

Manufacturing

Supporting Innovation Through Sustainable Manufacturing Practices

Without sustainable manufacturing practices, OMRON could not produce innovations responding to rapid technology breakthroughs and emerging social needs. Sustainable manufacturing requires practices that consider product safety, labor conditions, and the

environment. At the same time, we must deliver products that customers can use with confidence. In keeping with this commitment, OMRON is working toward our fiscal 2020 sustainability goals.

Progress Toward Sustainable Manufacturing Goals



	Fiscal 2020 Goals/KPIs	Fiscal 2017 Progress
Product Safety and Quality	<ul style="list-style-type: none"> Ratio of product safety assessments for newly developed products: 100% Upgrade of product safety assessments*1 	<ul style="list-style-type: none"> 100% implementation
Supply Chain Management	<ul style="list-style-type: none"> Sustainability self-checks at major suppliers*2: 100% implementation; score of 85 points or better  	<ul style="list-style-type: none"> Sustainability self-checks at major suppliers: No companies scoring below 65 points

*1 Target added

*2 Sustainability Check: Questionnaire sent to suppliers who self-report their initiatives regarding labor, occupational health and safety, environment, and other categories. Companies scoring 85 points or higher are considered a low risk; a score of below 65 is considered a high risk. Conformity with Responsible Business Alliance standards.

Case Study

Building Sustainability Together With Suppliers

As we deal with a more diverse and global group of new suppliers, we recognize the pressing need to bolster sustainability in our supply chain. At OMRON, we work with our suppliers to build a sustainable society, identifying as partner suppliers those whom we judge as outstanding in quality, cost, delivery, environment, and safety. We ask major suppliers to complete a sustainability self-check in accordance with standards established by the Responsible Business Alliance. Besides self-checks for partner suppliers, we have defined minimum sustainability standards for all global suppliers. In fiscal 2017, our joint efforts with suppliers resulted in every partner supplier scoring 65 points or higher on sustainability self-checks.



Environment

Introducing *OMRON Carbon Zero*^{*1}

We believe that building an environment for a sustainable society is part of improving lives and contributing to a better society, as stated in the OMRON Principles. In support of this ideal, we pursue initiatives under our Green OMRON 2020 environmental vision.

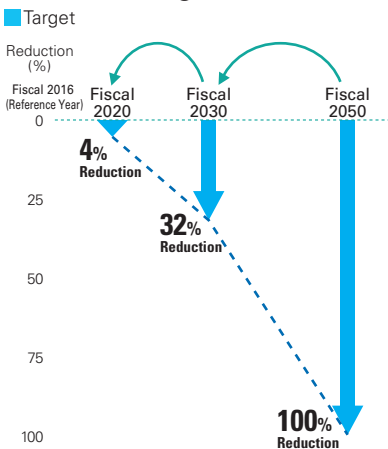
In July 2018, we set new environmental targets under *OMRON Carbon Zero*, aligned with the recent Paris Agreement and the SDGs. Our target is to reduce Scope 1 and Scope 2^{*2} greenhouse gas emissions to zero by fiscal 2050. Our interim goal is to reduce emissions 32 percent (vs. Fiscal 2016) by fiscal 2030. Backcasting from these targets, we have

set a fiscal 2020 goal to reduce emissions by four percent. We are even starting to consider reducing Scope 3^{*3} gas emissions in the near future. OMRON has announced that it will set its greenhouse gas emissions reduction target based on scientific grounds for the SBTi^{*4}.

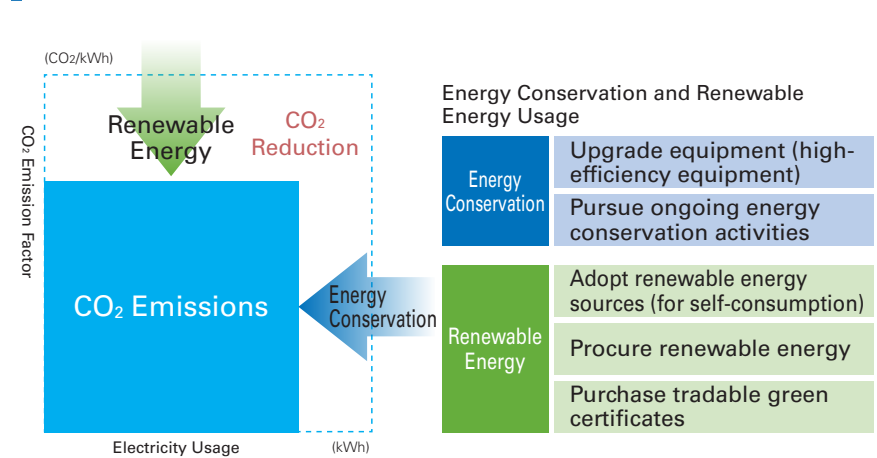
We have built a global framework to achieve our environmental targets, and we are adopting energy conservation and renewable energy practices across our organization. At the same time, we are moving forward with projects that use the expertise developed in our renewable energy businesses in our own company.

*1 OMRON Carbon Zero: a term used to gain recognition for OMRON's efforts for the reduction of greenhouse gas emissions.
 *2 Scope 1 and Scope 2: Direct greenhouse gas emissions from the use of fuels at our company (Scope 1) and indirect greenhouse gas emissions resulting from the use of electricity and heat purchased by our company (Scope 2).
 *3 Scope 3: Greenhouse gases emissions from our company's value chain.
 *4 SBTi: Science Based Targets Initiative. International initiative recommending science-based medium- and long-term targets to reduce greenhouse gas emissions.

Greenhouse Gas Emissions Reduction Targets



Greenhouse Gas Emissions Reduction Activities



Progress Toward Environmental Sustainability Goals



	Fiscal 2020 Goals/KPIs	Fiscal 2017 Performance
Reduce Greenhouse Gas Emissions ^{*5}	<ul style="list-style-type: none"> Achieve four percent reduction in greenhouse gas emissions (vs. fiscal 2016 SBT conformity)^{*6} Environmental contribution^{*7} greater than CO₂ emissions at production centers 	<ul style="list-style-type: none"> Environmental contribution of 659k tons of CO₂ saved vs. 204k tons of CO₂ emissions from production centers

*5 New goals incorporating sustainability targets for greenhouse gas emissions from the *Green OMRON 2020* environmental vision
 *6 Target added
 *7 Environmental contribution: CO₂ emissions reduced through the use of OMRON energy saving, storage, and generation products and services