

## Respecting Human Rights in the Value Chain

### OMRON’s Approach to Human Rights

As declared in the OMRON Principles, Our Values include Respect for All.

Respect for All is more than a basic respect for diversity, personality, and individuality. Respect for All is the core value underlying all our activities in pursuit of living lives and performing jobs of purpose and promise. We act with integrity, creating stronger relationships of trust with individuals and society. This goes to the core of our existence as a company.

### OMRON Human Rights Policy

We established the OMRON Human Rights Policy on March 1, 2022 to realize “Respecting Human Rights in the Value Chain,” one of our material sustainability issues. The Guiding Principles on Business and Human Rights (UNGP) adopted by the United Nations in 2011 make it clear that every business enterprise has a responsibility to respect human rights. Worldwide, the body of human rights-related laws, regulations, and rules for companies is evolving. In recent years, human rights initiatives in accordance with the UNGP have imposed progressively greater mandatory obligations on companies, and fulfillment of those obligations is becoming increasingly important from the perspective of business continuity. OMRON is committed to ensuring that its management practices and actions are always in line with those of the international community and strives to reduce human rights violation risks throughout its value chain.

\*The OMRON Human Rights Policy can be accessed from the code.



### Human Rights Promotion Structure

OMRON is working to build a system in which management and front-line employees work together to fulfill their responsibility to respect human rights on a global basis. The President & CEO delegates authority to each executive division head, who is then responsible for promoting respect for human rights, ensuring responsibility through the entire value chain. The President & CEO also reports to the Board of Directors on matters that are important in fulfilling our commitment to respect for human rights, and the Board of Directors monitors and supervises these matters. In fiscal 2023, we appointed a director in charge of human rights and established a Human Rights Steering Committee. The director in charge of human rights and the heads of each executive division participate in this committee, which is under the authority of the Sustainability Committee. This Human Rights Steering Committee discusses the introduction of measures, their statuses, and issues necessary to achieve the goals of the SF 1st Stage. They additionally work on high-cycle initiatives by accelerating decision-making.

#### Human Rights Steering Committee Discussion Themes

- Progress status of OMRON Group site assessments
- Progress status of supplier assessments
- Status of investigations into AI Ethics Policy
- Use of third-party grievance platforms
- Investigation into participation in international initiatives

### SF 2030 Goals

In line with the UN Guiding Principles on Business and Human Rights, one OMRON’s goals for 2030 is the state of exerting our influence for the respect of human rights for workers not only at OMRON, but also in the value chain, and establishing a culture and system that does not permit or cause human rights violations.

### Human Rights Initiatives under SF 1st Stage

As part of the first stage of SF 2030, we have set the following two goals and aim to establish a global human rights governance system.

#### Execution of Human Rights Due Diligence in Accordance with the UNGP

By conducting human rights impact assessments across the entire value chain, we identify “salient human rights issues” and create the conditions for implementing a cycle of human rights due diligence.

#### Establishment of a Human Rights Remediation and Grievance Mechanism Appropriate to Each Country and Region

We are establishing a human rights remediation and grievance mechanism appropriate to each country and region so that we can implement remedies through due process if we cause or recognize factors contributing to adverse human rights impacts.

SF 1st Stage initiatives	Major progress
<b>Execution of human rights due diligence in accordance with the UNGP</b>	<ul style="list-style-type: none"> <li>• Implemented human rights impact assessments throughout the entire value chain</li> <li>• Strengthened assessment for OMRON Group sites and suppliers in high-risk countries</li> </ul>
<b>Establishment of a human rights remediation and grievance mechanism appropriate to each country and region</b>	<ul style="list-style-type: none"> <li>• Established and spread awareness of whistleblower systems (compliance hotlines) for suppliers outside Japan</li> <li>• Utilized Japan Center for Engagement and Remedy on Business and Human Rights (JaCER)’s engagement and remedy platform</li> </ul>

## Execution of Human Rights Due Diligence in Accordance with the UNGP

### ▶ Human Rights Impact Assessments

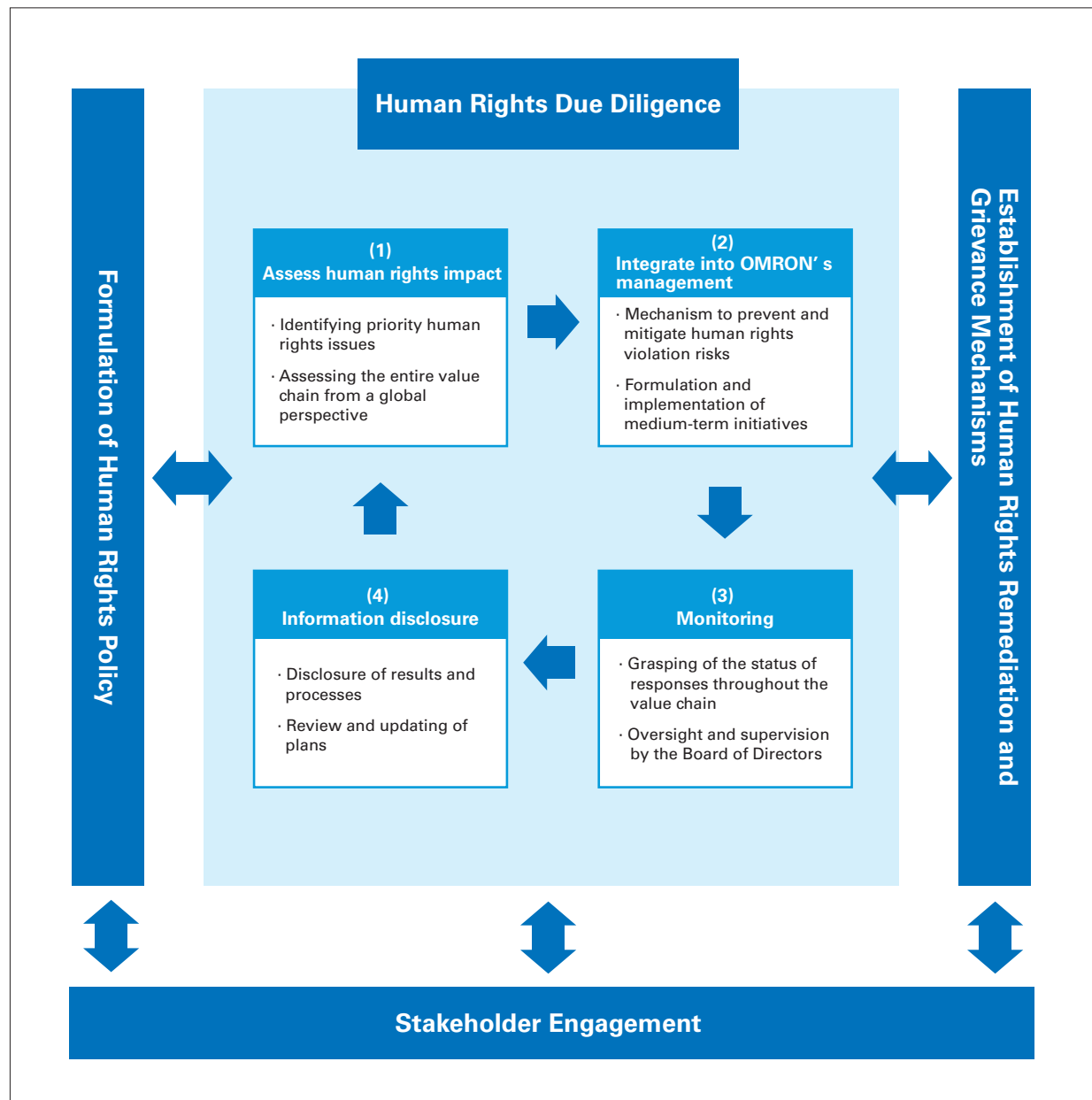
In fiscal 2022, OMRON conducted a group-wide human rights impact assessment based on the UNGP in collaboration with the Business for Social Responsibility (BSR), a US non-profit organization. In conducting this assessment, we evaluated and identified human rights violation risks that the OMRON Group may cause or contribute to through its business activities in its value chain, including its supply chain.

Our first step included surveying international standards, and industry and stakeholder trends, as well as interviewing 15 divisions throughout OMRON, including regional headquarters outside Japan. After comprehensively identifying human rights issues based on international human rights standards, we narrowed issues down to those specific to the electrical and electronics industry. We also identified up to 19 issues in our value chain that could affect rights holders.

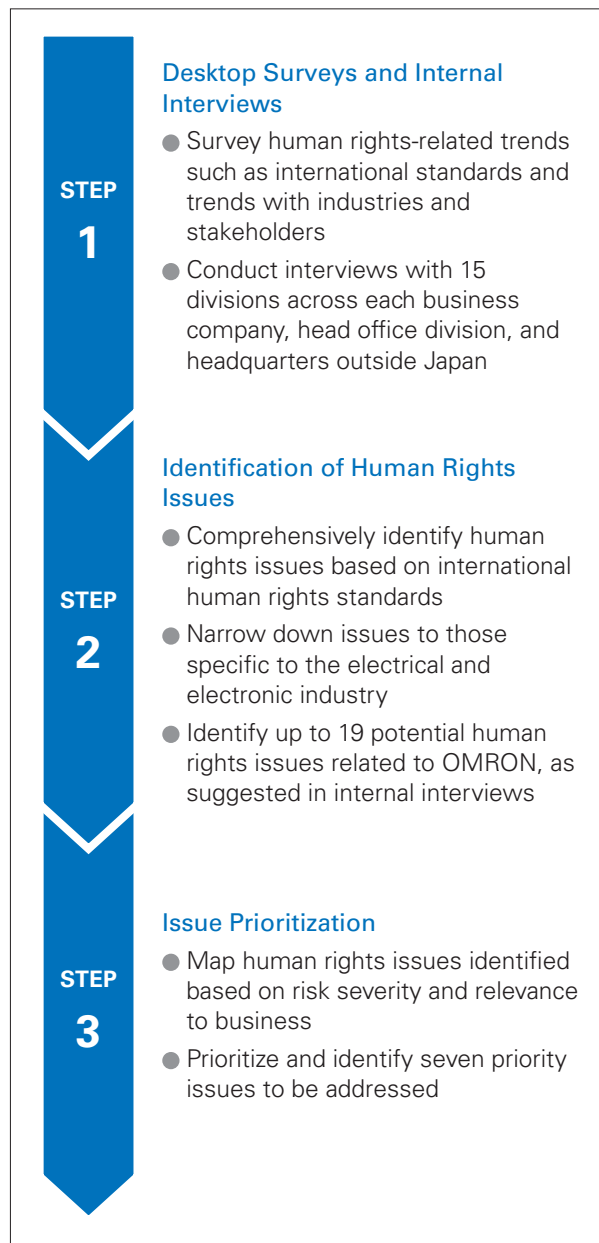
Finally, we mapped and prioritized risks based on risk severity and relevance to business, enabling the identification of seven priority issues (salient human rights issues) to be addressed.

In fiscal 2023, each responsible department has formulated action plans to address the seven issues identified in the FY2022 Human Rights Impact Assessment.

<Human Rights Due Diligence Cycle>



<Human Rights Impact Assessment Flow>



<Map of Identified Human Rights Issues>



<Due Diligence throughout the Entire Value Chain (Upstream, In-company, Downstream)>

## Upstream

### Implementing Due Diligence in the Supply Chain

OMRON expects all suppliers to conform to the RBA-compliant “Supplier Code of Conduct” and to meet minimum requirements set by our company, as laid out in the OMRON Group Sustainable Procurement Guidelines. Meeting RBA requirements is a shared goal for critical suppliers, and ongoing surveys and assessments of the status are carried out for these suppliers.

In addition, based on the results of supply chain human rights impact assessments conducted in fiscal 2022, we have designated suppliers with production bases in China and Malaysia as targets for more in-depth investigation and improvements through fiscal 2024. We requested more detailed self-assessments and submission of evidence concerning human rights from 18 suppliers selected by industry in China, and obtained responses from all companies by June 2023. As a result, one company is now pursuing improvements based on corrective action plans for issues that were identified.

\*The Responsible Business Alliance. RBA is a corporate coalition, focused on the electronics industry, for the construction of responsible global value chains.

## In-company

### Implementing Due Diligence at OMRON Group Sites

At OMRON, we conduct surveys and assessments of the status of global production sites using the RBA Self-Assessment Questionnaire (SAQ) and other self-assessment tools. In fiscal 2022, we conducted surveys and assessments of the status of 24 OMRON Group production sites in Japan, China, the Asia-Pacific, Europe, and North America using the RBA SAQ in addition to other self-assessment tools. These initiatives continued in fiscal 2023.

OMRON made efforts to improve work environments in fiscal 2022 based on the results of these surveys and assessments. As part of our efforts, we continuously raised awareness of harassment in the workplace, took disciplinary actions in problematic cases, checked health and safety standards for employee dormitories, shortened and improved working hours as we improved productivity, and reviewed temporary staffing agencies regarding the employment of migrant workers. OMRON also conducted interviews on the employment conditions of foreign technical intern trainees in Japan. Going forward, we plan to conduct third-party audits by fiscal 2024 at production sites in China and Malaysia, where human rights violations are considered highly probable, as well as at domestic sites that employ foreign technical intern trainees in Japan.

## Downstream

### Product- and Service-related Human Rights Initiatives (Formulation of AI Ethics Policy/Rules)

In recent years, with the rapid development of AI technology and the increase in data that has made these developments possible, AI is being increasingly used in a variety of industries globally. AI can be expected to help alleviate social issues, such as labor shortages, and make society more convenient. However, the potential for human rights violations, such as discriminatory decisions or selections due to bias in the data used to train AI, has also been pointed out. In response to these changes in societal trends, as part of our human rights policy, we have made the following statement in regard to ethical use of AI and other technology.

**OMRON will take account of potential impact for human rights caused by technologies such as AI, robotics and IoT, and will take advantage of them appropriately to avoid problems, including but not limited to cause of accident, discrimination and invasion of privacy.**

In fiscal 2022, we began formulating an AI Ethics Policy to encapsulate our stance toward AI ethics and related efforts, and are also simultaneously developing internal rules to enact this policy in our business.

## Establishment of a Human Rights Remediation and Grievance Mechanism Appropriate to Each Country and Region

### ▶ Whistleblower System

The OMRON Group implements a global whistleblower system. This system enables employees to report their concerns to internal reporting offices located in and out of Japan and seek advice on discrimination, harassment, and other human rights issues, as well as violations of laws, regulations, internal rules, and unethical behavior. Reports may be made anonymously unless prohibited by the laws and regulations of the respective countries.

Information received through the system is kept strictly confidential, and we guarantee that whistleblowers will not be disadvantaged as a result of their reporting. OMRON confirms the details of the report in a neutral and fair manner and takes the appropriate measures.

The system is open to both OMRON Group employees (including temporary workers) and suppliers. We are establishing a system to accept reports from suppliers in all regions starting from the fiscal 2023, aiming to enhance continuous operational improvements.

See p.106 for more information on the operating status of the whistleblower system.

### ▶ Expanding the Scope of Stakeholders for Redress of Human Rights Violations

The OMRON Group joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) as a full member in fiscal 2022. JaCER offers the Engagement and Remedy Platform, a non-judicial grievance platform in compliance with the UNGP. We utilize this platform as part of efforts to provide redress for human rights violations for all stakeholders, including local communities, customers, and secondary and subsequent suppliers with whom we have no direct business relationship.

### Stakeholder Engagement

In its Sustainability Policy, OMRON states: “We cultivate strong relationships with all of our stakeholders through responsible engagement.” In our human rights initiatives, we will engage in periodic dialogues with external human rights experts to deepen our understanding of respect for human rights in accordance with international standards and increase the effectiveness of our initiatives.

### Comment from Our Partner

#### Opinion from a Human Rights Expert

OMRON established the OMRON Human Rights Policy as part of its management practices in line with its corporate philosophy and is steadily advancing initiatives in line with international Business and Human Rights. The Company works towards the medium to long term, clarifying its system of responsibility, including for the board of directors, and setting targets for 2030. At the same time, OMRON conducts commendable company-wide human rights impact assessments in line with the UN Guiding Principles on Business and Human Rights as part of its human rights due diligence and promotes initiatives at its own sites and in certain supply chains.

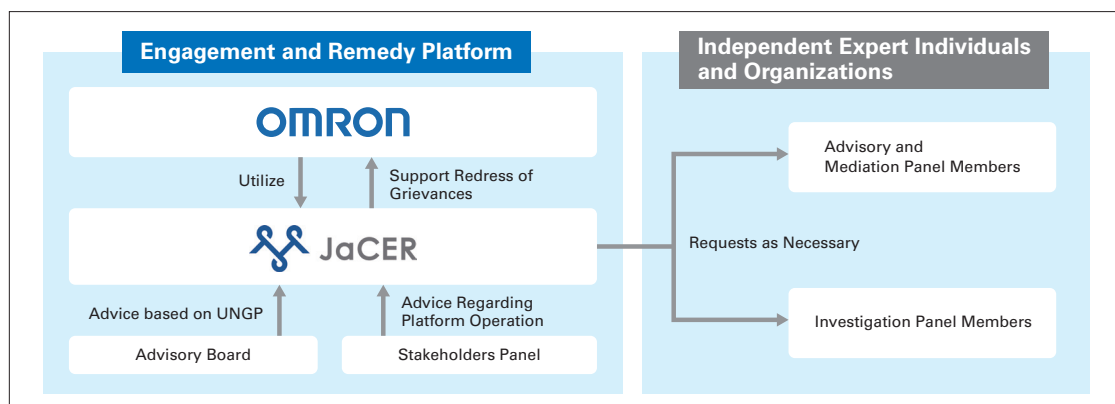
Going forward, I expect OMRON to further strengthen its activities in the following three main areas: 1) continuous risk mitigation in the company and its supply chain, 2) risk mitigation in the use of its products and services, including the use of responsible technology (such as AI) and customer due diligence, and 3) the establishment of stakeholder engagement.

Managing Director, BSR  
(Business for Social  
Responsibility)

Asako Nagai



<JaCER Platform Flow>





## | Education on Human Rights

In order to pursue effective human rights initiatives in accordance with the UNGP, OMRON promotes appropriate education and training for all officers and employees. We also pursue efforts to encourage an appropriate understanding of respect for human rights among business partners such as suppliers and distributors.

### ▶ Human Rights Training for Directors and Audit & Supervisory Board Members

Global regulations and societal expectations regarding human rights have become more concrete. Supply chain management and responses to external evaluations are increasingly prioritized as management responsibilities in addition to compliance with laws, regulations, and international standards. Respect for human rights must be addressed throughout the value chain. As such, top management must have an in-depth understanding of international standards and social demands in business and human rights, and link this understanding to more effective initiatives. We provide training and information to Directors and Audit & Supervisory Board Members as necessary to enable them to properly fulfill their roles and responsibilities.

In a study session we held in the first half of 2023, we invited an external human rights expert to speak on the subject of Increasing Responsibility to Respect Human Rights and the Expected Role of the Board of Directors. This session deepened understanding through discussion on how to respond to increasingly complex and diverse human rights issues.

### ▶ Human Rights Education for People Working at OMRON

We conduct human rights training for all employees in Japan, including part-time, temporary and contracted workers. This training is designed to raise awareness

of human rights. Rank specific human rights training programs are also available for new employees, mid-career recruits, new senior managers, and directors and executive officers. In order to produce products without human rights violations, we need to look not only at our own company but also at our business partners. Human rights training in fiscal 2022 was conducted via e-learning under the theme Respect for Human Rights in the Value Chain. In addition to addressing human rights issues that need attention as OMRON conducts its business globally, the presentation also explained the OMRON Human Rights Policy. In addition to e-learning, group discussions based on the video were also held to promote mutual learning.

Each regional headquarters outside Japan takes a lead in human rights awareness activities. Similar training is provided for contract employees working outside Japan as is for our own employees.

### ▶ Providing Learning Opportunities for Suppliers

We request that critical suppliers fill out self-questionnaires every year, based on RBA standards, and provide meetings and other learning opportunities to help suppliers make improvements needed to reach targets. For suppliers of manufactured items, in particular, we visit on-site when necessary so that conditions can be confirmed first-hand as we discuss. In fiscal 2022 we created training materials to promote understanding of sustainable procurement among suppliers, and held e-learning sessions for 61 persons at 18 companies identified for such training, on an industry-by-industry basis, from among our suppliers in China.