FY2020 ESG Presentation

March 1, 2021
OMRON Corporation
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Corporate Philosophy Management and Sustainability
OMRON Principles

In 1959, OMRON Founder Kazuma Tateisi created the motto behind our growth: Solving social issues through our business

Our Mission
To improve lives and contribute to a better society

The spirit embodied in the founder’s motto

- Companies have an obligation to serve society
- The determination to be a pioneer in driving social change
OMRON Principles

Our Mission

To improve lives and contribute to a better society

Our Values

- Innovation Driven by Social Needs
  Be a pioneer in creating inspired solutions for the future.
- Challenging Ourselves
  Pursue new challenges with passion and courage.
- Respect for All
  Act with integrity and encourage everyone’s potential.

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Corporate Philosophy Management: Rooted in our Principles

The Management Philosophy creates a framework for embedding our Corporate Philosophy in our practices and operations.

OMRON Principles

Our unchanging, unshakeable beliefs that are the cornerstone of our decisions and actions, and the driving force behind OMRON’s growth.

Management Philosophy

We believe a business should create value for society through its key practices. We are committed to sustainably increasing our long-term value by putting Our Mission and Values into practice.

- Uphold a long-term vision in business practices to create solutions to society’s needs
- Operate as a truly global company through our fair and transparent management practices
- Cultivate strong relationships with all stakeholders through responsible engagement

Medium-Term Plan VG2020 (VG2.0)

OMRON Group Management Policy

Stakeholder Engagement

Sustainability issues

Solve social issues

Respond to stakeholders’ expectations

Stakeholders

Sustainability disclosures

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Management Efforts to Inspire Resonance

Wide variety of unique activities to expand the circle of resonance and deepen understanding of the OMRON Principles

Message from Senior Management

OMRON Principles Dialogue

The Omron Global Awards (TOGA)

CEO Circle

Engagement Survey

OMRON Principles Workplace Exchange
Despite lockdown, the Italian production and development team increased production of medical aspirators to fulfil supply obligations.

What is a medical aspirator?

A suction device for patients on ventilators to aid breathing by removing mucus or bodily fluids from the respiratory tract.
Corporate Philosophy in Action During COVID-19 Outbreak: IAB

Collaborated with a partner to develop a UV disinfection robot as a solution to COVID-19 transmission risk
Corporate Philosophy in Action During COVID-19 Outbreak: IAB

Solutions created in Europe during the COVID-19 outbreak now being deployed globally.
• The Principles are embodied in how we conduct our business

• We have created a culture that is rooted in “Our Values”

• Our global employees are capable of taking initiative independently
VOICE: Framework to Support Corporate Philosophy Management

Using VOICE to identify and solve issues. 5-fold Y/Y increase in additional comments as employees engage with management

To support OMRON’s continuous development, Voice allows the management team to:
1. Measure the attractiveness of the workplace
2. Understand and identify issues
3. Create a framework for actions to solve issues

**Goal**

**Global Employees 21,287** *

**Overview**

No. of respondents 19,176, response rate 90.0%
No. of additional comments 40,453

**Results**

Major programs introduced or revised as a result of VOICE feedback

- Expand work from home program: FY19 (abolished limitations)
- Introduce application system: FY18
- Expand public job posting system: FY18 (increased number of companies where program is available)
- Start global corporate system project: FY18

*Excludes overseas production workers
Sustainability and Environmental Initiatives
OMRON’s Sustainability Framework

Medium-term Plan earnings targets and business strategies aligned with sustainability issues

OMRON Principles

VG2.0

Business Strategies

1. Reinforce businesses by designating focus domains
2. Business model evolution
3. Enhance core technologies

Collaboration with partners

Human capital management, manufacturing, risk management...

Sustainability Issues

A value-generator for people and the Earth that is qualitatively and quantitatively superior

FA

Healthcare

Social Solutions

Collaboration with partners

Human Capital Mgmt.

Manufacturing

Risk Management
OMRON Environmental Policy

Created Environmental Vision based on Corporate Principles. Initiatives aimed at the realization of a better, sustainable society

Vision: Green OMRON 2020

OMRON Group Environmental Policy

In line with OMRON Principles, we will contribute to realizing sustainable societies, globally, by providing eco-friendly products and services that can contribute to the global environment and by efficient management of resources.

1. Provide eco-friendly products and services that can contribute to the global environment
2. Prevent Global Warming
3. Use resources efficiently
4. Co-existence with nature
5. Implement environmental management

OMRON Group Environmental Goals

1. Reduction of greenhouse gas emissions
2. Appropriate management and reduction of hazardous substances
3. Reduction of waste
4. Prevention of air, water, and soil contamination
5. Effective usage of water resources
6. Facilitating environmental management
Evolution of OMRON’s Climate Change Initiatives

Strengthened initiatives in line with our Environmental Vision and Policy

- Long-term Vision VG2020
- Environmental Vision Green OMRON 2020

2011
- Long-term Vision VG2020
- Environmental Vision Green OMRON 2020

2017
- Mid-term Plan VG2.0
  - Set Sustainability Goals

2018
- July 2018
  - OMRON Carbon Zero
  - SBTi Declaration

2019
- Feb 2019
  - TCFD Supporter

2020
- 2020
  - OMRON Carbon Zero
  - SBTi Declaration

TCFD
- Task Force on Climate-related Financial Disclosures

SCIENCE BASED TARGETS
- OMRON and other companies have set ambitious sustainability goals in line with the Paris Agreement.

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Key Features of Our Environmental Actions

Ongoing environmental activities on 2 fronts: Providing products and services that contribute positively to the environment, while reducing the environmental impact of our business activities

Maximize the Effective Use of All Management Resources (Improve energy, resource productivity)

Products and Services Useful to Society (Grow our businesses that have a positive impact on the global environment)

Reduce Our Environmental Impact

Greater Volume of Environmental Contribution

Greater Efficiency

Greater Contribution
History of Energy Solutions Business

Started 85 years ago with protective relay business in 1934, 1 year after OMRON’s founding. Environmental Business Promotion HQ set up in 2009 as an incubation business reporting directly to the CEO.

- 1934: Developed improved protective relay for timers
- 1994: 1st PV inverter developed, production started
- 2009: Environmental Business Promotion HQ established
- Now: Integrated with SSB
Integration with SSB

Bolster Energy Business by combining Environmental Business, Social Systems with respective strengths in components and engineering

April 2020 Business Integration

OMRON Social Solutions Group
OMRON Social Solutions Co. Ltd.
OMRON Field Engineering Co. Ltd.
OMRON Software Co. Ltd.
OMRON Aso Co. Ltd.

FY2019 Segment breakdown consolidated sales ¥678.0bn

Environmental Business HQ

Other (Businesses under Direct Control of HQ)
Under direct control of HQ, focus on nurturing developing businesses and new business discovery and incubation

Other (including corporate/eliminations)

- 1% ¥3.9bn
- 5% ¥36.4bn
- 12% ¥84.5bn
- 13% ¥88.4bn
- 17% ¥112.0bn
- 52% ¥352.8bn
- 13% ¥88.4bn

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OMRON Social Solutions: Mission

Create a vibrant society where people around the world enjoy safe, secure and comfortable lives

Vision for Energy Solutions Business

Realize a circular society for the next generation through energy optimization
### Progress on VG2.0 Sustainability Issues (Social Solutions)

**Markets depressed by COVID-19 impact but expect a recovery going forward on rising market needs**

<table>
<thead>
<tr>
<th>Social Issues To be Solved</th>
<th>Fiscal 2019 Progress</th>
<th>Fiscal 2020 Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Increase in traffic accidents and traffic jams</td>
<td>● Introduced tailgating detection function</td>
<td>● Creation of safe driving support systems and technologies</td>
</tr>
<tr>
<td>● Global warming from CO₂ emissions</td>
<td>● Solar power system: Cumulative shipping capacity 9.6GW</td>
<td>● Cumulative shipped capacity of solar power/storage battery systems: 11.2GW</td>
</tr>
<tr>
<td>● Slow expansion of the renewable energy market</td>
<td>● Storage battery system: Cumulative shipping capacity 438MWh</td>
<td>● Build an energy resource aggregation business using solar power/battery systems (Japan)</td>
</tr>
</tbody>
</table>
Countries accelerating adoption of renewables. Demand shifting toward higher efficiency to achieve CO$_2$ emission reduction targets.

**CO$_2$ Emission Reduction Scenario (Global)**

- Scenario based on full execution of all currently possible measures.
- Demand shift to higher efficiency.
- Adoption of renewables.

**Direction of CO$_2$ Emission Reductions**

- **Electricity**
  - Fossil fuel: Loss
  - Renewables: Power

- **Heating**
  - Fossil fuel: Heat
  - Renewables: Heat

- **Transportation**
  - Fossil fuel: Loss
  - Renewables: Drive Force

**Macro Trends in the Energy Business**

- Shift to renewables + captive use
- Transition to heat pumps + renewables
- Shift to EV

From IEA World Energy Outlook

From German Government's: [An electricity market for Germany’s energy transition](https://www.omron.com)
Decarbonization: Electric Power Demand Trends

Electrification to drive a resurgence in domestic power demand in the longer term. Continued growth in renewables-based distributed power sources. Accelerating take-up of distributed power storage.

Challenges Associated with Large-scale Take-up of Renewables

Balancing variability of demand, supply capacity an issue. Key is supply-demand controls that use storage batteries as control valves.

**Challenges Associated with Large-scale Take-up of Renewables**

Renewable use must be accelerated to achieve decarbonization but cannot be maximized where **Power demand < Renewable supply capacity** due to output controls.

**Initiatives to Maximize Use of Renewables**

Energy supply-demand controls enable time-shifting using storage batteries. Even where **Power demand < Renewable supply capacity**, **energy supply-demand controls** make it possible to maximize use of renewable supply capacity.
Our Vision of the Energy Solution Business

Promote area CO₂ reduction, energy self-sufficiency by combining system development skill with energy conversion/control technology

Create service business

Realize area energy management

- Reduce area CO₂ emissions
- Promote area energy self-sufficiency

Strengthen component / engineering business

Energy conversion control technologies

Developing / building systems

Solutions offered

Component business

- PV Inverter
- Storage system
- Gateway
- Energy measurement

Engineering business

- PV facilities
- Energy Saving Facilities (LED lighting)
- Energy Saving Facilities (High efficiency HVAC)
FIT start in 2012 drove surge in small-scale PV power market. Enter storage system market on disaster response demand, end of FIT purchasing period.

**Small-scale PV Power Generation Market (<50kW)**
- **FIT drives market growth**
- **Market shrinks on falling FIT prices**

<table>
<thead>
<tr>
<th>Year</th>
<th>&lt;10kW</th>
<th>&gt;10kW, &lt;50kW</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1,550</td>
<td>3,480</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>4,810</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>4,020</td>
</tr>
<tr>
<td>2015</td>
<td>3,170</td>
<td>2,550</td>
</tr>
<tr>
<td>2016</td>
<td>2,520</td>
<td>2,020</td>
</tr>
<tr>
<td>2017</td>
<td>2,920</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Residential Storage System Market**
- **Single:** Simple model consisting of just a storage battery
- **Multi:** Multi connection model incorporating storage battery + PV/EV

<table>
<thead>
<tr>
<th>Year</th>
<th>Single</th>
<th>Multi</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>4,294</td>
<td>4,020</td>
</tr>
<tr>
<td>2013</td>
<td>10,718</td>
<td>3,480</td>
</tr>
<tr>
<td>2014</td>
<td>16,492</td>
<td>4,210</td>
</tr>
<tr>
<td>2015</td>
<td>28,046</td>
<td>6,660</td>
</tr>
<tr>
<td>2016</td>
<td>30,704</td>
<td>7,200</td>
</tr>
<tr>
<td>2017</td>
<td>42,424</td>
<td>8,200</td>
</tr>
<tr>
<td>2018</td>
<td>63,275</td>
<td>10,024</td>
</tr>
<tr>
<td>2019</td>
<td>64,023</td>
<td>10,4767</td>
</tr>
</tbody>
</table>

**Source:** RTS Corporation

*Market growth on disaster response demand and end of FIT purchasing period*
**Component Business Within Energy Solutions Business**

Strengths are inverters that convert PV panels’ DC to AC, and storage systems that enable power use at desired time, emergency backup.

**PV Inverters: For Residential, Small-scale Commercial and Small-scale Power Generation Facilities**

- PV panel
- DC
- Output control instructions
- AC
- Electric Power
- Grid
- Control maximum power generation
- DC/AC conversion
- Grid protection function

**Battery Storage Systems: For Residential, Small-scale Commercial Outlets**

- Charge/discharge
- Discharge control, grid protection function
- PV power link
- AC
- Electric appliances
- Residential
- Small-scale commercial outlets
- Small-scale power station
No.1* share in small-scale PV inverters, residential storage battery systems. Shipped >1.8mn PV inverters, > 70k storage systems

OMRON 38%
Co. A 23%
Co. B 10%
Co. C 10%

OMRON 30%
Co. A 24%
Co. B 15%
Co. C 14%

*OMRON estimate
Engineering Business within Energy Solutions Business

Provide total solutions for enterprise energy issues (energy savings, CO₂ emission cuts, BCP): Diagnostics, design, installation and O&M

**Energy Assessment**
Analyze current situation, propose improvement plan

**Energy Storage Engineering**
Design, install storage system

**O&M*Service**

**Power Generation (Renewables) Engineering**
Design captive-power generation facilities

PV power generation system
- Regular/emergency use power generator
- Co-generation system
- Fuel cell system

**Energy Conservation Engineering**
Enhance facilities, design & implement renovation

*O&M : Operation & Maintenance

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Engineering Project: Contributing to Car Port PV Facilities

Car port PV facilities installed at Murata Manufacturing’s Okayama Plant are one of Japan’s largest. OMRON supports corporates in their efforts to increase use of renewables to reduce CO₂ emissions.

Double-sided panels enable use of reflected light to generate power.

PV power generation system installed in parking lot for 1,200 vehicles

PV power generation systems installed on car port roofs

For more details, see OMRON website: [EDGE&LINK](#)
Engineering Project: Contributing to BCP System

Install BCP system for Yamaichi Electronics, combining PV power generation system and large-scale storage batteries. Contribute to securing emergency power source and lowering electric power costs.

PV power generation system installed for Yamaichi Electronics

Large-scale storage battery used to secure emergency power source. Battery charged with solar power generated in excess of requirements.
SSB proactively helping municipalities to address issues. Contribute to local government efforts to reduce CO₂ emissions and use renewables to help make communities safe, secure and comfortable

Based on comprehensive agreement with Miyazu City, converted abandoned farm land to an asset by installing PV power systems. Contribute to making the community safe, secure and comfortable, and decarbonization

Installation of PV power system in Maizuru City, based on comprehensive agreement with the city. Adoption of PV power system for the Cultural Park Gymnasium contributes to regional disaster prevention and damage reduction as well as decarbonization.
To Achieve Area Energy Management

Following 3 elements are key to achieving area energy management:
1) Expanding applications, 2) Enhancing control technologies, 3) Maintaining long-term reliability
Expanding Applications: Maximizing Integration Impact

Expand into business fields covered by SSB, in addition to existing focus on residential and small-scale commercial outlets.

- **Energy Solutions**: Manufacturing, Residential/Small-scale Commercial
- **Transport Solutions**: Railways, Roads/Mobility
- **Life Svc. Solutions**: Distribution, Services
- **Community Solutions**: Local Government, Multi-purpose Facilities
Pairing storage control with PV facilities enables stable supply. Optimizing energy control cuts energy cost and fulfils BCP needs.

Enterprise-use Self-consignment System
Supply renewable energy using self-consignment system as tool for decarbonization. Storage battery control using EMS ensures stable renewable energy supply, minimizes impact on distribution networks and eliminates risk of imbalances.

BCP System Using Storage Batteries
Deliver good balance on energy costs by not only securing high load power source for emergencies but leveraging storage batteries to enable peak shift and demand control.

*EMS: Energy Management System
Robust service network indispensable for stable operation. New service combines PV inverter rental and maintenance service

**Robust Service Network: Positioned for Rapid Response**

Support long-term, stable operations of customers’ facilities: **nationwide coverage with 140 service locations**

**PV Inverter Flat Fee Rental**

Contribute to long-term, stable operations of PV power plants through **service combining PV inverter rental and maintenance & support**

- **Boost output**
- **Revenue from power sales**
- **Upgrade equipment plan**
- **Reduce sudden expenditures**
- **Fixed monthly pymts.**
- **Incl. movables insurance**
- **On-site maintenance service**
- **No initial investment**

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Our Vision of the Energy Solution Business

To realize area energy management
Climate Change Initiatives
Stepped up climate change initiatives in VG2.0. Currently developing Long-term Vision for 2030 in which climate change will be positioned as one of our top priorities; will further step up initiatives.

FY2020
CDP
Climate Change ‘A’
2nd consecutive year
Water Security ‘A’
1st time
EcoVadis* Platinum Rating

FY2019
OMRON Carbon Zero
SBTi Declaration

FY2018
Minister’s Award for Global Warming Prevention Activity
“Implementation of Countermeasures and Dissemination Category”

2017

FY2016
CDP Climate Change: B

2018

2019

2020

2021

To Next Long-term Vision

*EcoVadis: Independent provider of sustainability assessments/monitoring for supply chains, including climate change. Provide scorecard assessments to more than 65,000 companies and organizations, across 200 industries and 160 countries
Present our initiatives using TCFD’s recommended disclosure framework

1 Governance
Position climate change issues as central to governance and management framework for sustainability

2 Strategy
Set out currently identified risks and opportunities for the overall group’s businesses

3 Risk Management
Set targets for achieving Carbon Zero

4 Metrics and Targets
Broadly gather information and analyze risk factors from climate-related regulations and potential impact on the business
1. Governance

Climate change initiatives are designated key sustainability issues under Mid-term Plan VG 2.0, with monitoring and oversight by the board.
1. Governance: Environmental Management Structure

HQ department responsible for environmental management works with each business company to set targets, formulate plans and support execution.

Environment Management Structure

- **In charge of environmental management**
  - President, CEO

- **Senior Management Responsibilities**
  - Senior General Manager, Global Human Resources and Administration HQ

- **Administrative Responsibilities**
  - General Manager, Global Administration Dept.
    - Global Human Resources and Administration HQ

- **Business divisions**
  - Intermediate management
  - Sites in Japan
  - Sites overseas

- **HQ**
  - Intermediate management
Identify risks and opportunities in the Energy business to 2030 through scenario analysis, using the steps below. This will feed into the next Long-term Vision.

**Step 1:** Identify material risks/opportunities
- Market / Technology Change
- Policy / Legal
- Physical Risk
- Assessment

**Step 2:** Define scenarios
- Multiple scenarios that encompass related transition risk/physical risk

**Step 3:** Assess business impact
- Business impacts:
  - Adoption costs
  - Business costs
  - Profitability
  - Supply chain
  - Business suspension
  - Timing

**Step 4:** Define responses
- Responses:
  - Business transformation
  - Portfolio transformation
  - Investment in skills/technology

OMRON Initiatives:
- Consider risks / opportunities for all Social Solutions
- Narrow focus to Energy Solutions Business

Consider social changes, business risks and opportunities, image of future business development for the Energy business under 2℃/4℃ scenarios

- Define specific material risks and opportunities
- Analyze qualitative and quantitative impact on each business

- Identify necessary actions to improve resilience versus identified risks and opportunities
- Reflect in the 2030 Long-term Vision
## 2. Strategy: Energy Business Scenario Analysis

**Advance CO₂ emission reduction and energy self-sufficiency by combining system development skill with energy conversion and control technologies, factoring in scenario analysis results**

<table>
<thead>
<tr>
<th>Identified Risks and Opportunities</th>
<th>OMRON’s responses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transition Risk</strong></td>
<td></td>
</tr>
<tr>
<td>• Intensification of competitive environment as a result of new entrants from other industries/overseas players, changing customer needs</td>
<td>• Development of products/services that lead to reduction of GHG emissions</td>
</tr>
<tr>
<td>• Increased business costs (mandatory repairability) as a result of responding to regulations related to transition to a circular economy such as climate change (carbon taxes, etc.), or an acceleration of climate change measures, etc.</td>
<td>• Review of product plans/designs</td>
</tr>
<tr>
<td>• Supply chain disruption as a result of the intensification of natural disasters (floods, torrential rains, water shortages), etc.</td>
<td>• Advancing plans to reduce energy consumption and use of renewable energy, etc.</td>
</tr>
<tr>
<td><strong>Physical Risk</strong></td>
<td></td>
</tr>
<tr>
<td>• Expansion of markets for renewable energy, energy storage and management as a result of rapid advances in decarbonization of energy supply and consumption (Accelerating adoption of renewable energy and storage solutions as a part of diversification of power sources, which is raising demand for decarbonization and disaster prevention solutions from corporates and local governments. Home energy self-sufficiency rising on captive-generation, storage and consumption)</td>
<td>• BCP initiatives (diversification of suppliers, production bases, etc.)</td>
</tr>
<tr>
<td>• Increasing need for sophisticated energy management to solve the challenge of managing power supply-demand balance resulting from the rising adoption of renewables, etc.</td>
<td>• Adoption of in-house power generation from renewable sources, etc.</td>
</tr>
<tr>
<td>• Market for home use storage batteries: Approx. 4x</td>
<td>• Further expansion of sales of PV inverters targeted at rising demand from corporates, households and local governments for renewable energy and energy storage solutions</td>
</tr>
<tr>
<td>• Non-residential storage battery market: Approx. 6-7x</td>
<td>• Development of energy management business leveraging solar/storage solutions</td>
</tr>
<tr>
<td></td>
<td>• Consideration of new businesses in anticipation of advances in the circular economy, etc.</td>
</tr>
</tbody>
</table>

- Market for power aggregation: Approx. 90x

- Expected time horizon: FY2030
- Scenario used: IPCC/RCP8.5: Global average temperatures rise 4°C or more from pre-industrial revolution levels
- IEA/SDS (partial use of IPCC/SR1.5): Rise in average global temperatures limited to less than 2 °C as agreed under the Paris Accord (in part less than 1.5°C)
- Market scale: Estimates based on Fuji Keizai Group publication

Developed temperature control program that leverages AI to achieve changes in packaging materials for food processing customers. Contribute to solving issue of marine plastic waste.

Solve issue of temperature variability on adhesion process for a variety of packaging materials

Contribute to reduction of packaging waste equal to 930kt of plastic

Temperature control program that leverages AI

*OMRON Estimates
3. Risk Management

Initiate BCP response based on analysis of climate change-related risks, factoring in impacts based on integrated risk management.

**External Risk**
- Macro: Economic downturn
- Finance: Market volatility

**Geopolitical Risk**
- Change in international relations
- Stricter laws and regulations
- Trade restrictions
- Env: Env. laws/ restrictions
- Procurement: Raw materials price changes

**Natural Disaster Risk**
- Novel contagious diseases
- Climate change disasters
- Unforeseen disasters

**Management, Business Strategy, Financial Risk**
- Macro: Market trends
- Finance: JPY interest rates up
- Macro: FX rate movements
- Finance: Ratings downgrade
- Legal: Anti-bribery
- Legal: Anti-trust
- Quality: Defects/recalls
- R&D: Patent disputes
- R&D: Brand infringement
- Legal: Information security
- Legal: Security trade controls
- Quality: Initial response failure
- Procurement: Supplier CSR issues

**Resource, Infrastructure Risk**
- IT security: Data breach
- IT security: Major data collapse
- IT security: System failure
- Procurement: Component shortage
- Production: Product supply halt
- Human capital: Industrial accident

**Crisis response: Decline in public perception**

Impact on management performance and financial conditions:

- Risks highly correlated to climate change
- Risks related to climate change
4. Metrics and Targets: OMRON Carbon Zero

Expect to exceed FY2020 target (-4%) by 51%, owing to ongoing initiatives. New targets for 2021 and beyond to be set in alignment with next Long-term Vision

*Currently formulating Scope 3 target

*1 GHG: Greenhouse Gas
4. Metrics and Targets: Environmental Initiatives in Our Businesses

Implemented construction design and energy-saving activities. New building at Yasu certified ZEB Ready*2 in 2020 *1, reflecting capacity to reduce energy consumption by more than 50%.

- 2003 Keihanna Innovation Center
  - Solar power generation
  - Use of natural light
  - Leading-edge environmental features at the time

- 2011 OMRON Healthcare HQ
  - Solar power generation
  - Green roof
  - Secure highest CASBEE*3 ranking ‘S’

- 2012 Ayabe Plant
  - Using visualization in energy conservation activities
  - Conduct plant tours focused on energy-saving features

- 2020 Yasu (New Office Building)
  - Solar power generation
  - Energy-saving initiatives such as HVAC control using OMRON products
  - Secure ZEB Ready rating under BELS Certification*4

*1 Year in which operations commenced. Building completed in 2019
*2 ZEB (Net Zero Energy Building) is an international initiative promoted by the Ministries of the Environment and Economics, Trade and Industry(METI) aimed at realizing zero energy buildings where primary energy consumption is reduced to zero through a combination of energy conservation and power generation. The ZEB Ready rating is awarded to buildings that reduce energy consumption through energy conservation by more than 50%.
*3 Comprehensive Assessment System for Building Environment Efficiency: Methodology for assessing and promoting environmental efficiency of buildings
*4 Building Housing Energy efficiency Labeling System

Start analysis of energy conservation potential*1 in Asia Pacific in FY2019. Due to COVID-19, FY2020 energy conservation review for Malaysia conducted remotely from Japan.

Breakdown of Energy Use for FY2020 (Electric Power)

- Japan: 40%
- China: 17%
- Asia Pacific: 40%
- Americas/Europe: 3%

From FY2018, implementing analysis of energy-saving potential and energy saving measures.

*1 Analysis of energy-saving potential: Creation of a specific plan with estimates of impacts and costs, based on an understanding of the local situation and a grasp of energy loss risks and opportunities to improve energy efficiency.
### Material Environmental Sustainability Issues and Targets

**Expect to achieve two VG2.0 initial sustainability targets, as well as targets set in alignment with the Environmental Vision**

<table>
<thead>
<tr>
<th>Target Item</th>
<th>FY2020 Target</th>
<th>FY2019 Result</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Reduce GHG emissions</strong></td>
<td>Environmental contribution &gt; Production site CO2 emissions</td>
<td>Environmental contribution 971kt-CO2 &gt; Production plant CO2 emissions: 135kt-CO2</td>
<td>In line with plan</td>
</tr>
<tr>
<td></td>
<td>- 2020 -4% vs. 2016</td>
<td>Total GHG emissions reduced by 34% (vs. FY2016) (Scope 1&amp;2)</td>
<td>In line with plan</td>
</tr>
<tr>
<td></td>
<td>- 2030 -32% vs 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- 2050 Zero emissions (Scope 1&amp;2, Scope 3 under consideration)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2. Reduce / appropriately manage hazardous substances</strong></td>
<td>Mercury reduction through adoption of digital thermometers and BPMs 69 tons/year</td>
<td>57 tons/year (Thermometers: 12.27m units, professional BPMs: 880K units)</td>
<td>In line with plan</td>
</tr>
<tr>
<td></td>
<td>- Stop use of CFCs in 2018</td>
<td>Complete full elimination 1 year early</td>
<td>In line with plan</td>
</tr>
<tr>
<td></td>
<td>- Stop use of HCFCs</td>
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<tr>
<td></td>
<td>- Stop use of mercury (fluorescent lights)</td>
<td></td>
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</tr>
<tr>
<td><strong>3. Reduce waste</strong></td>
<td>Achieve zero emissions at all global production sites</td>
<td>21 locations (Progress rate 95%)</td>
<td>In line with plan</td>
</tr>
<tr>
<td><strong>4. Prevent air, water &amp; soil contamination</strong></td>
<td>Undertake environmental legal assessments and complete corrective measures for all production sites globally</td>
<td>24 locations (Progress rate 100%)</td>
<td>In line with plan</td>
</tr>
<tr>
<td><strong>5. Effective use of water resources</strong></td>
<td>Reduce volume of water used at all production sites globally by 6% vs. FY2015</td>
<td>Reduced by 13.2%</td>
<td>In line with plan</td>
</tr>
<tr>
<td><strong>6. Promote environmental mgmt.</strong></td>
<td>Acquire and maintain ISO14001 certification for all production sites globally</td>
<td>25 locations (Progress rate 100%)</td>
<td>In line with plan</td>
</tr>
</tbody>
</table>
As we seek to expand opportunities under the Long-term Vision to 2030, climate change is one of our highest priorities. Consideration of risks/opportunities for FA and HCB to be reflected in strategy.
Looking to the Future

We will achieve sustainable corporate value growth by continuing to generate economic value, environmental value and social value, underpinned by our focus on solving social issues through our business