



Environmental Report 2000

Aiming to become a responsible and
environmentally-friendly corporate citizen

contents

Message	2	Information Disclosure	
Environmental Management System		Commitment to ISO 14031	25
Environmental Vision System/Environmental Policy/ Objectives and Targets of Environmental Activities	5	Introduction of Environmental Accounting Practice	25
Environmental Conservation Promotion System	7	Corporate Citizenship Activities	
Commitment to the International Environmental Management Standard (ISO)/ISO 14001 Project	8	Examples of Environment-related Corporate Citizenship Activities	26
Reduction in Impact of Corporate Activities on the Environment		Employee Education and Training	
Environmental Performance Improvements	11	Promotion of Environmental Awareness/Outstanding Suggestions for Environmental Protection	27
Prevention of Global Warming	13	Awards/External Promotion Activities	28
Control of Chemical Substances	15	Environmental Auditing	
Water Pollution by Organochlorine Solvents	17	Environmental Audit System/Environmental Audits	30
Total Abolition of Substances that Cause Depletion of Ozone Layer	18	History of Omron's Environmental Activities	31
'Green' Procurement	19	Glossary	32
Reduction of Industrial Waste	20		
Development of Environmentally-friendly Products			
Eco-Products Certification System	22		
Product Assessment and LCA	23		
Environmentally-sound Omron Products	24		



In Pursuit of a Sustainable Society

As we face the threshold of the 21st century, it is essential that we work to maintain harmony between corporate management and the global environment toward the goal of creating a 'sustainable society'. With environmental conservation as one of the key management objectives, we have been promoting recycling-based corporate activities. At Omron Corporation, we aim for an environmentally-conscious management system that strives to minimize the environmental impact of our business activities while working to enhance corporate growth.

To this end, we have been implementing various strategies. They include: 1) developing ecological products by drawing on Omron's environmentally-friendly technologies; 2) minimizing impact on the environment through conservation of energy and resources as well as the reduction of waste; and 3) active participation in environmental activities as a responsible member of a local community. By combining these strategies, we aim to heighten Omron's corporate value.

Besides contributing to the preservation of the global environment through our corporate activities, Omron established a new environmental policy in October 1999, in order to accurately respond to the new Environmental Law and the requirements of a global society. Guided by this policy, all Omron Group employees are integrating their concerted efforts to achieve a sustainable society.

This Environmental Report outlines the environmental protection activities that Omron Group implemented during fiscal 1999 (April 1999 to March 2000). I hope this report demonstrates Omron's total commitment to environment issues and its implementation of necessary actions. Any thoughts or suggestions that you may have concerning this report would be greatly appreciated.



Yoshio Tateisi
Representative Director and CEO

Aiming to Develop Omron into a Truly 'Green' Company

In 1992, Omron Corporation established an environmental conservation promotion system, which marked the start of its endeavor toward completely stopping the use of chemicals that deplete the ozone layer as well as other harmful substances. Then in March 1998, to promote an environmentally-conscious management system, Omron formulated an Environmental Activity Committee, which was comprised of four sub-committees, namely the Development Sub-committee, Production Sub-committee, Recycle Sub-committee and Information Sub-committee.

Along with the initiation of Omron's internal company management system in April 1999, the former environmental conservation promotion system was reorganized into a newly established Environmental Activity Committee and three sub-committees. Aided by this new organizational structure, we are now addressing environmental issues from multi-faceted angles. This enables us to work toward the recycling of valuable natural resources and to build an ecologically balanced manufacturing system with the ultimate goal of creating a 'sustainable society' for the upcoming century.

In the present fiscal year, we also launched an environmental accounting practice for assessing the balance between investments made for environmental conservation measures and the following outcomes. We are planning to include data on environmental costs and the effectiveness of our environmental activities in the next report.

We will further strengthen Omron's environmental commitment and continue to disclose related information to our customers and the public. We look forward to hearing your views on this environmental report.



Akio Imaizumi
Director and Senior Managing
Officer
Senior General Manager of the
Quality and Environment HQ



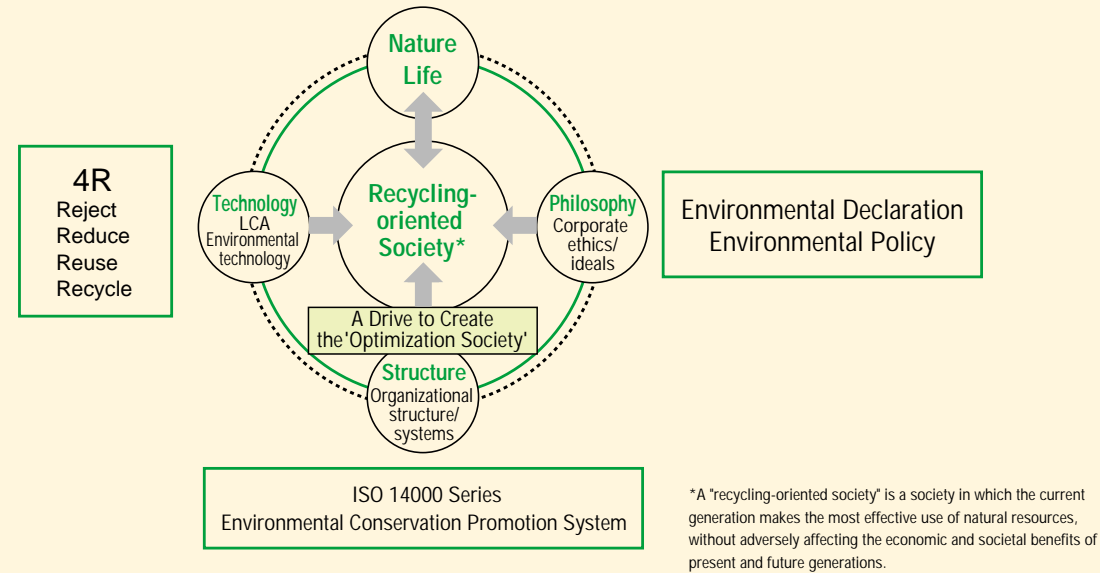
Environmental Declaration

We pledge to aspire to harmonize
with nature and work for a better
environment through activities showing
a strong sense of public responsibility.



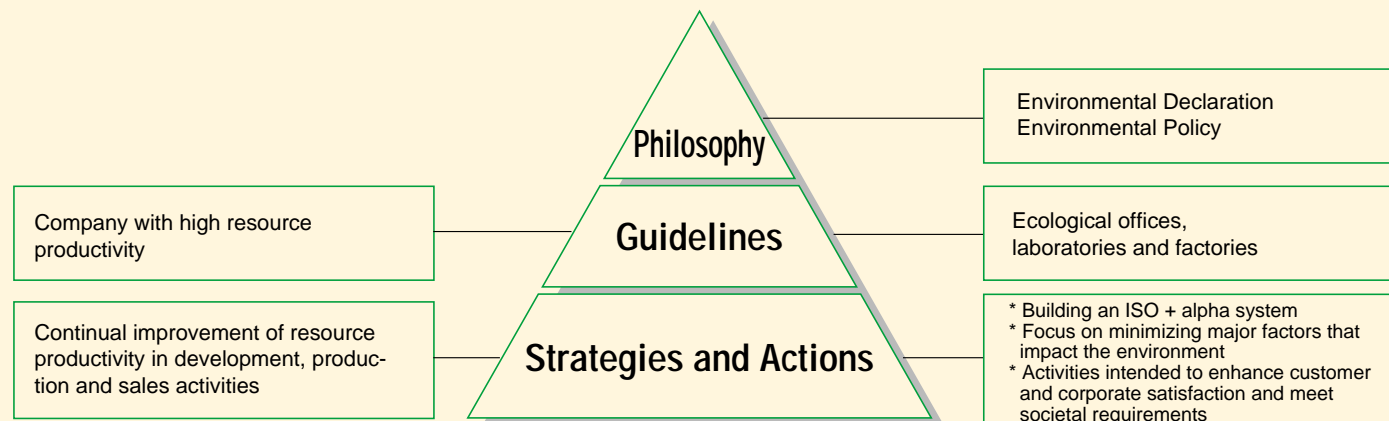
Omron's Approach to the Optimization Society from the Environmental Aspect

At Omron, we envision the arrival of what we call the "Optimization Society" — a society marking the early part of the 21st century in which individuals can enjoy a fulfilling life. However, many experts also predict that we will soon face serious environmental issues. To maintain harmony between the environment and humanity in this "Optimization Society," it is essential that we find the most effective ways to solve these environmental issues. Omron is focusing on its technological resources and establishing a solid infrastructure to tackle these issues.



Environmental Vision System

Since its inception, Omron has consistently remained committed to fulfilling its public responsibilities through its business activities (business aspects) and social contributions (social aspects). Omron considers an environmental commitment to be a social contribution of prime importance. Today, we are faced with the adverse effects created by the economy-driven society of the 20th century. Now we must work to remedy these effects by improving the efficiency of producing and using resources. Therefore, our efforts to improve environmental efficiency along with an environmentally-sound management system are more important than ever.



Environmental Policy

Scope	All activities and products related to Omron's microelectronics and service businesses
Targeted regulations/standards	Basic Environment Law, Environmental-related Law, ISO 14001, etc.
Law observance	Basic Environment Law, Environmental-related Law, in-house regulations
Actions	Continual improvement of environmental systems and performance
Organizational system	Management: Environmental Activity Committee; Head Office: Director responsible for corporate-wide environmental conservation activities/environment-specialized division; Internal companies/factories: promotional organizations
Improvement programs	Customers: Creating products and technologies that help reduce environmental impact Procurement: Purchasing environmentally-friendly parts/materials, equipment and office supplies Resources: Enhancing resource productivity Energy-saving: Energy conservation to reduce CO ₂ emissions Regional activity: Reducing and preventing pollution and contamination of regional environment
Objectives and targets	Setting and documenting quantitative medium-term and short-term targets
Review	Environmental audits (individual and corporate-level), plus management review
Social contributions	Active participation in social contribution activities
Environmental technologies	To be made available for general use

Objectives and Targets of Environmental Activities

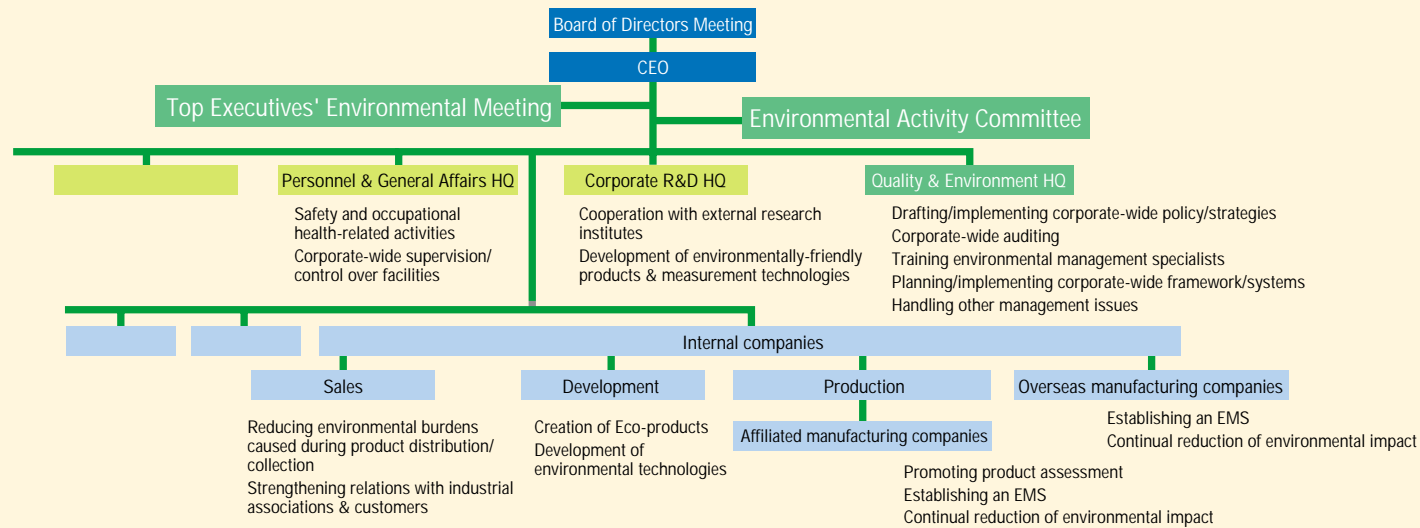
Recognizing that an environmental commitment involves continual, long-term activities, Omron is fully aware of the need to solve various issues related to the global environment and regional ecological systems as quickly as possible. To this end, areas of focus must be clearly determined while ensuring that the activities implemented correspond to the aforementioned corporate vision and environmental policy. During fiscal 1999, Omron focused on the following activities.

Objectives	Fiscal 1999 targets	Fiscal 1999 achievements
Establish a "Green Omron" plan	Formulate strategies for fiscal 2000 and onward	Major plans are now being formulated
Establish a new environmental policy	Establish and announce a new environmental policy	Policy established as of October 1, 1999
Establish an environmental management system for offices and laboratories	Formulate and launch ISO 14001 projects	Basic manual and basic plans formulated
Promote Eco-Product development (energy saving)	Create 16 Eco-Products	20 Eco-Products developed (accumulated total: 36) (energy-saving, resource-saving, etc.)
Promote Eco-Product development (resource saving)		
Launch a "green" procurement system	Announce an introductory plan and provide guidance	Announcement has been made and individual guidance is now being provided
Promote reduction in CO ₂ emissions	Reduction of 3% (compared to FY1995)	Reduction of 1.3% achieved (compared to FY1995)
Promote recycling of waste	Waste recycling ratio: 73%	Waste recycling ratio of 81% achieved
Launch an environmental accounting practice	Trial launch and verification of the environmental accounting practice	Trial implementation of the environmental accounting practice now underway
Promote preparatory actions before the enforcement of new environmental laws	Completion of PRTR/packaging-related actions	In-house system is now being established and an introductory plan drafted



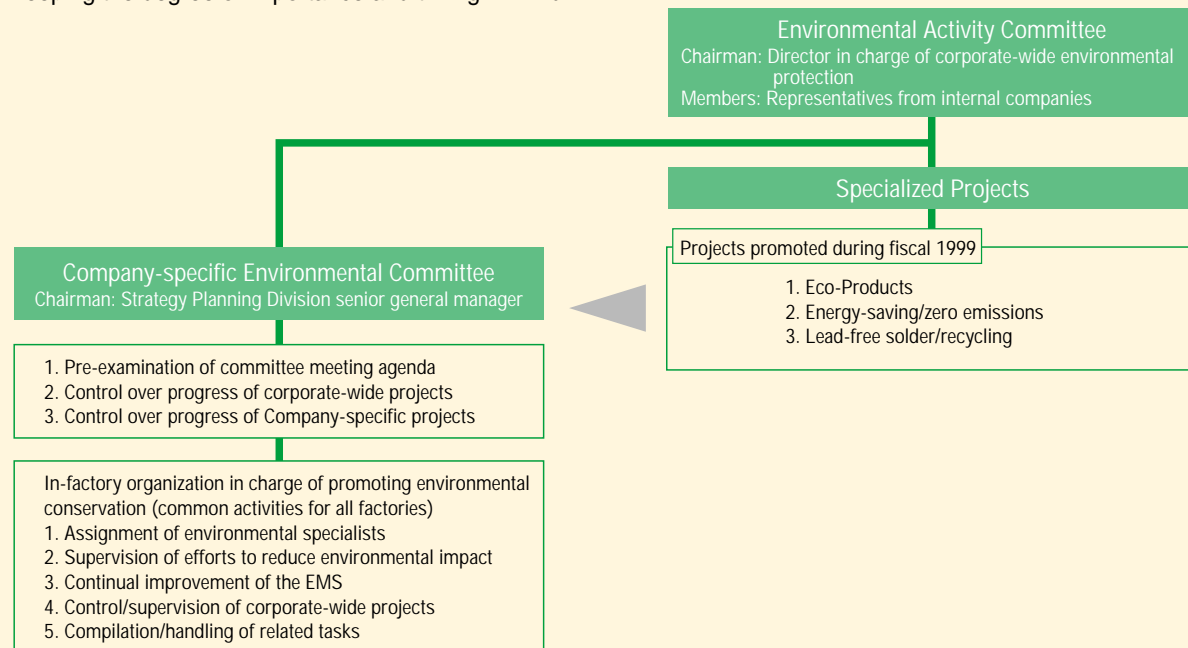
Environmental Conservation Promotion System

At Omron we believe that environmental commitment is one of the key management issues that Omron must address. To do so, it is essential that the corporate-wide efforts of its management and employees are totally integrated and that cooperation exists with its suppliers and partners. Based on this belief, Omron has been implementing a corporate-wide system intended to promote environmental conservation. Along with the launch of its internal company management system, Omron established the Environmental Activity Committee in April 1999. This committee consists of members that represent each internal company, and is chaired by the director responsible for corporate-wide environmental promotion. It assumes the task of coordinating corporate-wide strategies with those of each internal company while promoting the activities shown below. Each business unit/division is also making maximum use of intelligence and creativity in order to meet individually set quantitative targets for environmental conservation within a framework of specified investment budgets. As part of this effort, individual divisions strive to clearly define those tasks and responsibilities that should be assumed by each division.



Environmental Conservation Strategies and Organizational Structure

Reflecting the decisions made at the Top Executives' Environmental Meeting, the Environmental Activity Committee reviews and decides on main projects to be promoted and then encourages their implementation throughout the Omron Group. The Environmental Activity Committee intends to take a flexible approach while keeping the degree of importance and timing in mind.



Commitment to the International Environmental Management Standard (ISO)

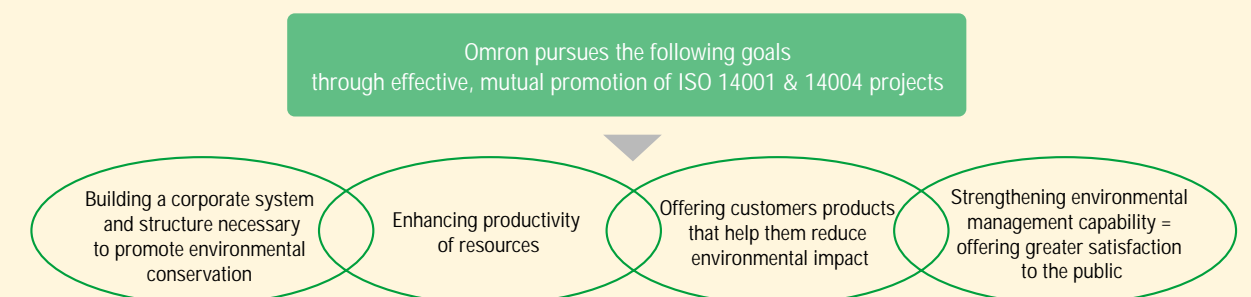
ISO environmental standards were primarily established to advocate the improvement and protection of the environment with the purpose of creating ecological balance for a safe and secure society. Toward this end, consumers, government offices and particularly businesses must assume their respective roles. Therefore, at Omron we consider the acquisition of ISO 14001 certification as mandatory and accordingly established a corporate policy in September 1995 that stresses Omron's total commitment to the ISO 14001 project. Omron's environmental policy also addresses the ISO 14020 series, ISO 14031 and other international environmental standards, that have been established or are now being formulated. As such, Omron is now working to collect information to build an in-house system and infrastructure essential for realizing this goal.

ISO 14001 Project

Omron was quick to start an ISO 14001 project by creating a relevant organizational system in April 1995, even before the 1996 establishment of the standards. First of all, we designated two factories chosen from among 30 Omron Group factories both in and outside Japan as model sites, from which all factories can learn about ISO requirements and procedures. The exchange of information and tools with other factories was also encouraged, aiming for the most efficient method of acquisition for ISO certification for all Omron factories. As a result of these efforts, in November 1996, the Ayabe Factory in Kyoto became the first Omron factory to receive ISO 14001 certification, soon followed by Omron Manufacturing of the Netherlands B.V., a Dutch manufacturing company. By May 1999, a total of 30 Omron Group factories (16 sites in Japan and 14 sites overseas) had achieved ISO 14001 certification. A newly established Filipino manufacturing company is also scheduled to acquire certification by August 2000. With this accomplishment, all Omron Group factories outside Japan will become ISO 14001 certified.

Since 1999, Omron has also been working to achieve ISO 14001 certification for its offices and laboratories, aiming for acquisition by the end of the present fiscal year.

Recognizing that ISO 14001 certification is a passport to becoming a global, environmentally-conscious corporation, Omron sees the certification as a manifestation of its environmental attitude. Omron will focus its efforts on reducing the impact of its business operations on the environment by building a corporate-wide environmental management system that completely fulfills ISO 14001 requirements.





Key Points to be Kept in Mind when Acquiring ISO 14001 Certification

Due to the non-quantitative nature of ISO standards, the acquisition of ISO 14001 certification will require the creativity and application capability of corporations. To strengthen understanding of the 52 mandatory (SHALL) requirements of the standards and to maximize the productive results of our activities, Omron specified the following key points. This has also helped Omron create the most streamlined environmental management system possible.

1. Strengthen employee understanding of ISO 14001 standards

Organizing seminars and study workshops within each factory or at Omron's head office, or through cooperation with external institutes and companies.

2. Develop technologies for evaluating environmental impact and make necessary tools available

Establishing standard methods for measuring and evaluating environmental aspects by maximizing Omron's originality.

3. Establish an environmental educational system and promote it corporate-wide

Preparing level or function-specific curriculum and continually promoting education.

4. Enhance ISO awareness among management so that they can demonstrate leadership

Provide explanations about ISO on a regular basis at Omron board of directors' meetings to strengthen management understanding of ISO standards.

5. Assign key sections and personnel

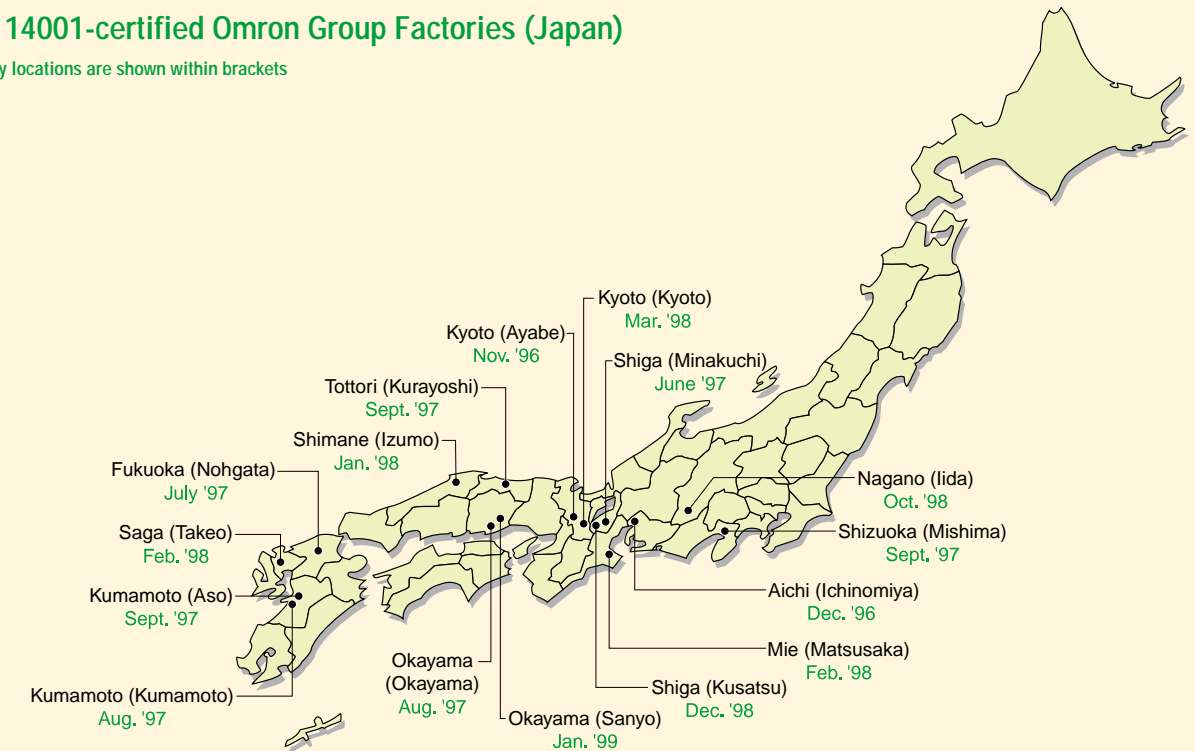
Setting up environmental activities-specialized divisions and environment specialists within each division.

6. System operation to assure improvement of environmental performance

Maximizing efforts to promote an understanding of the need to make environmental investments and to quickly generate a sufficient level of return on investments.

ISO 14001-certified Omron Group Factories (Japan)

Factory locations are shown within brackets



ISO 14001 Certification of Omron Group Factories

Japan

As of March 21, 2000

Factory	Ayabe Factory	Omron Ichinomiya	Minakuchi Factory	Omron Nohgata	Omron Okayama	Omron Kumamoto
Date of certification	96-11-16	96-12-8	97-6-12	97-7-26	97-8-2	97-8-26
Registration No.	65349	61343	41101	41680	41825	EC97J1058
Auditing organization	BVQI	BVQI	BVQI	BVQI	BVQI	JACO

Factory	Omron Aso	Mishima Factory	Omron Kurayoshi	Omron Matsusaka	Omron Izumo	Omron Takeo
Date of certification	97-9-15	97-9-15	97-9-29	98-2-21	98-1-26	98-2-23
Registration No.	42440	42441	EC97J1080	46369	EC97J1162	EC97J1187
Auditing organization	BVQI	BVQI	JACO	BVQI	JACO	JACO

Factory	Omron Kyoto Taiyo	Omron Iida	Omron Sanyo	Kusatsu Factory
Date of certification	98-3-31	98-10-2	99-1-8	98-12-25
Registration No.	47066	JQA-EM0227	JQA-EM0314	53509
Auditing organization	BVQI	JQA	JQA	BVQI

Overseas

Factory	OMN (Netherlands)	OMI (Indonesia)	OOU (U.K.)	OMD (Dalian, China)	OMB (Malaysia)	OMP (Shanghai, China)	OMC (Shanghai, China)
Date of certification	96-11-28	97-8-26	98-2-9	98-12-14	98-12-18	98-11-27	98-12-8
Registration No.	651293	42091	EMS38730	01-1998-073	O000101128	04-1998-004	04-1998-005
Auditing organization	LRQA	BVQI	BSI	CCEMS	SIRIM	SCEMS	SCEMS

Factory	OMR (Shanghai, China)	OKA (Korea)	OMA (U.S.A.)	OED-C (U.S.A.)	ODI (Canada)	OMG (Germany)	OTE-P (Taiwan)
Date of certification	99-2-5	99-3-26	99-5-6	99-3-31	99-4-23	99-4-16	99-2-10
Registration No.	02-1999-002	ESC990096	74-300-8814	1521/99/E	1563.1/99/E	260412	92020
Auditing organization	EIQA	KMA-QA	TUV	SGS	SGS	LRQA	SGS

LRQA: Lloy's Register Quality Assurance

BSI: British Standards Institution

SCEMS: Shanghai Center Environment Management System

CCEMS: China Center For Environmental Management System

EIQA: Shanghai Electronic Industry & Instrumentation Quality Audit Institute

KMA-QA: Korea Management Association Quality Assurance

BVQI: Bureau Veritas Quality International

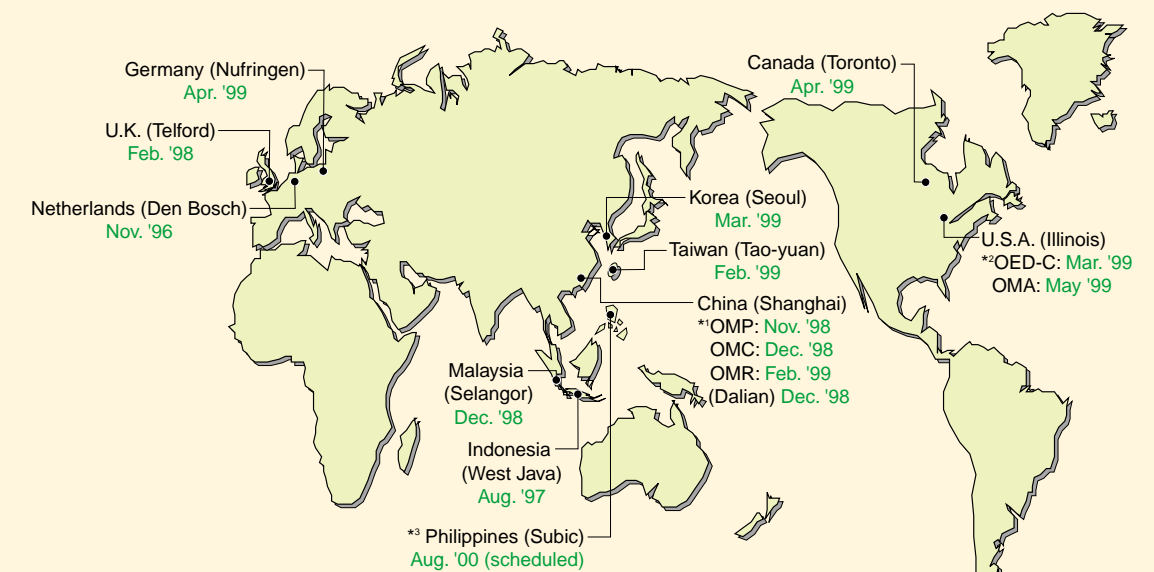
JACO: Japan Audit Certification Organization for Environment

JQA: Japan Quality Assurance Organization

SGS: SGS Co., Ltd.

ISO 14001-certified Omron Group Factories (Overseas)

Factory locations are shown within brackets



*1 OMP: Shanghai Omron Automation System Co., Ltd.
OMC: Omron (Shanghai) Co., Ltd.
OMR: Shanghai Omron Control Components Co., Ltd.

*2 OED-C: Omron Automation Electronics, Inc.
OMA: Omron Manufacturing America, Inc.

*3 Newly established factory in the Philippines



Reduction in Impact of Corporate Activities on the Environment

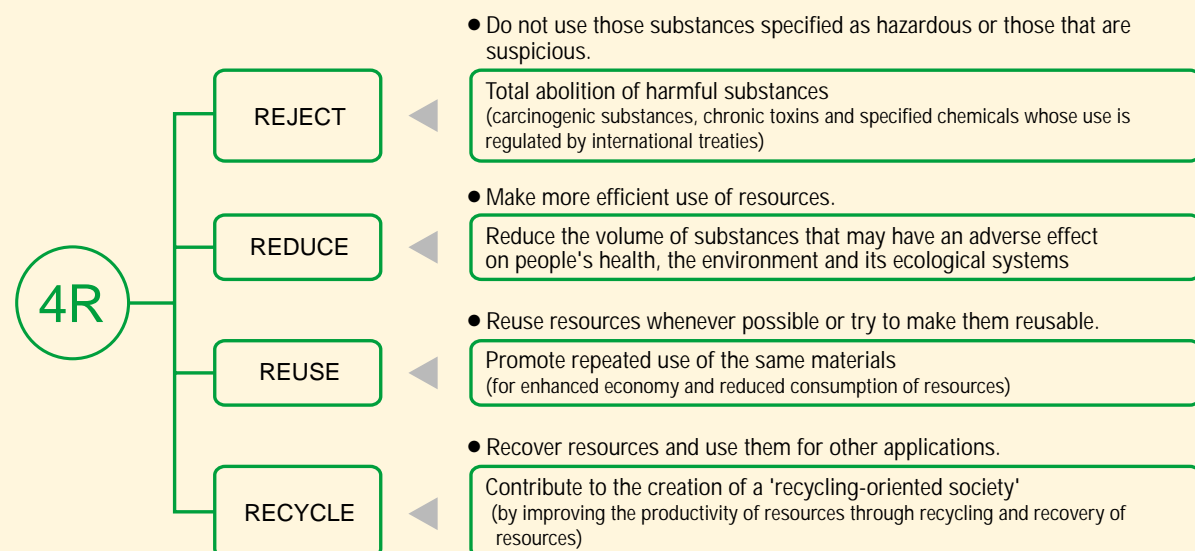
Omron's corporate activities, products and services will consistently be involved in a struggle to reduce environmental impact. To continue developing new products and businesses that have no adverse effects on the environment, numerous issues must be addressed and worked out. To effectively solve these issues we must maximize our creativity and join efforts with everyone concerned.

Centering around the basic concept of "maximizing those beneficial and minimizing those harmful," Omron is currently working to reduce the impact of its business operations on the environment by focusing on the following two fields:

1. Enhancing productivity of resources: Recycling and reduction of waste, cutting resource consumption
2. Prevention of global warming: Energy conservation

Environmental Performance Improvements

Omron's efforts to reduce environmental impact cover virtually all of its business activities from development, production to distribution, as well as the entire span of product life from input of materials to output of finished products, and even discarding. Toward this end, Omron not only integrates its total efforts, but also tries to gain support from concerned public institutes, customers and associates wherever possible. Centering around the concept of 'the 4Rs' (see below), Omron is committed to developing new technologies and refining existing technologies in order to achieve the goals set for reducing environmental impact.



Water Pollution Control

In an attempt to conserve the environment, Omron regularly measures the quality of waste water, and maintains and controls environmental equipment and facilities in order to prevent water pollution.

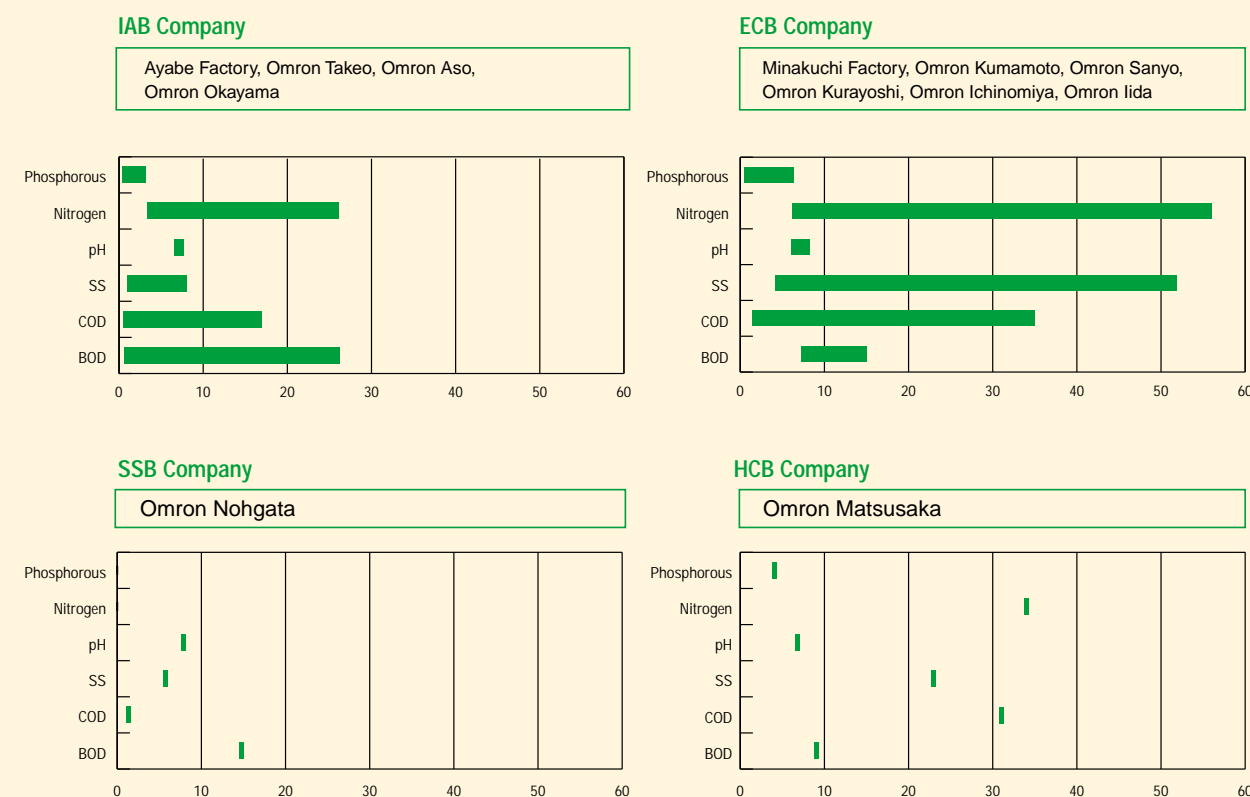
Water Pollution Control Law

National standards: BOD 160, COD 160, SS 200, pH 5.8-8.6, nitrogen 120, phosphorous 16

Results of waste water measurement

The following graphs show the results in the quality of waste water generated by the factories of each Omron internal company.

(Each bar shows the range between the maximum and minimum values for each measurement item, i.e., Min. — Max.)



BOD: Biochemical Oxygen Demand COD: Chemical Oxygen Demand SS: Suspended Solids pH: Hydrogen Ion Concentration
Unit: mg/liter (excl. pH)

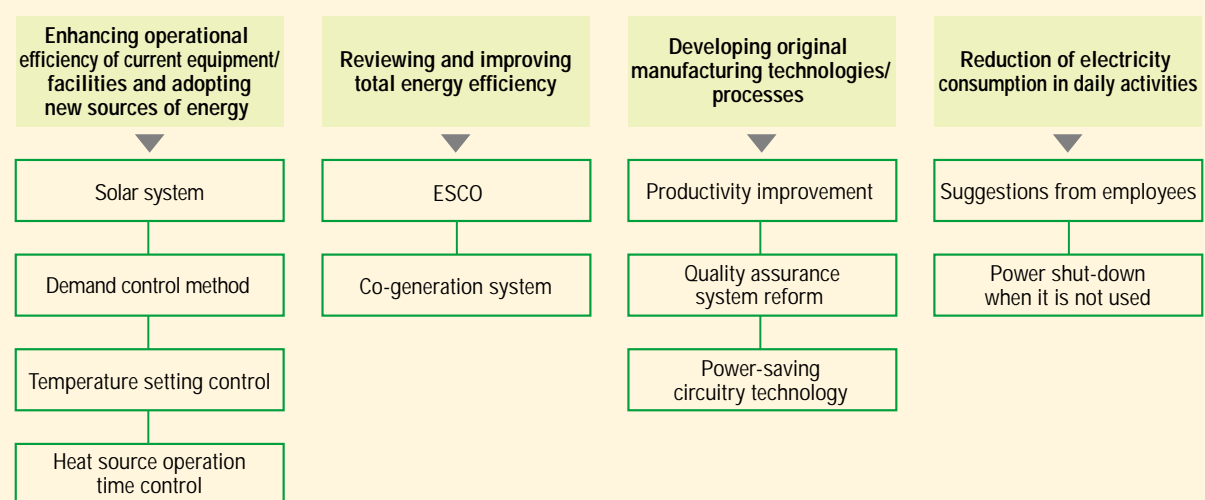
For Kusatsu and Mishima Factories that comply with the Sewage Law, data for waste water quality is not listed in the above graphs.



Prevention of Global Warming

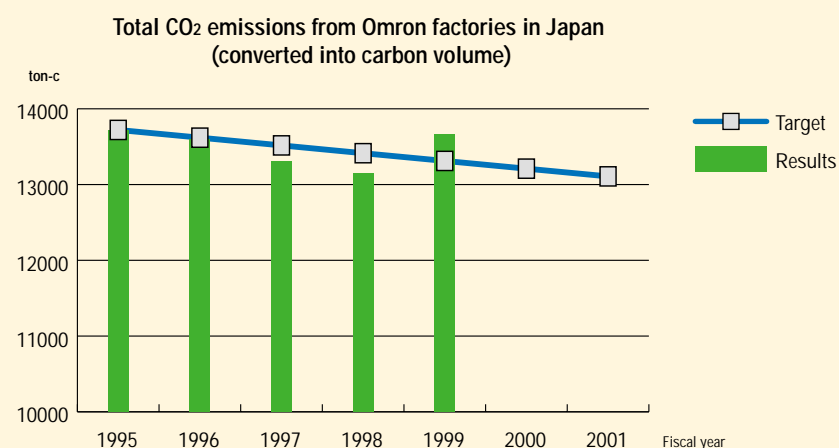
It is known that the generation of carbon dioxide, nitrogen suboxide, and other greenhouse gasses cause increases in the earth's surface temperature, which in turn affects the ecological system and causes other critical problems to the earth in the 21st century. It is therefore critical to control the use of energy, chemical substances and fossil fuel. These problems are extremely difficult to solve unless the corporate activities and lifestyles that we conduct today are radically changed.

Along with the conservation of energy in various corporate activities, we are also committed to developing products that feature far less power consumption. Specifically, we are working on the following projects.



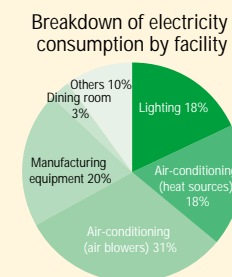
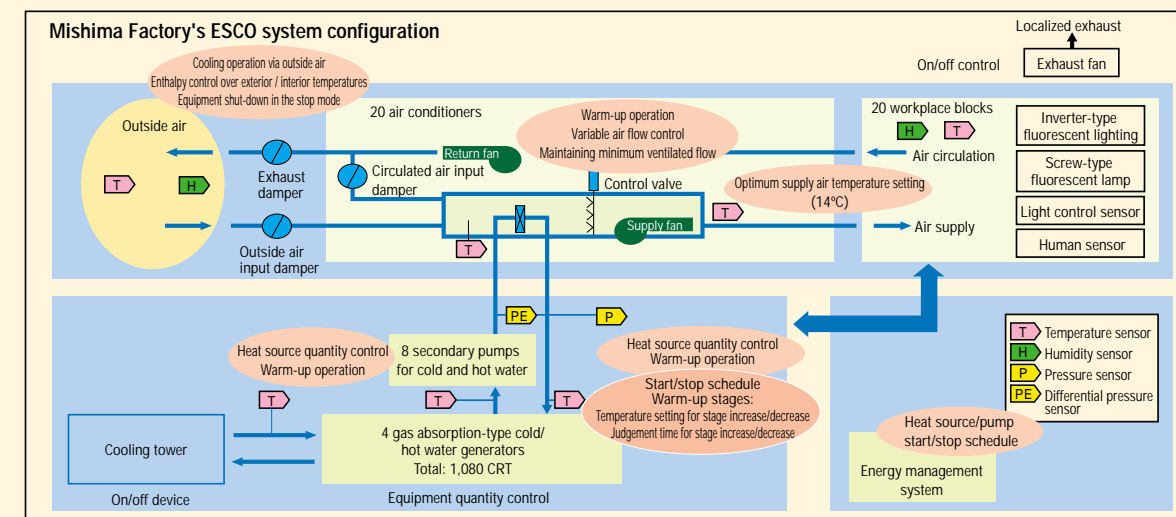
Fluctuations in CO₂ Emissions

Omron has been working to reduce total CO₂ emissions by 11% by the end of fiscal 2010 (when compared to the fiscal 1995 figure). However, due to a significant increase in the volume of production, total CO₂ emissions during fiscal 1999 increased 3% from the previous year. Endeavoring to realize ecological factories we will continue to work even harder to attain our target.



Energy-saving Activities through ESCO Initiative

Omron has introduced an ESCO (Energy Service Company) initiative to promote energy conservation for all currently available manufacturing facilities. The chart below shows an ESCO system adopted by the Mishima Factory, which was awarded an energy-saving certificate from the Ministry of International Trade and Industry in 1998.



ESCO initiative

Energy-saving items

1. Replace current lighting fixtures with high-efficiency fluorescent lamps
2. Replace incandescent lamps with fluorescent lamps
3. Install human sensors
4. Employ inverter-controlled secondary pumps for cold/hot water
5. Employ inverter-controlled air blowers
6. Employ inverter-controlled compressors
7. Introduce an energy management system

Reduction of energy consumption (compared to fiscal 1995)

1. Electricity: down 14% (660,000kWh)
2. Gas: down 12% (110,000m³)
3. CO₂ emission: down 14% (97 ton-C)

Energy-saving Activities Promoted at Various Factories

Enhancing efficiency of air-conditioners A reed blind was installed for the purpose of improving the efficiency of an outdoor unit. Initially the blind was placed at the front of an outdoor unit, however, it was later placed at the back in order to effectively release heat.	Trees planted to block out afternoon sun Trees were planted to avoid direct sunlight and solar radiation from reaching the factory's side windows in an effort to prevent the interior temperature from rising. Deciduous trees were chosen so as not to block out the afternoon sunlight in winter.	Increasing efficiency of air-conditioners by spraying water In an attempt to enhance the operational efficiency of air-conditioners, water is sprayed on the air intake section of outdoor units. The water spraying results in a cooling effect that lowers the ambient temperature.	Energy-saving for dining room air-conditioners Covering sheets were placed on ceiling windows to prevent the interior temperature from rising in the dining room due to direct sunlight and to block out unnecessary light.
<p>Result: 15% reduction in energy consumption</p>	<p>Result: 35% reduction in energy consumption</p>		



Control of Chemical Substances

According to the Environmental Protection Agency (EPA) of the United States, approximately 70% of all chemicals available today are harmful to people's health. The American Conference of Governmental Industrial Hygienists (ACGIH), the Basel Convention and other laws concerning waste disposal and clean-up established both in and outside Japan have specified even more chemicals that are harmful. These chemicals were deemed detrimental for their chronic toxicity and carcinogenicity as well as being damaging when accumulated within the body among other harmful effects.

Conforming to various related legislations and regulations and in view of industrial trends, Omron has established in-house regulations for harmful chemicals. These regulations are also incorporated into the in-house guidelines for product development, in order to strictly control the use of harmful substances. As part of this effort, Omron has completely stopped the use of chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), asbestos and bromine-based nonflammable materials. In addition, it is regulating the use of lead, cadmium and styrofoam materials.

Omron's Chemicals Control System

1. Specification of chemicals subject to regulated use

Total abolition: 73 chemical substances specified by the Montreal Protocol on Substances that Deplete the Ozone Layer

Recommended abolition: 27 chemical substances specified by the Industrial Safety and Health Law

Regulated use: 69 chemical substances whose toxicities are noted

2. Control over usage and storage of chemicals

MSDS control: Promoting control to assure safe use and storage of chemical substances

* MSDS: Material Safety Data Sheet

3. Control over volumes of chemicals to be used and discharged from factories

PRTR control: Control of chemical substances in compliance with the PRTR Law

* PRTR: Pollutant Release and Transfer Register

4. Promotion of "Reject" and "Reduce" steps

Strict checks during the product assessment stage: Confirming that packaging materials, parts and raw materials used for products as well as manufacturing processes strictly comply with related regulations/standards



Pollutant Release and Transfer Register (PRTR)

In view of the Law concerning Reporting, etc. of Release of Specific Chemical Substances to the Environment and Promotion of the Improvement of Their Management (the PRTR System Law) to be enforced in April 2001, an in-house control system and organization structure are now being established at Omron. In fiscal 1999, Omron conducted PRTR surveys for its factories concerning 179 substance categories and reported the following three chemical substances to the Japan Electric Manufacturers Association (JEMA).

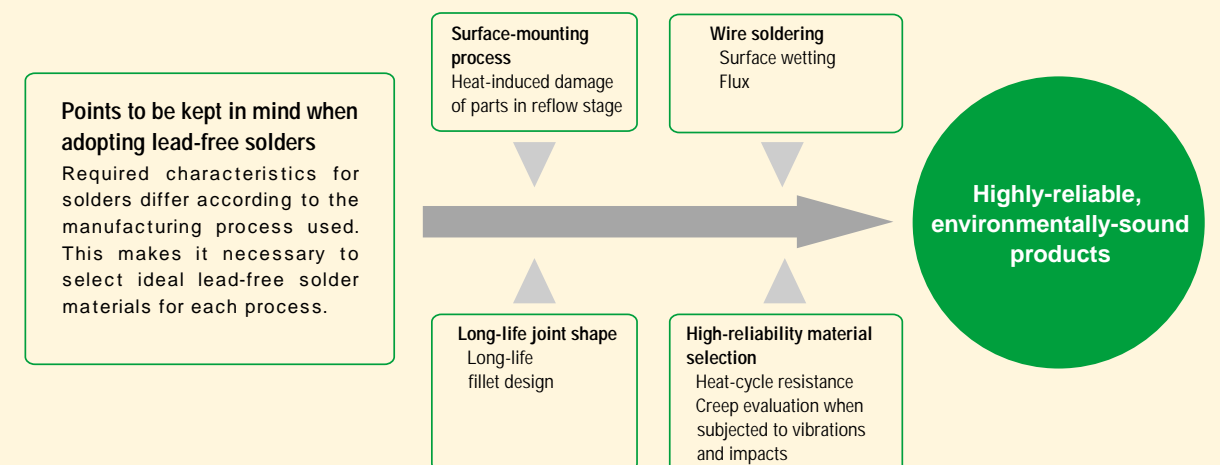
(Note: Surveys were carried out in accordance with Electrical and Electronic Industry Guidelines.)

Chemicals	Use	Release	Consumption	Removal	Discard/transfer	Recycle
Toluene	3.13	3.03	0	0	0.10	0
Aluminum compounds (aluminum sulfate)	16.32	0	0	16.32	0	0
Lead solder	72.81	0	43.17	0	0.03	29.61
Substances reported to JEMA (total)	92.26	3.03	43.17	16.32	0.13	29.61
PFEs (GALDEN)	6.29	6.29	0	0	0	0
PFCs (FC-3283)	3.84	3.84	0	0	0	0
In-house regulated substances (total)	10.13	10.13	0	0	0	0
Grand total	102.39	13.16	43.17	16.32	0.13	29.61

Unit: ton/year

Development of Lead-free Solders

Solders are usually discarded in landfills, and this has become a serious environmental concern as it causes acid rain. Accordingly, there is an urgent demand for lead-free solders. In response to this demand, Omron launched a development project for lead-free technology for surface-mounting pastes and wire solder materials in 1995. This project involved strict selection of highly reliable lead-free solder materials and development of soldering processes to assure dependability of finished products. Consequently, Omron has fully established a lead-free soldering technology that allows for mass-production at currently available facilities. In addition, Omron has adopted a laser welding technology that does not require lead solders. Omron will continue to develop innovative products and component-mounting technologies that answer customer requirements for lead-free soldering.



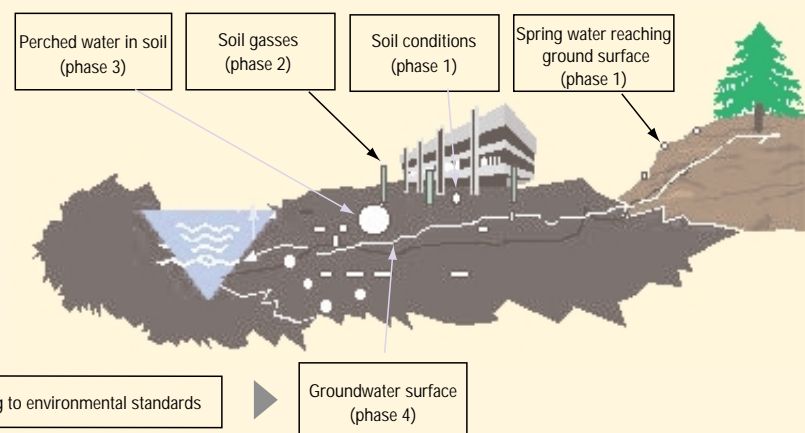


Water Pollution by Organochlorine Solvents

For organochlorine solvents used as cleaning agents, manufacturers are obligated to take the necessary measures to prevent pollution in accordance with the Water Pollution Control Law. To assure strict compliance with related laws and legislations, Omron has been addressing the issues concerning organochlorine solvents as follows:

	Legislations/industry trends	Measures taken at Omron
'50s	The introduction of organochlorine solvents for the cleaning of electrical and mechanical parts.	
'80	Serious groundwater pollution occurs in the U.S. due to effluent leakage.	
'81	The Environment Agency begins an investigation and discovers nation-wide pollution and the carcinogenicity of pollutants.	
'83	—	An attempt to replace trichloroethylene with 1.1.1. trichloroethane launched.
'84	Regulations regarding the discharge of organochlorine solvents established by the Environment Agency. Hazardous organochlorine solvents are to be regulated by the Law concerning the Examination and Regulation of Manufacturing, etc. of Chemical Substances.	
'89	Amendments to the Water Pollution Control Law (concerning the prohibition of underground penetration of organochlorine solvents and monitoring, etc.)	
'92	—	A company policy of ending the use of organochlorine solvents including CFCs established (July).
'93	Amendments to the Environmental Quality Standards for Water Pollution (14 substances specified including trichloroethylene).	
'94	Provisional standards for pollution surveys established (November).	The use of trichloroethylene terminated (March). The use of CFCs and 1.1.1. trichloroethane terminated (November).
'95	—	
'96	Amendments to the Water Pollution Control Law (concerning purification regulations, directives and countermeasures).	Soil and water quality surveys conducted as part of the ISO project.
'97	Environmental Quality Standards for Groundwater established (March). Amendments to the Water Pollution Control Law (April).	Soil and water quality surveys conducted as part of the ISO project.
'98	Announcements by the Director-General of the Environment Agency and Minister for International Trade and Industry (June 30) and explanations given to the JEMA.	Company-wide surveys conducted and an environmental measures project established.
'99	Guidelines for investigations and counteractions concerning soil contamination and groundwater pollution as well as related standards established (January).	Detailed survey conducted.

◆ 4-phase survey



◆ Omron has adopted the following alternative materials and methods in pursuit of the total abolition of organochlorine solvents.

Item/process	Material	Conventional solvents	Alternative substances/methods
IC parts	Flux	Trichloroethylene Dichloromethane 1.1.1. trichloroethane	Alcohol, water, hydrocarbon-based cleaning
PCBs	Flux		Cleaning-free, water-based cleaning
Solder printing masks	Solder paste		Hydrocarbon, glycol/ether-based cleaning
Pressing	Press lubricants		Water, air, hydrocarbon-based cleaning
Molding	Mold release agents		HFC134a, hydrocarbon-based cleaning
Tools	Liquid agents		Alcohol, hydrocarbon-based cleaning

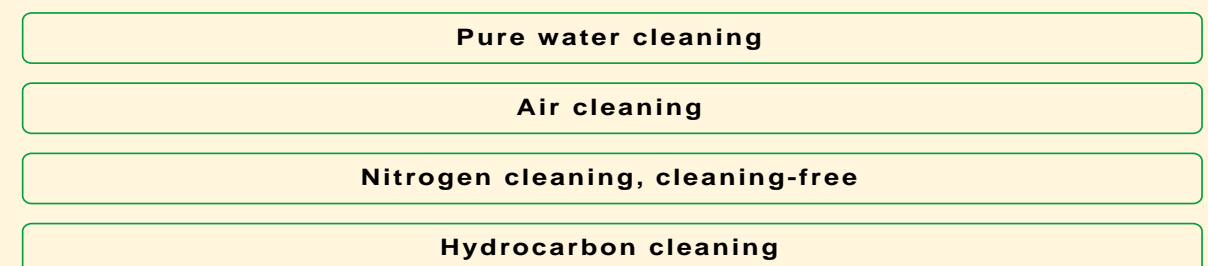


Total Abolition of Substances that Cause Depletion of Ozone Layer

The depletion of the ozone layer in the stratosphere is mainly caused by approximately 20 different kinds of artificially made chemical compounds such as CFCs, ethane and other organochlorine solvents. This depletion can cause skin cancer, eye diseases and the reduction of agricultural produce. To address this critical environmental threat, the industrial sector had implemented aggressive remedial actions toward the goal of totally stopping the use of CFCs by the end of 1995.

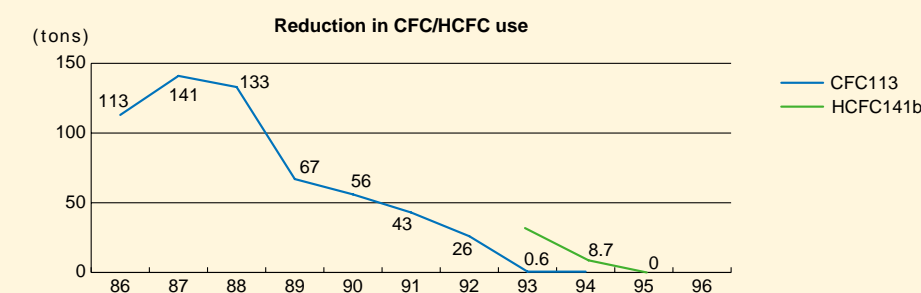
Omron's Remedial Actions Against CFCs and HCFCs

Omron considered the total abolition of CFCs a management issue of top priority and initiated immediate remedial steps. In 1988, a special project team was formulated to address the CFC issue. Approximately 800 million yen was invested to develop innovative cleaning technologies toward the goal of reducing and eventually terminating the use of CFCs in its manufacturing processes. The resulting technological breakthroughs have allowed Omron the use of such alternative cleaning processes as water, alternative solvents, CFC-free tape cleaning and air cleaning, and have even eliminated the need for the cleaning of PCBs. Consequently, Omron completely stopped the use of CFCs in its manufacturing processes in 1994 and the use of HCFCs in June of the following year. In 1998, the use of other organochlorine solvents was also terminated. We will continue to promote the replacement of other existing CFCs with less harmful substances for non-cleaning applications such as air-conditioning systems.



Alternative cleaning methods employed for manufacturing by Omron are as follows:

	Parts/products to be cleaned	Alternative method
Cleaning-free	Parts	Pressed parts
	Products	Relays, switches
	PCBs	General PCBs
Alternative cleaning method	Parts	Pressed parts for switches/relays
	Products	Relays, switches
	PCBs	PCBs for sliding parts





'Green' Procurement

While promoting its corporate activities, Omron purchases many parts/materials, equipment and office supplies from outside suppliers. To offer environmentally-sound products to our customers, cooperation from our suppliers and partners is essential. Therefore, Omron determined the following key points for procurement in 1999 to encourage its suppliers and manufacturers of commercial products to strengthen their commitment to environmental issues.

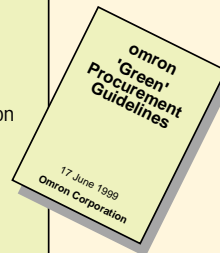
Key points for procurement

1. To make purchase in preference to parts and products that are designed to reduce environmental impact.
2. To make purchase in preference to suppliers who show an active commitment to environmental conservation.
3. To aggressively seek and use environmental information regarding parts/products to be purchased and their suppliers.

To assure that these three points are observed strictly, Omron has formulated Guidelines for 'Green' Procurement by referring to the Environmental Activity Evaluation Program published by the Environment Agency.

Omron 'Green' Procurement Guidelines

- | | |
|---|--|
| 1. Concept of Omron 'Green' Procurement: | Purchasing preference according to a commitment to environmental conservation |
| 2. Requests to suppliers: | Carrying out environmental surveys and submitting action plans to Omron, etc. |
| 3. Scope of guidelines: | Environmental impact, counteractions, action plans, EMS, etc. |
| 4. Self-check of environmental impact: | CO ₂ emissions, water pollution, atmospheric pollution, chemical substances, etc. |
| 5. Self-check of environmental conservation activities: | Reductions in CO ₂ emissions and waste, resource conservation, control of chemical substances, etc. |
| 6. Formulation of environmental action plan: | Mainly for reductions in environmental impact |
| 7. Launch of an environmental management system: | Establishing guidelines for environmental policy, EMS operation, education and other corporate systems and structure in compliance with ISO 14001 requirements |



Requirements of suppliers

1. Suppliers are required to either receive ISO 14001 certification or promote activities that conform to Omron 'Green' Procurement Guidelines or similar guidelines.
2. Suppliers are required to submit their environmental action plans for evaluation once per year according to Omron's Supplier Evaluation System.

Outline of 'Green' Procurement

1. Omron is promoting 'green' procurement to target the 138 Omron Suppliers Association (OSA) members and the 116 makers of commercial products (who belong to Omron's suppliers association in Japan).
2. Omron aims to build an EMS for approximately 250 suppliers, who represent approximately 80% of Omron's total purchase.
3. In June 1999, Omron organized a meeting to detail 'green' procurement guidelines to major suppliers in order to launch this purchasing practice. As an initial step, Omron will encourage the implementation of an EMS for major suppliers. After this is accomplished, Omron will promote the purchasing of only those parts and materials that are environmentally-friendly, harmless to human health, and for which the assembly processes have been firmly established.



Reduction of Industrial Waste

Along with the growth of business, the volume of waste from factories has been increasing on an annual basis. As a result, a complete shift from high-volume production, consumption and discarding-oriented approaches is required. Moreover, we are facing a growing need to treat waste not as useless items to be discarded but as recyclable materials. Therefore, it is important to effectively recycle waste materials collected instead of discarding them in landfills or through incineration in order to enhance the productivity of resources.

Pollution is primarily caused by waste and an inefficient use of resources that in turn lead to a major loss for the company. As such, Omron has been implementing various strategies and measures to reduce the volume of waste. In addition to this effort, Omron eliminated formerly used in-house incinerators during fiscal 1999.

In-line recycling:	Recycling waste generated in manufacturing processes and reusing them as materials.
Classification of waste:	Precisely separating waste into different categories to be recycled.
Primary waste volume control:	Measuring volume of waste generated from factories.
Reuse promotion:	Promoting direct reuse of materials without any modifications.
Improvement of productivity and yield:	Regulating the volume of waste generated from factories.
Expansion of recyclable resources:	Promoting the use of recyclable materials for a more efficient utilization of resources.
Enhancing ease of dismantling:	Making products easier to dismantle to promote recycling of parts and materials.
Others:	Exchanging information with recycling service companies, etc.

Classification of Waste for Recycling

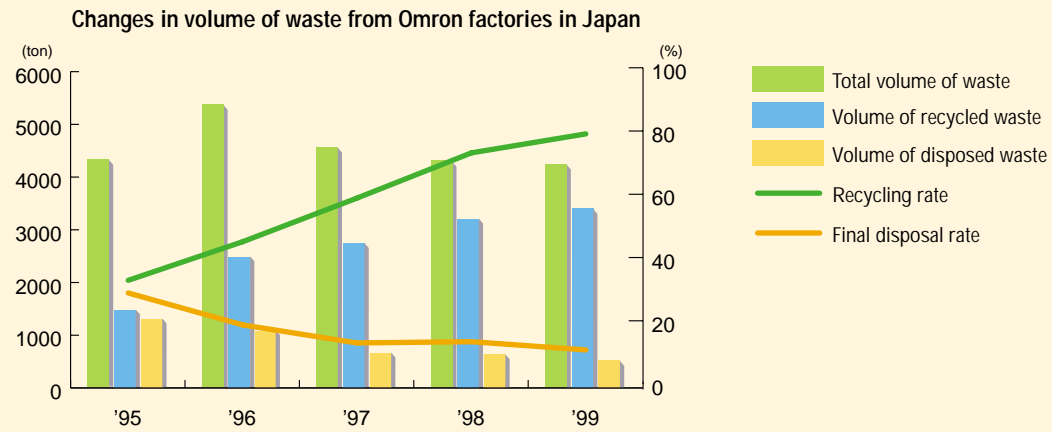
With its 'Zero Emissions' project, Omron is now working to recycle 100% of its waste by 2010. Presently we are concentrating our efforts on the recycling of waste already generated. Initially, waste from factories is classified into different categories and reused for the applications listed below. Although the complete recycling of waste has yet to be achieved for the Omron Group as a whole, the company is focusing on the creation of easily recyclable products. Furthermore, cooperation with its suppliers has been strengthened toward reaching the ultimate goal of 'zero emissions' as quickly as possible.

Category	Waste	Recycling for
Waste plastics	Plastics excluding PVC	RDF, raw materials
	PCBs	Recovery of metals, RDF
	Styrofoam	Raw materials
	Chip part reels, sticks	Raw materials
	IC trays	Reuse
	Runners for molding PBT, etc.	Raw materials mixed with virgin materials
Waste paper	Photocopy paper	Toilet paper
	Color printer paper, thermographic paper, brochures	RDF
	Newspaper	Newspaper, RDF
	Corrugated cardboard	Corrugated cardboard
	Split paper, order slips, etc.	Corrugated cardboard
Waste oil	Lubricating oil, machine oil	Fuel oil
	Edible oil	Fuel oil
Waste wood	Timber	Fuel
Waste metals	Metals, equipment, products	Recovery of metals
	Metal containers	Recovery of metals
	Lead frame	Recovery of metals
	Solder	Recovery of metals
	Dry batteries, Ni-Cd batteries	Recovery of metals
	Cables	Recovery of metals
Glass and ceramics	Fluorescent bulbs	Recovery of metals, glass raw materials
	Glasses	Glass raw materials
	CRT	Recovery of metals, glass raw materials



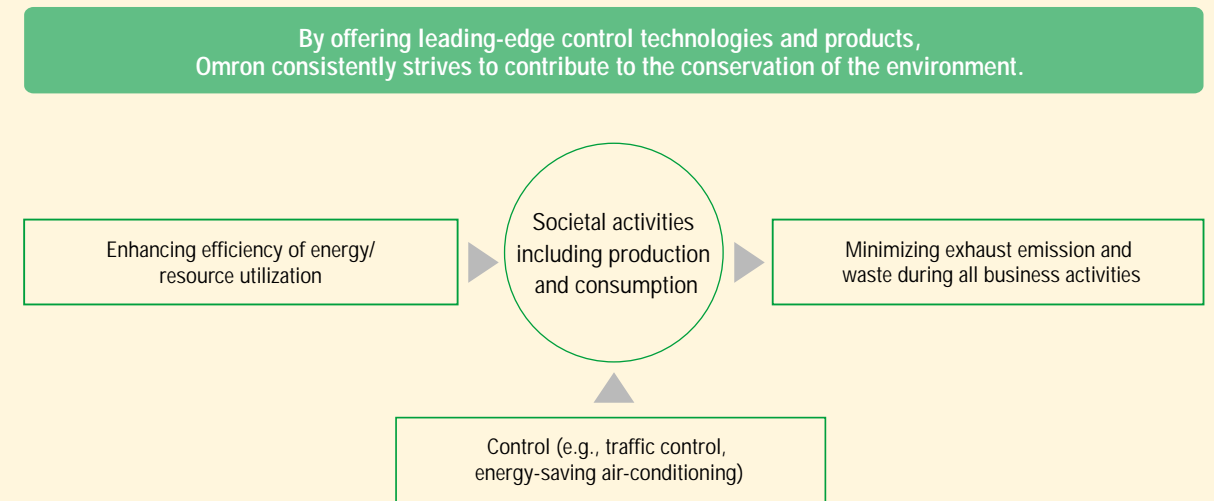
Changes in Volume of Waste and Recycling Rate

The following graph shows fluctuations in the volume of waste from Omron factories as well as in recycling rate and final disposal rate. During fiscal 1999, Omron attained a recycling rate of 81% and a final disposal rate of 13%, already meeting the targets set for fiscal 2001. In the same year, the Mishima Factory also became the first Omron Group factory to achieve 'zero emissions'.



Development of Environmentally-friendly Products

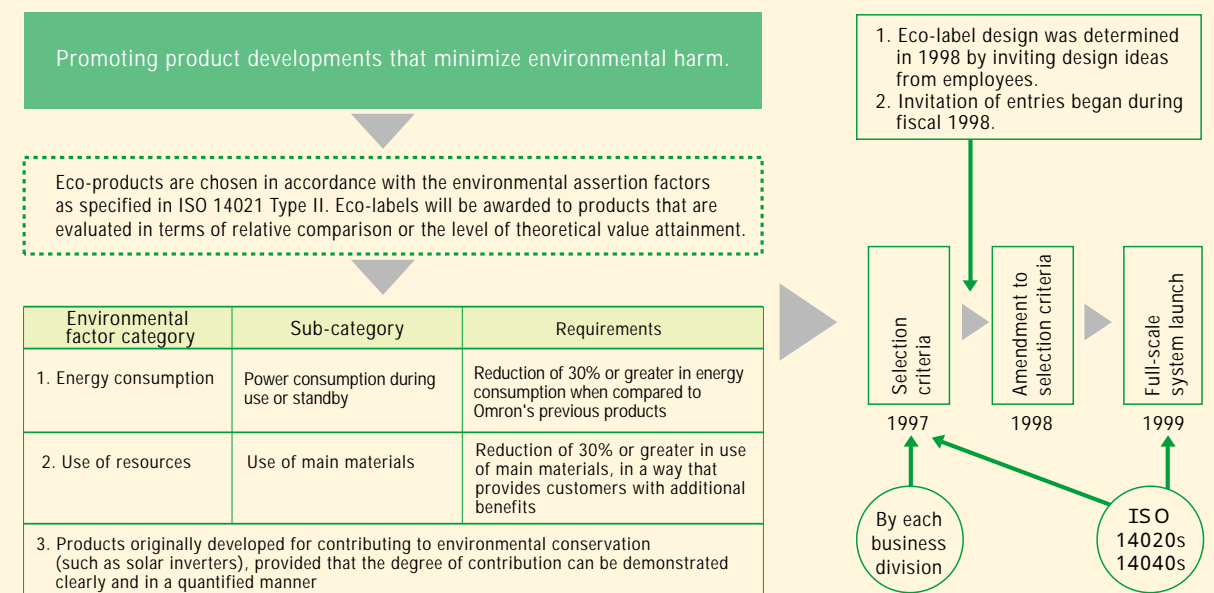
By making maximum use of the company's advanced microelectronic technologies, Omron is dedicated to the creation of ecological products that feature reduced energy consumption and are made using less materials, toward the ultimate goal of minimizing environmental harm.



Eco-Products Certification System



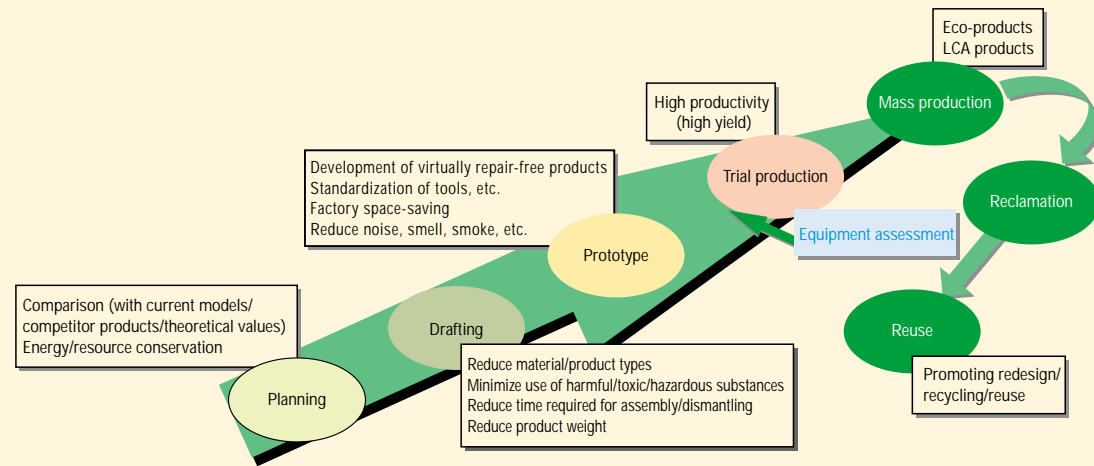
In 1998, Omron introduced an Eco-Products Certification System that meets the requirements of the ISO 14021 Environmental Label Assertion by Self-Declaration standards. This system is intended to award an Omron eco-label to products that satisfy the company's in-house environmental standards. By so doing, Omron aims to promote the incorporation of energy- and resource-saving features and environmentally-friendly functions into Omron products to enhance their appeal and recognition. At the same time, this system will help to promote Omron as an environmentally-conscious company to both its customers and the public. By the end of fiscal 1999, a total of 36 products had been designated 'Eco-Products'.





Product Assessment and LCA

With the Eco-Products Certification System and 'Eco Grand Prix' awards, Omron promotes the development of environmentally-friendly products, while simultaneously incorporating the results of product assessment into these developments. Product assessment is linked to the company's current development system in order to accommodate the need for inverse manufacturing and to create products that are easy to recycle, save energy and do not use hazardous chemical substances. The product assessment concept implemented for each development process is as follows:



To evaluate the possible impact of a product on the environment throughout its life span in a quantified manner, Omron will implement a Life Cycle Assessment (LCA) system for each internal company on a trial basis during fiscal 2000. After this trial period, Omron plans to officially launch the LCA system for all of its mainstay products in fiscal 2001. As a basic rule, Omron will also conduct assessments for all products to be developed in the future with regard to the following items.

	Products			
	Units	Packaging	Production	Information disclosure
Resource-saving	<ul style="list-style-type: none"> Reduced dimensions Lighter weight Use of fewer parts Use of recyclable materials Use of recyclable consumables Upgraded design 	<ul style="list-style-type: none"> Reduced dimensions Lighter weight Reduced use of styrofoam 	<ul style="list-style-type: none"> Reduced waste Cleaning-free Reuse of molds Reuse of equipment 	
Energy-saving	<ul style="list-style-type: none"> Less power consumption during use or standby 		<ul style="list-style-type: none"> Less power consumption during manufacturing 	<ul style="list-style-type: none"> Efficient use of energy
Recycling	<ul style="list-style-type: none"> Use of easily recyclable materials Indication of materials in use Use of common materials for different products Development of easy-to-disassemble products Development of easily degradable products 	<ul style="list-style-type: none"> Use of easily recyclable materials 		<ul style="list-style-type: none"> Material list Disassembly methods
Regulated use of hazardous chemicals/parts	<ul style="list-style-type: none"> Non-use of hazardous chemicals Safe use of batteries 	<ul style="list-style-type: none"> Non-use of hazardous chemicals 	<ul style="list-style-type: none"> Non-use of hazardous chemicals 	<ul style="list-style-type: none"> Safe use of products Discarding methods Collection of used Ni-Cd batteries



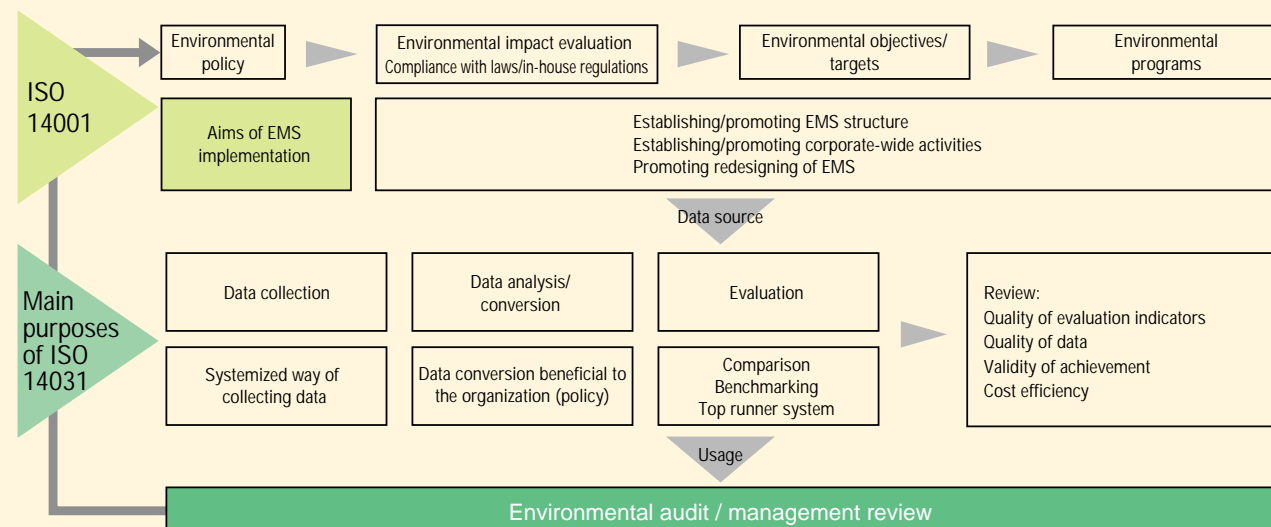
Environmentally-sound Omron Products

Energy-saving measures	Power demand control	Power demand data collection → Model TP700/710 Power Monitor <ul style="list-style-type: none"> Power demand monitoring — key to reducing power consumption 	Power demand analysis → Model AMS-DK32-97 Simple Data Collection Software <ul style="list-style-type: none"> PC-compatible data gathering software for use with TP700/710 	Model K3FL Power Transducer <ul style="list-style-type: none"> Comprehensive product line — single-phase 2-wire to 3-phase 4-wire types 	Model K3NR Rotary Pulse Meter <ul style="list-style-type: none"> Optimized for cumulative power measurement 	Model 3NX Digital Panel Meter <ul style="list-style-type: none"> To measure current consumption
	Power-saving components	DC power supply	Model S8PS Switching Power Supply <ul style="list-style-type: none"> High output, high efficiency power supply for enhanced power conservation 	Machine control	Model H7E-□□ Compact Total Counter/Time Counter/Tachometer <ul style="list-style-type: none"> Featuring a large 8.6mm display and 30% less power consumption 	Model H3CR Solid-state Timer <ul style="list-style-type: none"> Uses 50% less power compared to previous Omron models
Temperature control		Model E5CN Digital Temperature Controller <ul style="list-style-type: none"> Cuts power consumption by 40% 	Model G3PX Power Controller <ul style="list-style-type: none"> Even greater efficiency when used in combination with the E5CN 	Model M3S Flexible Monitor (Compact LCD Display) <ul style="list-style-type: none"> Power-conserving lamp function for up to 32 lamps per screen 	Model G9S Safety Relay Unit <ul style="list-style-type: none"> Just half the power consumption of the G9D 	
Level control		Model 61F-GN Floatless Switch <ul style="list-style-type: none"> Achieves 15% power consumption cut during standby compared to previous Omron models 	Motor control	Model 3G3MV Inverter <ul style="list-style-type: none"> Saves power use by operating to match the actual load 	Model G3J-S Solid-state Contactor for 3-Phase Motors (soft start type) <ul style="list-style-type: none"> Motor start-up current limiter for smooth operation 	Model A8G Rocker Switch with Reset Function <ul style="list-style-type: none"> Main power supply switch off via external pulses
Regulation of non-essential power usage		Model H5S Digital Weekly Time Switch <ul style="list-style-type: none"> 24-increment time control reduces unnecessary power loads 	Model K3NH Temperature/Process Meter <ul style="list-style-type: none"> 5-stage alarm output to monitor temperature 	Machine operating rate enhancement	Model TP100 Simple Operating Rate Monitor <ul style="list-style-type: none"> Supports monitoring machine operating rates 	Model TP200 Tact Time Monitor <ul style="list-style-type: none"> Helps stabilize and cut machine cycle time
Alarm control		Model WM30-S Wireless SS Modem <ul style="list-style-type: none"> Wireless unit that saves wiring procedures and materials 	Model K5P-8 Automatic Alarm Transmitter for Telephone Circuitry <ul style="list-style-type: none"> Provides simplified centralized monitoring of machines and equipment 	Alarm control	Model TP400 FA Beeper <ul style="list-style-type: none"> Speedy transmission of point-of-production information 	
Support for new energy generation		Solar power generation	Model KP40E Solar Power Conditioner <ul style="list-style-type: none"> Converts clean solar energy into electricity 	Wind power generation		
Support for environmental conservation	Co-generation	Supporting dual-system connection	Model K2ZC Composite Relay for Co-generation System <ul style="list-style-type: none"> Protective relay required when connecting two circuits in a co-generation system 			
	Water/liquid leakage detection	Model K7L Liquid Leakage Detector <ul style="list-style-type: none"> To accurately detect leakage of low-conductivity chemical solutions and pure water 				
	Prevention of dioxin generation	High-precision temperature control	Model K3NH Temperature/Process Meter <ul style="list-style-type: none"> Temperature monitoring using 5-stage alarm output for incinerators 	Model E5□K Digital Temperature Controller <ul style="list-style-type: none"> Digital temperature controller model for the global market, conforming to CE Marking 		
	Waste measurement	Weight measurement	Model K3NV Load Cell Meter <ul style="list-style-type: none"> To measure waste weight 			
	Waste liquid measurement	Model K3NR Rotation/Pulse Meter <ul style="list-style-type: none"> To measure waste water flow 				



Commitment to ISO 14031

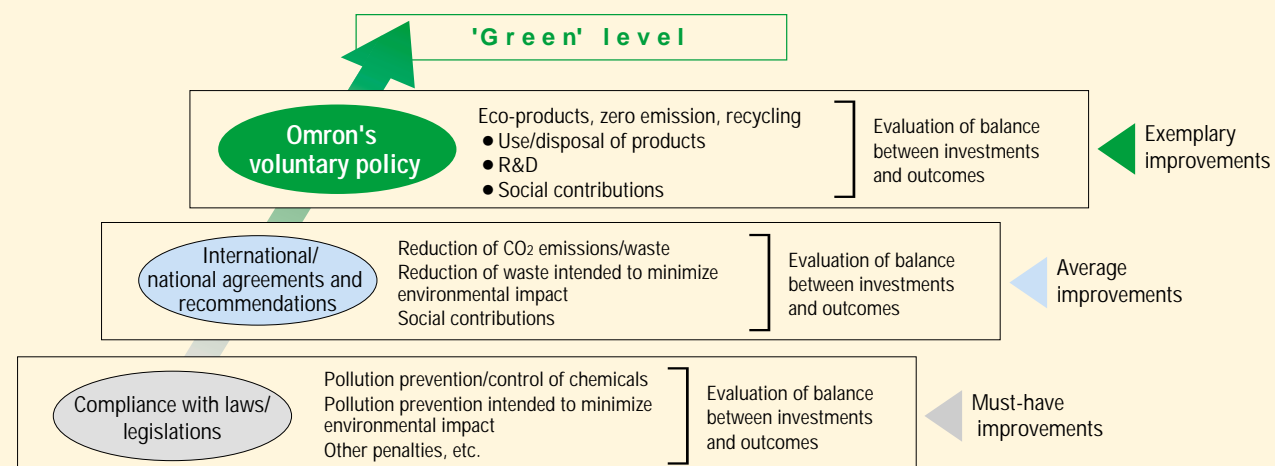
The ISO 14031 Environmental Performance Evaluation standard has recently been established. As a post-ISO 14001 attempt, Omron will soon launch a trial system that meets ISO 14031 requirements, aiming for completion of its evaluation system for its original environmental management activities by the end of the present fiscal year. By conforming to the ISO 14031 standard, Omron strives to make the outcomes of its environmental investments and activities visible both in-house and to the public. The concept of Omron's environmental evaluation system is as follows:



Introduction of Environmental Accounting Practice

During fiscal 2000, Omron introduced an environmental accounting practice (Green Performance Accountability, GPA) for some of its factories. Omron's GPA system is as follows:

- Main objectives:** To monitor improvements of the operation performance indicator (OPI) and management performance indicator (MPI) through the evaluation of both its environmental management system as well as the environmental burden Omron places on society. In addition, improvements are classified into three levels: exemplary, average, and must-have so that they can be incorporated into management decision-making (see the chart below for categorization of improvement levels). In this way, validity of environmental investment and costs can be identified to allow analysis of balance between investments and outcomes. Moreover, it facilitates decision-making by management concerning the prioritization of investments.
- Secondary objectives:** Disclosure of environmental accounting information is being planned for the external evaluation of Omron (for eco-funds, management capability, etc.).
- Targets of internal auditing:** Internal auditing will focus on investments, system operation and maintenance, compensation, penalties and real effectiveness. (Deemed effectiveness will later be introduced when considered appropriate.)
- Units of accounting:** Corporate, internal company and factory levels
- Accounting items:** Conform to Environment Agency guidelines (Omron is aware that in the future a company's disclosure of environmental accounting information will be strongly advocated or even mandatory and as such aims to employ a standard accounting system wherever possible.)



Corporate Citizenship Activities

Based on an awareness of public responsibility, Omron has remained committed to contributing to society through the products and services it offers, and also by participating in the local communities where it does business. To completely fulfill its responsibilities to society, Omron established the Corporate Citizenship Declaration.

Corporate Citizenship Declaration

We pledge to be conscious of our social responsibilities and to promote corporate citizenship activities for a better society.

- Four areas of activities**
- Social welfare (Oita International Wheelchair Marathon, etc.)
 - Culture and the arts (Omron Kyoto Cultural Forum, etc.)
 - Science and technology (Tateisi Science and Technology Foundation, etc.)
 - International cooperation (support for UNICEF and UNHCR, etc.)

Examples of Environment-related Corporate Citizenship Activities

Clean-up of the environs

On Omron's foundation day in May, Omron employees around the globe take part in voluntary activities in their local communities. At the Kusatsu Factory located near Lake Biwa, approximately 1,500 employees clean the shore of the lake and plant flower seeds on an annual basis.



Tree-planting

Kurayoshi City, home to Omron Kurayoshi, is known for clean water, lush greenery and rich culture. As members of the local community, approximately 200 Omron Kurayoshi employees annually join together to plant cherry blossom trees and clean-up the nearby park.



Support for KIDS Tree-planting project

Besides providing financial support, Omron employees actively participate in tree-planting activities sponsored by the volunteer organization, KIDS, by helping to plant trees in the spring and mow grass in the summer and autumn.

Technological support for JAHDS in demining efforts

Omron has been supporting a Japanese non-profit organization, the Japan Alliance for Humanitarian Demining Support (JAHDS), by participating in the development of a new mine detector. Using Omron's advanced sensing technology, this mine detector can accurately detect and visualize buried mines by using microwaves, the first of its kind in the world. This detector will contribute to the safe removal of more than 100 million anti-personnel mines buried throughout the world.



Promotion of Environmental Awareness

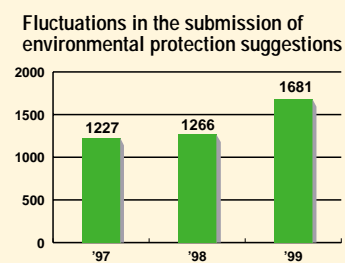
To promote environmental preservation at a corporate level, all employees must maintain an environmental awareness. Furthermore, they must fully understand the essential problems and the techniques in which to solve those problems so that they can quickly initiate necessary actions. Consequently, Omron provides its employees with educational opportunities by promoting the exchange of information with other environmentally-conscious companies and experts. Moreover, Omron encourages its employees to participate in environmental seminars and on-the-job training programs.

'Environmental conservation month' activities

Omron has designated June of every year to be 'environmental conservation month' and invites environmental experts to give seminars to improve environmental awareness among directors and managers.

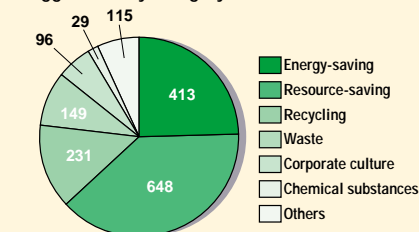
Employee suggestions and small-group activities

During environmental conservation month, submission of environmental protection ideas from employees is encouraged and small-group activities promoted.



Submitted suggestions are growing in number on an annual basis, generating a total financial gain of more than 100 million yen.

FY 1999 Environmental protection suggestions by category



Outstanding Suggestions for Environmental Protection

The following shows some of the most outstanding environmental protection suggestions from Omron employees submitted during fiscal 1999.

Energy-saving for compressors

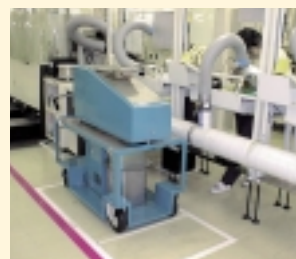
Of the three 37kW compressors formerly used to operate a manufacturing line, one has been replaced with an inverter type so as to effectively respond to rapid load changes. Only when subjected to a large load are all three compressors in use. During normal-load conditions, just two ordinary compressors are used.



Inverter-controlled compressor

Reduction of oxidized solder dross discharge

An oxidized solder dross separation/reclamation system has been employed to enhance the efficiency of removing dross and recycling recovered solder. Formerly, solder dross was dipped with a ladle and discarded totally.



Solder dross separation/reclamation system

Elimination of waste liquid through the introduction of a PCB cleaning-free process

The development of this alternative technology has eliminated the need for cleaning PCBs. This has resulted in reducing the consumption of cleaning agents by 1,300kg/year and the complete elimination of waste liquid (amounting to 570kg/year).



Previously used PCB cleaning tank



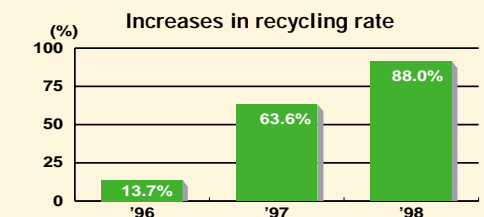
Awards

Omron Aso receives 1999 Chairman's Award from the Recycling Promotion Association

In October 1999, Omron Aso won the Chairman's Award from the Recycling Promotion Association in recognition of its efforts to reduce waste volume and improve its resource recycling rate.

(1) Significant improvement in recycling rate

Before the launch of its EMS, recycling efforts concentrated on five items: corrugated cardboard, leftover food, metal scraps, solder scraps and electronic component trays. After the EMS launch, items to be recycled increased to 10, resulting in a significant increase in the recycling rate.



(2) Cooperation with intermediate waste processing companies

Omron Aso actively sought recycling-related information and worked jointly with intermediate waste processing companies to develop recycling technologies.

Case 1: Recycling scrapped trimmings of PCBs for use as concrete reinforcing agents

Case 2: Producing ingots by melting styrofoam at intermediate waste processing companies

(3) Reduction of waste and promotion of recycling

- In addition to encouraging the reuse of photocopies and computer printout paper, an in-house network system (WINE) was launched to make paper-less internal reports and announcements whenever possible. This contributed to reducing resource consumption and waste materials.
- Styrofoam packages and cushion materials were replaced with corrugated cardboard materials. Air foamed cushion materials were also introduced to help users' recycling efforts.

Omron Takeo recognized for energy management excellence

At the energy conservation conference for the Kyushu (southern Japan) region held in February 2000, Omron Takeo received the Director of the Kyushu Bureau of International Trade and Industry Award for energy management excellence. After receiving ISO 14001 certification in February 1998, the company has concentrated efforts on saving energy and reducing CO₂ emissions, in order to make the company a truly ecological factory. The first step involved the installation of a power demand monitoring system and application of strict controls over lighting and air-conditioning systems. This was followed by the implementation of counteractions against compressor air leakage and waste heat as well as the use of sunshades for energy-saving. At present, Omron Takeo is using more innovative energy-saving approaches such as inverter-controlled lighting systems and motors as well as ice generators for air-conditioning. The comprehensive range of energy-saving activities carried out at Omron Takeo were highly regarded by the local government.



External Promotion Activities

Shiga Environmental Business Messe '99

In September 1999, Omron took part in the Environmental Business Messe held in Shiga Prefecture. A total of 201 companies/organizations in the local region as well as three from overseas participated in the fair. This three-day event attracted more than 40,000 visitors, far more than the previous year's figure, demonstrating a growing consciousness for environmental issues.

At the fair, Omron showed its commitment to environmental issues by detailing its environment management system — a system conscious of the issues with a vision to the future. Moreover, Omron displayed its Eco-Products Certification System and promoted its lead-free solder technology. A variety of ecological components were also on display along with Intelligent Transport Systems (ITS) and the ESCO (energy service company) concept.



Omron booth



Environmental Audit System

Omron's environmental audit system for each factory is two-faceted: self-auditing and corporate-wide auditing. This system is intended to monitor whether environmental policy is followed correctly. At Omron, environmental auditing is considered a management task of top priority. Auditing helps the company effectively invest in the continued improvement of management performance and locate essential factors for strengthening its environmental management system.

Omron's environmental audit system and activities are outlined below:

In-house auditors:	5 or more for each factory (approx. 310 total)
Auditing tools:	System and performance auditing tools (at the time of system launch) Tools for system validity/continuity auditing (after system establishment)
Evaluation criteria:	4 levels (Good, Note, Minor, Major)
Evaluation targets:	Environmental performance and system
Frequency of auditing:	Factory's self-auditing for each division/function: once or twice a year Corporate-level auditing: once every 1 or 2 years
Auditing items:	Performance: approx. 150; System: approx. 110 System validity/continuity: approx. 30
Basic procedures:	1) Document-based pre-examination; 2) schedule; 3) executive auditing; 4) team auditing; 5) confirmation of issues; 6) report meetings; 7) self-improvements; 8) report of corrective actions; 9) confirmation and final auditing

Environmental Audits

Items of internal auditing

- 1) Environmental management system auditing
Confirming that each factory's EMS constitutes an integral part of Omron's management practice and complies with ISO requirements.
- 2) Environmental performance auditing
Evaluating each factory's degree of attainment for its own environmental objectives and targets, along with reasons for failing to achieve them.
- 3) Legislation compliance auditing
Ascertaining that each factory's environmental management system and environmental performance comply with national/municipal laws and regulations, as well as with Omron's internal standards.

Future activities

Omron is seeking to establish new auditing rules in order to accurately examine improvements implemented for its environmental performance and incorporate these findings into future management activities.

Results of auditing by an authorized certification organization

As a result of regular audits performed by an authorized certification organization during fiscal 1999, no items requiring critical improvements (Major) were discovered in any of the factories and those requiring slight improvements (Minor) numbered 1.9 on average. Improvements have already been completed for those items.



History of Omron's Environmental Activities



Glossary

Internal company management system:

Launched in April 1999, Omron's internal company management system is intended to encourage each divisional unit to work more independently to promote business operations in a way that best satisfies the requirements of its customers and the marketplace. The system includes five internal companies and one Business Development Group.

Internal companies/business group

- IAB (Industrial Automation Company): Offers general-use components and systems components.
- ECB (Electronic Components Company): Offers components to be incorporated or embedded in consumer and commercial equipment.
- SSB (Social Systems Business Company): Provides the service industry and public service sector with total solutions that enhance safety, comfort and convenience by offering train-station systems and road/traffic control systems among others.
- HCB (Healthcare Company): Offers healthcare equipment, medical systems and related services to general households and medical institutes.
- CSB (Creative Service Company): Offers outsourcing services such as personnel management and logistics that help customers enhance their operational efficiency by taking advantage of Omron's know-how in administrative tasks.
- Business Development Group: Offers PC peripherals and systems solutions that do not belong to any of the above internal companies. Also serves as an 'incubator' for new business opportunities.

GPA:

Green Performance Accountability. This system is designed to monitor and manage a balance between the investments/costs related to environmental management and the resulted financial gain/reduction in environmental impact.

OSA:

Omron Suppliers Association. A group of Omron's major suppliers with whom Omron forms partnership agreements. OSA suppliers are subject to Omron's 'green' procurement program.

Zero emissions:

Omron's attempt to eliminate industrial waste disposed in landfills or through incineration by recycling all waste discharged from its manufacturing facilities.

Recycling rate:

Ratio of recycled waste volume to total waste volume.

Resource productivity:

The ratio of input resources to output. With an input of 100, output can be increased to 130 or 150 by improving reuse and recycling rates. Output can even be increased to 200 or 300 by reducing the amount of materials used for manufacturing products, while at the same time enhancing product quality and performance. Omron aims to achieve resource productivity of over 150%.

Optimization Society:

Based on its original SINIC (Seed-Innovation to Need-Impetus Cyclical Evolution) Theory, Omron predicts the arrival of an Optimization Society that covers approximately 20 years from 2005 to 2025, which will follow today's information society. The Optimization Society that Omron envisions is a society in which people, the environment and machines can coexist in harmony.

'Green Omron' plan:

A total action plan designed to make Omron an even more environmentally-friendly company in all aspects including people, operations and products.

Eco-Products:

Products that have undergone environmental efficiency/LCA evaluation and product assessment and are certified by meeting Omron's internal standards.

Environmental Activity Committee:

Chaired by the Director in charge of Omron's corporate-wide environmental activities, this committee discusses, determines and coordinates environmental projects.

Top Executives' Environmental Meeting:

Chaired by the CEO and consisting of directors, this meeting serves as the highest ranking decision-making body regarding Omron's environmental management. Environmental policy and vision as well as mid- and long-term environmental objectives and targets are discussed and decided on at this meeting.



Corporate Data

Founded: May 1933
Incorporated: May 1948
Capital: 64,081.78 million yen (as of April 30, 2000)
FY1999 Net Sales: Consolidated: 555,358 million yen
Corporate Motto: At work for a better life, a better world for all
Employees (as of April 30, 2000)

Omron Corporation:	7,061
Domestic subsidiaries:	7,266
International subsidiaries:	9,999
Omron Group total:	24,326



We greatly appreciate your reading of this Omron Environmental Report and would like to take this opportunity to thank you for your continued support and guidance concerning our products, as well as our corporate and environmental activities.

For further information, contact:
Omron Corporation
Quality & Environment HQ
2-2-1, Nishi-Kusatsu, Kusatsu, Shiga, 525-0035 Japan
Phone: +81 77-565-5442 Fax: +81 77-565-5570
<http://www.omron.com>