

# The Omron Principles and CSR Management

## Living Up to the Corporate Core Value of “Working for the Benefit of Society”

### Corporate Motto and the Omron Principles

#### Corporate Motto

At work for a better life,  
a better world for all

#### The Omron Principles



#### Corporate Core Value:

#### “Working for the Benefit of Society”

On May 10, 2006, in honor of Omron's Foundation Day, the Company announced its new corporate principles: the Omron Principles. The new principles were established to respond to the change in values society requires from companies as well as Omron's drive to promote business globally. According to the Omron Principles, “Working for the benefit of society” is positioned as the corporate core value that describes the true purpose of the Omron Group's existence.

The underlying philosophy of these principles is that a company's reason for existence is to serve society, and only companies that add value and meet social needs can earn trust and confidence from society as good corporate citizens and thus successfully continue to survive as businesses. The core value reemphasizes the Company's commitment to offering benefits for society while also clearly stating Omron's determination to promote business management that emphasizes value for stakeholders that comprise society.

### Instilling “Management Commitments” and “Guiding Principles for Action” Based on the Corporate Core Value through Two Guidelines

To ensure the fundamental CSR concepts specified in the Management Commitments are being thoroughly practiced by all Group employees, Omron has formulated two guidelines. The CSR Practice Guidelines establish a code of conduct outlining the societal responsibilities of each organization in the Omron Group. The second guideline, Implementing the Guiding Principles for Action, details specific actions expected of all employees in the course of their everyday activities and constitutes Guiding Principles for Action for the corporate philosophy.

We distribute both guidelines to all employees in Japan, and we are striving to instill and entrench them through our CSR-based concept of our corporate core value, “Working for the benefit of society.” To cultivate employee understanding, workplace meetings are held once each year to confirm and debate the content of these guidelines.

We have translated these two guidelines into 25 languages so that they can be put into practice on a global basis.

#### Activities to Instill the Omron Principles

Throughout its history, Omron has continued to advance activities geared toward instilling its corporate philosophy on a global basis. After the 2006 revision of the Omron Principles, the Company's directors held a series of lectures targeting executives to explain and further instill this

corporate philosophy. These lectures were held over the period from 2008 to 2009 and were attended by a cumulative total of 3,000 executives. Between 2011 and 2012, Omron's chairman and vice chairman visited the sites of global operations, where they met with 300 executives to discuss the concepts behind the Omron Principles and their implementation. These meetings assisted in confirming mutual understanding with regard to the principles. In fiscal 2012, we launched two new initiatives—The Omron Principles Dialogues and The OMRON Global Awards (TOGA). These initiatives are designed to cultivate a corporate culture with an emphasis on addressing new challenges by facilitating understanding with regard to the Omron Principles so that they may be linked to one's work and practiced therein.

#### The Omron Principles Dialogues

The Omron Principles Dialogues are a series of group workshops focused on developing a pioneer spirit within the framework of the corporate philosophy. These workshops are held for all Omron Group employees around the world. To further deepen understanding with regard to the importance of the Omron Principles and their implementation at overseas subsidiaries, the Company's chairman meets with the senior management of these subsidiaries and holds lectures and group discussions on the subject. After such meetings with senior management are held, these managers conduct group sessions at the operating sites around the world. We expect that these efforts will produce results during fiscal 2013 as all employees come together in exercising a pioneer spirit.

# Maintaining Honest Dialogue with Stakeholders to Build Relationships of Trust

## CSR Management

### Basic CSR Policy

While remaining true to the basic spirit of our corporate motto and corporate core value, as expressed in our Management Commitments, we manage our business in a way that emphasizes the importance of honest dialogue with shareholders to forge relationships of trust.

### CSR Practice Policies

- **Contribute to a better society through business operations.**

Continuously offer advanced technologies and high-quality products and services by stimulating innovation driven by social needs.

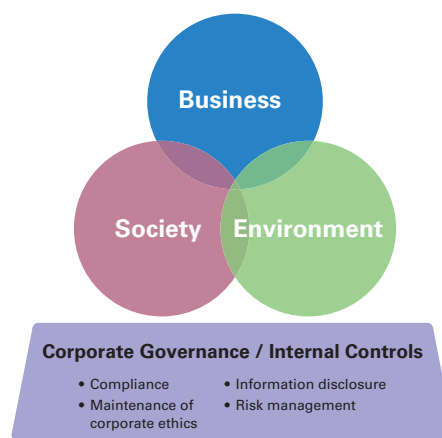
- **Show a commitment to addressing societal issues as a concerned party.**

Address issues such as human rights, the environment, diversity, and community relations in a way that draws on Omron's distinctive strengths.

- **Always demonstrate fairness and integrity in the promotion of corporate activities.**

Promote more transparent corporate activities that maintain fairness and integrity not only through strict compliance with laws, regulations, and social rules but also through increased accountability.

### Framework of CSR Activities



### Integrating CSR Promotion under Our Management Strategy

In fiscal 2011, Omron formulated a new long-term strategy, VG2020, centered on a CSR perspective, thereby integrating CSR and overall strategies. While considering international guidelines, such as ISO 26000 and the United Nations Global Compact (UNGC), we will identify individual CSR issues, and supervisory departments and the CSR-related committees will take primary charge as we work to resolve these issues on a Groupwide basis.

Framework of CSR activities	Individual CSR issues	Departments in charge	CSR-related committees
Business	Innovation driven by social needs	Business divisions, R&D division	Companywide quality assurance council
	Safety assurance for products and services and protection of customers	Business divisions, quality department	
Environment	Environmentally conscious business activities	Business divisions, environment department	Group Environment Activity Committee
	Environmental conservation activities		
Society	Respect for human rights	Personnel department, general affairs department	Central Human Rights Committee
	Labor standards compliance and respect for individuality and diversity	Personnel department	Committee for Promoting Employment of People with Disabilities
	Occupational health and safety	Personnel department, general affairs department	Occupational Safety and Health Committee
	Community involvement and social contributions (Corporate citizenship)	General affairs department	Central Disaster Prevention Committee
Governance	Management of information and intellectual property	Legal affairs department, information systems department, intellectual property department	Information Security Management Committee
	Competition and fair dealing	Legal affairs department, purchasing department	Corporate Ethics & Risk Management Committee
	Prevention of corrupt practices	Legal affairs department	
	Proper discharge of tax responsibilities, accounting, and investment activities	Finance department	Export Management Committee
	Respect for local communities	Legal affairs department, general affairs department	
	Strict trade management for the maintenance of international peace and security	Legal affairs department	
	Prohibition of abuse of corporate position in personal life	Legal affairs department, personnel department, investor relations department	Information Disclosure Executive Committee
Overall control of CSR	Formulation of CSR policy and guidelines, gathering of related information	CSR department	

## Observance of International CSR Standards and Guidelines

Omron considers such international standards and guidelines as the Universal Declaration of Human Rights, the UNGC, ISO 26000, and the OECD Guidelines for Multinational Enterprises and has formulated CSR Practice Guidelines as a framework for the Groupwide code of conduct. In 2008, Omron declared its support for the 10 Principles of the UNGC, which are universally accepted principles in the areas of human rights, labor standards, the environment, and anti-corruption. Accordingly, Omron joined the Global Compact Japan Network (GC-JN), a local Global Compact network. Omron will continue to uphold the UNGC's 10 principles and sincerely implement them to meet the expectations of stakeholders.

**July 2013**

**Omron Corporation**  
**Fumio Tateishi**  
**Chairman of the BOD**



## Promotion of CSR throughout the Value Chain

The Omron Group aims to create products that customers can trust while fulfilling its social responsibilities in all of its business activities. In order to accomplish this, it is not enough for us to act alone; cooperation will be required from our customers, suppliers, and other partners throughout all areas of the value chain.

As one facet of these efforts, Omron has developed a self-analysis checklist based on the Electronics Industry Code of Conduct (EICC), which is used primarily at production sites in China and the Asia Pacific region. This checklist is utilized as a means of evaluating the current progress of CSR initiatives, uncovering issues, and formulating responses to these issues.

Further, in fiscal 2012, we included a "request for non-use of conflict minerals" among our requests to suppliers.

Accordingly, we now make requests to suppliers with regard to the following nine areas.

- (1) Compliance with laws, regulations, and social norms
- (2) Assurance of the best quality
- (3) Best pricing for parts and materials
- (4) Consideration of the global environment
- (5) Request for non-use of conflict minerals
- (6) Stable supply of parts and materials
- (7) Technical capabilities
- (8) Sound business operation
- (9) Thorough information management

### <Response to Conflict Mineral Issues>

Profits from the trading of minerals mined in the Democratic Republic of Congo and its neighboring nations have been used to finance armed rebel groups, allowing them to continue fighting and encouraging ongoing inhumane acts, such as violence, plunder, abuse, human trafficking, and child labor. For this reason, such minerals, which include tin, tantalum, tungsten, and gold, are called "conflict minerals."

Aiming to bring conflict to an end by cutting off the source of funds for armed groups, the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law on July 21, 2010. Section 1502 of the Dodd-Frank Act has mandated that companies registered with the Securities and Exchange Commission (SEC) must publicly disclose their use of conflict minerals.

By upholding the purpose of the Dodd-Frank Act and fulfilling its corporate social responsibility, Omron is determined to promote the procurement of minerals in a responsible manner. In fiscal 2012, we began conducting investigations of suppliers to determine whether or not they use conflict minerals, and we also asked our suppliers to avoid the use of conflict minerals. Should the use of any conflict minerals in Omron Group products be discovered, we will take corrective action as quickly as possible.