

## **OMRON Group Slavery and Human Trafficking Statement for FY2018**

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 150 consolidated subsidiaries (jointly “OMRON Group”) have some 35,000 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 ITALY S.R.L., 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 Sustainable Practice Policy and Rules for Ethical Conduct**

We have established OMRON Group Sustainable Practice Policy 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 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. Moreover the OMRON Group CSR Practice Policy and Rules for Ethical Conduct prohibit any form of forced, compulsory, or child labor, including slave labor 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.

OMRON Group Sustainable Practice Policy and Rules for Ethical Conduct:

[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)

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

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

### **3. Our efforts to prevent slave labor and human trafficking**

We have 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. 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 global standards

#### **Due Diligence**

In fiscal 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 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 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 2018 as well, we took measures in response to the results of this risk assessment.

<OMRON Group>

Internally, we conducted onsite investigations and assessments at 21 OMRON Group production sites, mainly those in Japan, China, and Asia Pacific countries, using the Self-Assessment Questionnaire (SAQ) from the Responsible Business Alliance (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 a result of the assessment, we confirmed that there was no critical legal nonconformance. However, as for issues detected to require corrective action, additional onsite investigation was conducted, and countermeasures were considered. Examples of these measures include the establishment of a training and whistleblower hotlines for employees of contractors who provide service (such as production, development, in-house logistics, security guards, meal service, cleaning, etc.) at our production sites.

### <Supply Chains>

As for our supply chains, 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 CSR 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 2018, our 47 major suppliers, 462 suppliers in Greater China, and 146 suppliers in Europe and Americas were subject to self-assessment. Our 23 suppliers in Greater China underwent onsite investigation in addition to self-assessment in order to confirm their compliance with the OMRON Group CSR 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 2019, we plan to conduct a self-assessment survey at our suppliers in Japan, China, and Asia Pacific.

### **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 to the Executive Council and the Board of Directors.

### **Whistleblower hotlines**

For OMRON Group employees (including temporary workers), a whistleblower hotline is available at each OMRON Group company (or each region), along with 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 way, and anonymously if so desired and allowed under local law.. 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 the aim of promoting fairness, integrity, and honesty in business practices, OMRON specified October 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 were delivered in 25 different languages. Other activities include workplace training and distribution of corporate ethics cards.

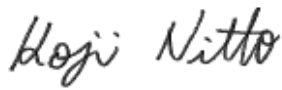
As for procurement operations, a policy was established to globally promote comprehensive CSR practices in procurement, including compliance with laws and regulations, protection of human rights, and prevention of forced and compulsory labor. To set forth the procedures for implementing this policy, 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 fiscal 2019, 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 next fiscal year as well, we will 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 service (such as production, development, in-house logistics, security guards, meal service, cleaning, etc.).

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

September 2019

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

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