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### Material Sustainability Issues

Under SF2030, our aim is to maximize corporate value by creating social value and economic value through business. To this end, we identified material sustainability issues for the first time under the long-term vision. OMRON's purpose is "to create social value through business and continue to contribute to the development of society." It will endure, regardless of how society changes. In order to remain true to this purpose, material sustainability issues are fully reflected in SF2030 and the medium-term management plan "SF 1st Stage." For OMRON, sustainability means pursuing the sustainability of both society and the company. We will continue to strive for the sustainable development of society and the sustainable growth of OMRON.

#### Material Sustainability Issues under SF2030

# Resolving Social Issues through Our Business

Creating social value and driving OMRON's sustainable growth by resolving social issues through our business

### Maximizing the Capability to Innovate Driven by Social Needs

Evolving business models, endowing OMRON with the competitiveness required for achieving sustainable growth, and expanding new business generation efforts

# **Generating Diverse Talent Taking** on the Challenge of Value Creation

Evolving human resources management to bring out the capabilities and skills of OMRON's diverse talent, who will be the source of OMRON's sustainable growth

# Achieving Decarbonization and Lower Environmental Impact

By viewing climate change from the two aspects of opportunities and risks, practicing corporate social responsibility and building further competitive advantage

### Respecting Human Rights in the Value Chain

As part of our corporate social responsibility, exerting our influence for the respect of human rights for workers in the value chain and at OMRON

#### SF2030 Goals

The state of contributing to the sustainable development of society by resolving the social issues tackled Group-wide, namely, achievement of carbon neutrality, realization of a digital society, and extension of healthy life expectancy from the social change factors focused on in SF2030: an aging population, climate change, and economic disparity among individuals

The state of continuously generating new businesses by demonstrating our capability to innovate driven by social needs in both existing and new business domains, through actions such as evolving essential core technology development and incorporating it into business models

The state of bringing diverse talent together where everyone can succeed, regardless of nationality, gender, or work style, where OMRON provides opportunities for its diverse talent to grow and evolves its human resources management to maximize their capabilities and skills

The state of building further competitive advantage while solving social issues through reducing greenhouse gas (GHG) emissions in the value chain and establishing a resource recycling model

- Scope 1 and 2\*1: 65% cut vs. FY2016
- Scope 3, Category 11\*2: 18% cut vs. FY2016

In line with the UN Guiding Principles on Business and Human Rights, 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





<sup>\*1</sup> Scope 1 and 2: Direct and indirect GHG emissions from the company

<sup>\*2</sup> Scope 3, Category 11: Scope 3 corresponds to GHG emissions from the company's value chain. Category 11 of Scope 3 corresponds to emissions from use of manufactured/sold products, services, etc.

In identifying material sustainability issues, we adopted three viewpoints: "the OMRON Principles and fundamental purpose," "backcasting from a society envisioned for 2030 and beyond," and "calls on companies to contribute to environmental and social sustainability." Five material issues were identified as a result of a series of management discussions, in view of suggestions gained through internal discussion and dialogues with external experts.

#### Steps for Identification of Material Sustainability Issues

Identification S	Identification Steps	
STEP 1	Exploring the Long-term Vision Identified factors of social change that affect the sustainable development of society and OMRON and explored the direction of OMRON's long-term vision and the ideal configuration of society, taking into consideration the OMRON Principles, the SINIC theory that is the compass for OMRON's management, and a society envisioned for 2030	
STEP 2	Organizing three viewpoints to be focused in identifying material sustainability issues  Management Philosophy and reason for being  Backcasting from a society envisioned for 2030 and beyond  Calls on companies to contribute to environmental and social sustainability	
STEP 3	Hypothesizing Material Sustainability Issues Hypothesized material sustainability issues along the following two axes:  Degree of importance in practicing the long-term vision Stakeholder expectations and demands	
STEP 4	<b>Discussion at Management Level</b> Frequent discussions at the Executive Council, chaired by the CEO and attended by Executive Officers (April, June 2021)	
STEP 5	<b>Dialogues with Stakeholders</b> Based on hypotheses, held dialogues with institutional investors, experts, NPOs, etc. to confirm their expectations and demands on the Group and identified material sustainability issues	
STEP 6	Setting Long-term and Medium-term Goals Formulated long-term and medium-term business and operational strategies and set long-term and medium-term targets based on the identified material sustainability issues	
STEP 7	Discussion and Approval at Management Level Deliberation and approval by the Board of Directors after discussions at the Executive Council, chaired by the CEO and attended by Executive Officers (February 2022)	

#### Addressing Material Sustainability Issues and Maximizing Corporate Value

We will continue to maximize corporate value by integrating business and sustainability to create both social value and economic value.

