliers using RBA tools, as we look to continue to assess risks and take corrective actions. We will also continue to work on the establishment of a framework to respect and protect the human rights of suppliers’ employees who work at our facilities. These include temporary workers who work at our production sites and employees of contractors providing services (such as production, development, in-house logistics, security guards, meal service, cleaning, etc.). We plan to complete the framework in Japan by the end of fiscal 2020 and roll it out globally from fiscal year 2021 onward.

This Statement was approved and signed by a director delegated by the OMRON Corporation Board of Directors. In accordance with Paragraph 7 of section 54 of the Act, the Omron Group will publish this Statement 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.

September 2020

*Koji Nitto*

Koji Nitto

Director, Senior Managing Executive Officer, CFO

OMRON Corporation