

# CSR REPORT 2012

Giving Shape to Ideas



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## **Editorial Policy**

The Konica Minolta CSR Report is published to inform all of its stakeholders about the Group's corporate social responsibility initiatives. This year's report has been prepared with a focus on the Group's newly introduced brand communication message, "Giving Shape to Ideas." The sections on environmental initiatives and on initiatives for different stakeholders describe progress on the targets that have been set. To promote communication with stakeholders around the world, this report is published in five languages: Japanese, English, Chinese, German, and French.

### **Report Boundary**

This report covers the entire Konica Minolta Group, including Konica Minolta Holdings, Inc., the Group's business companies and common function companies, and its consolidated affiliates. When data is given on a specific subset of companies, the boundary is separately indicated.

In this report, "Konica Minolta" refers to the Konica Minolta Group. "Major Group companies" refers to Konica Minolta Holdings, Inc., business companies, common function companies and affiliates managed by the holding company (P. 9)

### Reporting Period

In principle, the report covers activities from April 1, 2011 to March 31, 2012. Some sections may include information on earlier initiatives or more recent activities.

In this report, "fiscal 2011" refers to the fiscal year starting April 1, 2011 and ending March 31, 2012.

### **Publication Date**

September 2012

(Next report: scheduled for August 2013; previous report: September 2011)

### For Further Information

More detailed information on the Group's CSR activities is available at:

http://www.konicaminolta.com/about/csr



Page on the website



Relevant information available on the website

The documents bellow are available for download at: http://www.konicaminolta.com/about/corporate/ document\_download.html

### **Guidelines Observed in Preparation** of the Report

The CSR Report, which consists of the booklet and website pages, was created with reference to the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines 2006. The report meets application level B+.



**GRI Content Index** 

### Disclaimer

In addition to facts about past or present circumstances, this report contains descriptions of the Group's current plans and projections for the future. These descriptions are based on information that is currently available and have been deemed reasonable based on the Group's current status. The Group's actual performance could differ from its predictions due to future changes in the business environment.

## Giving Shape to Ideas

What can we do to solve the problems confronting our customers and the wider world? This is the question we ask ourselves every day at Konica Minolta. Our determination to answer it well drives us to pursue original ideas... and to find ways to give shape to them that society recognizes as valuable innovations. This is not only how we create and deliver outstanding products and services, but also the inspiration for everything else we do as a company. "Giving Shape to Ideas" is the essence of what the Konica Minolta does—it is who we are, and it is our commitment to the world. As always, we will continue to create innovative solutions in all of our wide-ranging businesses as we strive to ensure a future of true prosperity for all of our stakeholders.



## Message from the President

# Creating Valuable Innovations and **Growing Together with Stakeholders**



## "Giving Shape to Ideas" to Keep Growing with a Changing Society

In recent years, the world in which we all live and work has undergone drastic changes, including sweeping changes in the global environment and economy. As it turned out, the first year of our Medium Term Business Plan, "G Plan 2013," fiscal 2011, was a year of trial and tribulation. Immense natural disasters such as the Great East Japan Earthquake and ensuing tsunami and the floods in Thailand threatened the very core of people's way of life. They also caused interruptions in the supply chain which brought various industries to a halt. Many unpredictable situations remain, not the least of which are the European debt crisis and the dramatically high yen.

We are determined to remain essential to society and stay worthy of its support in these hard times. We recognize this requires very fine attunement to the unceasing change the world is going through. We must correctly identify what tomorrow's society will need and how we can provide unique value to meet that need.

In September 2011, we announced our new brand communication message to the world: "Giving Shape to Ideas." The message articulates our commitment to taking on the challenges faced by our customers and the broader society and giving shape to the ideas that will lead to solutions. This is the commitment shared by every person at Konica Minolta; it is our promise to stakeholders, and we pledge to make it a reality.

We hope that this message will better communicate our vision to stakeholders and help make their ideas real and bring their hopes within reach. We are certain that our effort will create new value that inspires both the businesses and lives of people around the world.

## **Building Businesses which Provide Unique Value to the World**

The best opportunity for Konica Minolta to put into practice the concept of "Giving Shape to Ideas" is by developing and delivering valuable products, services, and solutions. To ensure our business is truly valuable to the world, we are determined to understand the problems our customers have and propose uniquely effective solutions for them. At the same time, we will expand the technologies we have

developed over the years in order to create innovative products that make a direct contribution to the broader issues the whole world faces.

To accelerate this process, Konica Minolta undertook a major structural reorganization in April 2012. First, our business in TAC film for LCD polarizers was merged with our new businesses in organic light emitting diode (OLED) lighting and functional film (barrier or heat insulation film), establishing a new company called Konica Minolta Advanced Layers, Inc. We also consolidated our industrial sensing business with our optics business (including pickup lenses for optical disks), calling the new firm Konica Minolta Optics, Inc. The goal of these organizational changes was to leverage technological synergies and optimize sales efforts to strengthen our business potential to create new value.

We constantly strive to improve our customer relationship management, aiming to increase customer satisfaction and maintain the strong relationships we have built with customers, and pursuing further growth by building even deeper bonds. We are working not only to deliver the "essential quality" that everyone naturally expects, but also to offer "appealing quality" that goes beyond customer expectations. Every company in the Group is implementing its own specific steps to achieve these goals.

## Addressing CSR Issues as a **Global Corporation**

When we talk about "Giving Shape to Ideas," we are not just talking about our business activities: we apply the concept to every effort we make to fulfill our social responsibilities. As a global corporation, Konica Minolta sees it as the Group's responsibility to help solve the various problems people face around the world.

One example is our Eco Vision 2050, a set of long-term goals that includes helping to stop global warming, promoting resource circulation, and preserving biodiversity. The cornerstone to achieving these goals is our Green Products Certification System. This system drives our efforts to create and offer environmentally responsible products and reduce their environmental impact throughout the entire product life cycle from development, to production, sales, and recycling. Konica Minolta not only holds itself to these high standards, but also expects its business partners

to do the same. Our approach to "CSR procurement" insists on respect for human rights and workplace health and safety, aiming for constant improvement throughout the supply chain.

We recognize that, in addressing these issues from a global perspective and with flexible approaches, it is important to have a diverse workforce including a wide range of nationalities and both women and men. This is why we have established an HR system that is focused on making the most of our global workforce.

To facilitate our efforts to implement these goals, in April 2012 we consolidated the CSR Promotion Group and the Corporate Communications & Branding Group in a new organization that reports directly to me. This organizational change reflects how Konica Minolta sees social responsibility—as an integral part of corporate management. Under the new organization, we will further integrate our business and CSR activities, while also enhancing communication so that our stakeholders can better understand our approach.

## **Continuing to Provide Truly Valuable Innovations for Customers and Society**

We believe that the key to our growth is focusing on providing products and services that are truly valuable to customers and society. Traditional product development theory may have emphasized "first in the world" or "best in the world," but if the results are not considered valuable innovations by customers and society, we have missed the point.

Our goals are to solve the problems faced by customers and society and to provide value that exceeds expectations. "Giving Shape to Ideas" is the message that calls each member of the worldwide Konica Minolta team to live up to these goals. I request your support as we strive to reach our goal of becoming a global company that is truly supported by and considered vital to the entire world.

Masatoshi Matsuzaki President and CEO

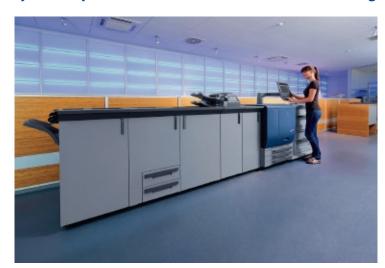
Konica Minolta Holdings, Inc.

M. Haterzaloi

### We want to print no more than the needed number of materials at any given time.



Stanford University in the U.S. was grappling with the problem of how to efficiently supply educational materials. Konica Minolta provided a comprehensive solution that included a digital printing system, the Printgroove application that allows consolidated printing management and 24-hour service via the web, and its proprietary security system. By linking to the Stanford Intellectual Property Exchange, a system developed by the university that allows the transfer of research papers and other files while protecting copyrights and patents, students are now able to purchase the educational materials they require on demand at low cost in the form of printed materials or digital files.



## **Highlight in 2011**

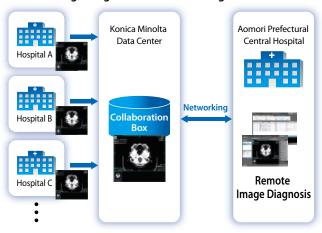
# Giving Shape to Ideas

# Giving Shape to Ideas, **Bringing Innovation for the Future**

Konica Minolta continues to give shape to a wide variety of new ideas designed to provide solutions to the challenges its customers and the broader society face.

\*The term "Konica Minolta" is used in this section in place of the names of individual business companies or related companies.

### Remote Image Diagnosis Via Data Sharing Service



I wish I could get a medical exam from a specialist at my local clinic.



## **Advanced Solutions for Networking among Regional Medical Institutions**

The northern part of Aomori prefecture in Japan faces a shortage of physicians with specialist knowledge about brain disorders. Konica Minolta helped the Neurocerebral Center at Aomori Prefectural Central Hospital to build a network of 10 hospitals in the area, which are now using the network for remote image diagnosis. The system was made possible by Konica Minolta's Infomity Collaboration Box Service, a networking solution designed to enable medical institutions to share medical exam data. It allows diagnostic images of patients suffering from strokes and head injuries to be sent to and interpreted by specialists, making it possible to guickly decide if the patient needs to be transported to a hospital equipped to perform the necessary surgery.

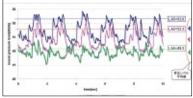


We need to manage worldwide document output more efficiently.

## **Optimized Print Services Help Solve Problems for Global Corporations**

Global corporations are pursuing ways to address the cost and security issues of the office equipment used in their offices around the world. To help them achieve these goals, Konica Minolta provides Optimized Print Services (OPS) that fully manage office equipment operations, optimize equipment setups and improve operating efficiency. These services are employed by the German automobile manufacturer BMW, for example, to efficiently operate and manage a total of 6,800 bizhub systems of multi-functional peripherals at offices and production sites all over Europe, helping the company to improve efficiency and information security in running office equipment on a large scale.





I sure wish there was a quieter printer.

## **New Technology Has Made MFP Sound** More "Pleasant," Providing for a More **Comfortable Office Environment**

Konica Minolta has been working hard to create guieter MFPs. Since 2007, the company has been involved in joint research with Kyushu University in Japan aimed not only at reducing absolute noise level, but also at cutting the particular kinds of noise that people find uncomfortable to make the sound emitted by MFPs more pleasant. The research analyzes the noise emitted when MFPs are in operation using techniques borrowed from the study the train noise, and then identifies the specific materials and structures that cause the objectionable noise to enable specific improvements to control it. Based on user reports that the MFP noise was less bothersome,\* the company included its improvements in all MFP models to be launched in fiscal 2012 and beyond.

\*Konica Minolta internal survey







## Inkjet Textile Printing Enables High Productivity, **High Quality Prints**

In inkjet textile printing, the designs are created on computers and sent to a printer, making textile printing plates used in conventional printing unnecessary and significantly reducing the time it takes to deliver product. By spraying only a few picoliters of printing ink accurately on the fabric, inkjet textile printing can easily create high-quality prints and achieve effects such as color gradation, fine lines, and overlaid patterns that were very difficult to do using conventional printing methods. The Nassenger PRO 1000 printer, launched in 2011, boasts extremely high productivity with the ability to print 1,000 m<sup>2</sup> of fabric per hour when operating at maximum capacity. With its low environmental impact, high quality, and high productivity, demand is high in fashion and fabric centers around the world such as Italy, Turkey, and India.



I wish I could experience cultural treasures without traveling so far.

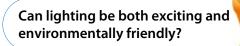


## **Cultural Treasure Archives Projected on Domed Screens Just Like the Real Thing**

Digital archives storing the images of cultural treasures such as art works and structures help preserve the originals while allowing more people to enjoy them. Konica Minolta used the imaging technology it has developed in its planetarium business to create dome-screen-projection versions of 3D digital image content created by Toppan Printing Co., Ltd. on domed screens. These high-definition images of cultural treasures are displayed on the entirety of huge dome screens, surrounding the viewer and giving a life-like impression. Konica Minolta continues to help create new kinds of entertainment and education.



 $Displayed\ image: Toppan\ Visual\ Reality\ (VR)\ Content: The\ Assumption\ Cathedral\ produced\ and\ copyrighted\ by\ Moscow\ Kremlin\ Museums/TBS/Toppan\ Printing\ Co., Ltd.\ with$ cooperation from Dentsu Inc.

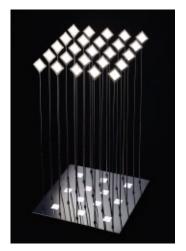




## **Advanced LED Lighting Uses Flat Surface Light Emitting Technology**

LED lighting that consumes low power, lasts longer and emits less heat is in great demand because it has a low environmental impact and is economical. Konica Minolta has developed flat surface light sources by applying its optics and film technology to guide and diffuse the light of LED point light sources. The lineup includes two types of lighting: a flat lighting device that takes up less space and a high-potential lighting device that can be used for light designing. These new types of lighting devices are perfect for a wide variety of lighting situations.





## **OLED Panels with the World's Highest Level of Light Emission Efficiency**

Organic light emitting diode (OLED) lighting takes advantage of the light-emitting properties certain organic materials have when electrified. It is a promising new technology because it has a high degree of light-emission efficiency and can illuminate from an entire surface. Konica Minolta used its own blue phosphorescent light emitting material to develop an OLED panel product with a light-emission efficiency of 45 lm/W, the world's highest level for a mass-produced OLED panel product. In October 2011, it was made available in the form of sample kits, and it promises to create a new age of next-generation lighting.





There are only a few supplier countries of rare earth materials worldwide, and there is concern that limited supply will lead to higher costs. Clearly, rare elements must be used efficiently if we are to realize a sustainable society. Konica Minolta has been working on developing a recycling technology for cerium oxide, a rare earth element used as a polishing material for glass substrates for HDDs. Using the materials technology gained from the development of film, Konica Minolta has successfully developed a way to separate and remove the glass particles from the waste liquid produced during the polishing process using a chemical agent. The system does not require large machinery, allowing recycling to be done quickly and at low cost.



## Overview of the Konica Minolta Group

### **Group Formation**

### **Holding Company**

### KONICA MINOLTA HOLDINGS, INC.

2-7-2 Marunouchi, Chiyoda-ku, Tokyo, Japan **Head office** 

December 22, 1936 Established

Paid-in capital 37,519 million yen (as of March 31, 2012)

Consolidated net sales 767.8 billion yen (FY 2011)

**Business activities** As a holding company, drafts and implements group management strategies, as well as supervising.

managing and coordinating group management

Fiscal year-end March 31

Number of employees Non-consolidated: 228 (as of March 31, 2012)

Consolidated: 38,206 (as of March 31, 2012)

### **Common Function Companies**

### KONICA MINOLTA TECHNOLOGY CENTER, INC.

### **Business Activities**

Provides services to group companies including R&D, customized product design and management of intellectual property assets

## KONICA MINOLTA BUSINESS EXPERT, INC.

### **Business Activities**

Provides various shared services for the Group in the fields of engineering, logistics, environment, safety and others

**KONICA MINOLTA** 

### **Business Companies**

### **KONICA MINOLTA BUSINESS TECHNOLOGIES, INC.**

### **Business Activities**

Manufacturing and sale of multi-functional peripherals (MFPs), printers, and equipment for production print systems and graphic arts, and providing related solution services

### **KONICA MINOLTA** ADVANCED LAYERS, INC.

Manufacturing and sale of electronic materials (TAC films, etc.) and performance materials

### KONICA MINOLTA OPTICS, INC.

### **Business Activities**

Manufacturing and sale of optical products (pickup lenses, etc.) and measuring instruments for industrial and healthcare applications

## **KONICA MINOLTA MEDICAL & GRAPHIC, INC.**

### **Business Activities**

Manufacturing and sale of consumables and equipment for healthcare systems

### **Affiliates Managed by the Holding Company**

### **KONICA MINOLTA** IJ TECHNOLOGIES, INC.

### **Business Activities**

Manufacturing and sale of inkjet printheads, inks and textile printers for industrial use

### **KONICA MINOLTA** PLANETARIUM CO., LTD.

### **Business Activities**

Manufacturing and sale of planetarium systems, show contents production and sales, construction of planetariums and facility management service

### About the Group

The Konica Minolta Group is a corporate group composed of business companies and common function companies under a holding company, Konica Minolta Holdings, Inc. It includes Konica Minolta Holdings, 92 consolidated companies, 16 non-consolidated companies, and 4 affiliates (as of March 31, 2012).

- \*The following reorganization took place on April 1, 2012:
- 1. The commercialization promotion section for new functional materials such as organic light emitting diode lighting, barrier film, and heat insulation film was transferred from Konica Minolta Holdings, Inc. to Konica Minolta Opto, Inc. and the trade name was changed to Konica Minolta Advanced Lavers, Inc.
- 2. The optics business, which primarily manufactures pickup lenses for optical disks, glass substrates for HDDs, and lens units, was transferred from Konica Minolta Opto, Inc. to Konica Minolta Sensing, Inc., which handles the sensing business, and the trade name was changed to Konica Minolta Optics, Inc.

This report uses the names following the reorganization even when discussing events before the change.

### **Principal Products Business Fields**

Business Solutions **Business** 

- MFPs (Multi-functional peripherals)
- Laser printers
- Filing devices
- Facsimile machines
- Software and peripheral devices





- Corporate offices
- SOHO

**Production Print Business** 

- Digital printing systems
- Digital color-proofing systems
- CTP (Computer to Plate)
- Remote color management
- RGB workflow products
- Prepress production systems



- Printing companies
- Corporate printing departments

Performance Materials Business

- TAC film for LCD polarizers
- VA-TAC film for increasing viewing angle
- High-precision photo plates
- Barrier Film
- Functional film for windows
- Organic Light Emitting Diode







- Electronics industries
- Research institutes

Sensing Business

- Pickup lenses for optical disks
- Prisms for pickups
- Glass substrates for HDDs
- Micro-camera modules
- Lens units
- Spectrophotometers, colorimeters
- Luminance meters, illuminance meters, and luminance colorimeters
- Spectroradiometers
- Non-contact 3D digitizers
- Pulse oximeters
- Solar cell measurement and calibration equipment
- Spectrometers





- Factories
- Research institutes Hospitals

- Digital X-ray diagnostic imaging systems (CR, DR)
- Digital mammography
- Diagnostic ultrasound systems
- Medical imaging filing systems
- All-in-one medical imaging information workstations
- Medical management support and service
- Diagnosis medicine





- General hospitals
- Clinics



Inkjet inks







- Digital printing
- Textile dyeing
- Printed electronics

Planetarium Business

- Optical planetariums
- Digital full-dome systems
- Dome screen
- Digital full-dome show







- Planetariums
- Restaurants
- Amusement facilities
- Art museums

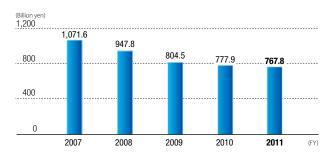
### **Global Network**

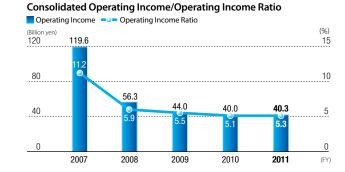
Konica Minolta has subsidiaries in 38 countries. It operates business in 176 countries and regions through the subsidiaries or via other local agencies (as of March 31, 2012).

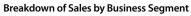


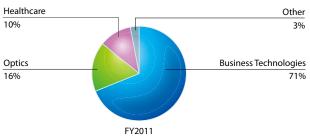
### **Financial Data**

### **Consolidated Net Sales**

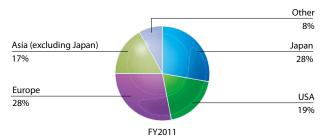








### Breakdown of Sales by Region



## Konica Minolta's CSR Policy

Konica Minolta's CSR activities are based on its Management Philosophy of "The Creation of New Value," and upon its Charter of Corporate Behavior. The company is signatory to the United Nations Global Compact, the universally accepted principles covering human rights, labor, the environment and anti-corruption, and it has also joined the Global Compact Japan Network (GC-JN). Konica Minolta's commitment to respecting and complying with these and other universal principles is articulated in the Konica Minolta Group Guidance on the Charter of Corporate Behavior, which is shared globally, helping to ensure the Group's compliance with

These principles guide the Group's every effort to live up to the trust and expectations of society by fulfilling its responsibilities to all stakeholders and contributing to the realization of a sustainable society.

these principles P.40



### The Global Compact's Ten Principles

### **Human Rights**

Labour

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour:

Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of

environmentally friendly technologies.

**Anti-Corruption** 

**Environment** 

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

### **Management Philosophy**

## The Creation of New Value

## Konica Minolta Group Charter of Corporate Behavior

Corporations, in addition to being economic entitles engaged in the pursuit of profit through fair competition, should be beneficial to society at large. For this reason, Konica Minolta Group shall behave in a socially responsible manner and shall have all of its directors, officers and employees clearly acknowledge the spirit of this Charter of Corporate Behavior. Senior management shall recognize that the fulfillment of

### 1. Beneficial and Safe Products

We shall strive to earn the confidence of consumers and clients through the development and provision of socially beneficial products and services with the utmost consideration for safety.

### 2. Fair and Transparent Corporate Activities

We shall, in the pursuit of fair and transparent corporate activities, comply with laws and social regulations and act in accordance with international rules and the articles of incorporation.

### 3. Communications with Society and Information Disclosure

We shall communicate with society at large and disclose corporate information fairly and adequately.

### 4. Environmental Protection

We shall acknowledge the seriousness of global environmental issues and shall act voluntarily and affirmatively to protect the environment.

the spirit of this Charter is its own role and responsibility, and shall take the initiative to ensure that all directors, officers and employees fully understand the Charter. In addition, the management shall constantly pay attention to the opinions of internal and external parties and shall promote the implementation of effective systems to secure ethical corporate behavior.

### 5. Contribution to Society

We shall, with a global perspective, affirmatively make contributions to society while respecting local customs and cultures.

### 6. Respect for Employees

We shall endeavor to make the lives of employees comfortable and fulfilling, provide a safe work environment, and respect each employee's personality and individuality.

### 7. Responsible Actions

In the event of a violation of the principles of this Charter, in order to solve the problem senior management shall investigate the cause of the violation and develop reforms to prevent its recurrence in accordance with corporate compliance procedures. Prompt public disclosure of precise information and an explanation regarding the violation shall be made and responsibility for the violation shall be clarified. Strict and fair disciplinary action shall be taken including with respect to senior management where necessary.

### **CSR Promotion System**

The president and CEO of Konica Minolta Holdings, Inc. concurrently serves as the executive officer in charge of CSR, a position that carries with it the responsibilities and authority concerning the entire Group's CSR. Directly reporting to the executive officer in charge of CSR is the CSR, Corporate Communications and Branding Division, which sees to the implementation of CSR management for the entire Group, worldwide.

The Environment and Quality Division creates Group policies, constructs systems, and manages progress related to environmental management, safety, and quality control. The Environmental Managers' Committee, the Safety and Health Managers' Committee, the Quality Assurance Managers' Committee, and the CSR Procurement Managers' Committee, each of which is chaired by the director of the Environment and Quality Division, implement fiscal year plans for environmental, safety, and quality activities, monitor progress, and investigate and exchange information regarding each Group company's problems. Each of these committees meets as a rule once each quarter.

The CSR, Corporate Communications and Branding Division coordinates with the Environment and Quality Division and other divisions such as the Legal Division and the Corporate Human Resources Division and works to promote priority measures and public disclosure of information. Every week the head of the CSR, Corporate Communications and Branding Division submits a report on the progress of CSR activities to the executive officer in charge of CSR, reviews the activities and makes proposals. The Management Council and other bodies also meet in a timely fashion to discuss matters of importance and consider CSR activities as a key management issue.

### **Establishing Priority Goals for CSR Promotion Activities**

Konica Minolta's CSR activities are developed with careful consideration of the role the Group must fulfill to remain essential to society and worthy of its support. Konica Minolta therefore endeavors to understand the wishes and issues important to stakeholders by communicating with them in a variety of ways. Based on these discussions, the Group selects those issues that are both vital to society and have a great impact on business and also establishes priority goals for a medium-term plan for the entire Group under categories such as the environment, product quality (customers), occupational safety (employees), and others. All business companies have included these goals in their business plans in line with the Medium Term Business Plan "G Plan 2013" that started in April 2011, and are working toward them as part of their business activities.

This report outlines the specific measures being taken and the progress on the goals that are considered most important to stakeholders. The Group also makes use of ISO26000, the international standard on social responsibility that was released in November 2010, and is currently reviewing its CSR activities and working on aligning its course of action and priorities to the new standard in the medium term. A new action plan will be created after a careful analysis of specific issues.





Major Themes, Goals, Plans and Results of Initiatives

### Socially Responsible Investment Indexes in which Konica Minolta is Included

Konica Minolta Holdings, Inc. is currently included in the following socially responsible investment (SRI) indexes(as of June 20, 2012).













About Konica Minolta > Sustainability > CSR Activities > Konica Minolta's CSR Policy > Evaluation of CSR by External Parties

# Summary of CSR Activities in 2011

	Stakeholders	Major Responsibilities (page in this CSR Report)	Tools and Opportunities for Communication
Customers P. 25	Konica Minolta does business around the world. Each of its various business operations are handled by separate business companies that serve different customers. The major customers of Konica Minolta's main business operations are corporations, government agencies, and hospitals.	<ul> <li>Ensuring product safety</li> <li>Preventing problems with quality</li> <li>Providing appropriate product information in a timely fashion</li> <li>Providing environmentally responsible products</li> <li>Improving customer satisfaction</li> <li>Realizing customers' overt and latent needs</li> </ul>	<ul> <li>Providing customer service via websites and call centers</li> <li>Providing product information via websites and newsletters</li> <li>Conducting customer satisfaction surveys</li> <li>Exchanging information via visits to customers</li> <li>Exchanging information at showrooms and trade shows</li> <li>Holding seminars</li> </ul>
Business Partners	Konica Minolta procures raw materials, parts and components from different companies depending on the type of business. Over 90% of these suppliers are located in Japan, China, and elsewhere in Asia.	<ul> <li>Ensuring transparent and fair business practices</li> <li>Implementing CSR throughout the global supply chain (human rights, labor, environment, etc.)</li> </ul>	<ul> <li>Holding suppliers' meetings</li> <li>Conducting CSR surveys (self-assessment questionnaires)</li> </ul>
Shareholders and Investors WEB	Konica Minolta has 31,067 shareholders. The breakdown highlights relatively high ownership by institutional and foreign shareholders; foreign shareholders own a combined stake of 43.3%, while Japanese financial institutions own 39.9% (as of March 31, 2012).	<ul> <li>Ensuring fair and proper returns</li> <li>Respecting shareholder voting rights</li> <li>Implementing fair and proper disclosure of financial information</li> <li>Implementing global IR activities</li> </ul>	<ul> <li>Shareholders' meetings</li> <li>Briefings for investors</li> <li>Visits to investors</li> <li>Annual reports</li> </ul>
Employees P. 33	Konica Minolta employs 38,206 people worldwide. Of those, 32% are in Japan, 29% are in China and elsewhere in the Asia-Pacific region, 20% are in North and South America, and 19% are in Europe (Figures are based on total regular employees of consolidated companies, as of March 31, 2012).	<ul> <li>Ensuring workplace safety and health  P. 34</li> <li>Respecting human rights and eliminating discrimination</li> <li>Respecting diversity P. 35</li> <li>Fostering and making the most of personnel P. 36</li> </ul>	<ul> <li>Interactive intranet</li> <li>Group journal</li> <li>Employee attitude surveys</li> <li>Dialogue with labor unions</li> <li>Offering internal help line systems</li> <li>Exchanging opinions during inspection tours of production sites by senior staff</li> </ul>
Local and Global Communities	Konica Minolta operates in some 40 countries across the globe, and acts as a responsible member of every community where it operates.	<ul> <li>Developing social contribution programs that make the most of the group's business expertise</li> <li>Implementing activities that address local needs</li> </ul>	<ul> <li>Activities that contribute to local communities</li> <li>Community briefings and invitational events</li> <li>Sending speakers to lectures and places of education</li> <li>Industry group activities</li> </ul>
Global Environment P. 15	As a manufacturer, Konica Minolta engages in various operations that impact the environment, for instance generating CO2 emissions, which contribute to climate change, using materials derived from petroleum, which is a dwindling natural resource, and affecting ecosystems in various ways.	<ul> <li>Contributing to the prevention of global warming P. 17</li> <li>Supporting a recycle-oriented society P. 18</li> <li>Reducing the risks posed by chemicals P. 18</li> <li>Restoring and preserving biodiversity P. 19</li> </ul>	<ul> <li>CSR reports, environmental reports, and websites</li> <li>Community briefings and explanatory meetings</li> <li>Collaboration with research institutions</li> </ul>



## **Eco Vision 2050**

- Reduce CO<sub>2</sub> emissions throughout the product life cycle by 80% by 2050, compared to 2005 levels
- 2 Promote recycling and effective use of Earth's limited resources
- Work to promote restoration and preservation of biodiversity

## **Medium-Term Environmental Plan 2015**

Preventing global warming Supporting recyclingoriented society

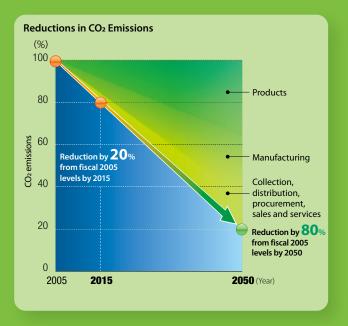
Reducing the risk of chemical substances

Restoring and preserving biodiversity



Environmental problems are becoming more and more serious each year. These problems include the increasing effects of global warming, depletion of natural resources, and the destruction of ecosystems due to pollution in the natural environment. Konica Minolta recognizes its potential to make a contribution to the solution of these environmental problems by developing innovative technologies that lead to improved environmental performance.

This recognition inspired the creation of Konica Minolta's long-term environmental vision, "Eco Vision 2050," which looks all the way out to the year 2050. Along with the most important measure, the prevention of global warming, the vision also outlines the Group's proactive initiatives to realize more effective recycling and resource use as well as initiatives to restore and preserve biodiversity. Governing the Group's current efforts to achieve Eco Vision 2050 is the Medium-Term Environmental Plan 2015, which establishes major objectives and specific goals to be implemented by the target year of 2015. At the same time, Konica Minolta has committed itself to the "Three Green Activities" that will help it reach these goals.



### Medium-Term Environmental Plan 2015 (Base Year: Fiscal 2005) Manufacturing Objectives **Product Development** Distribution, Sales and Service Collection and Recycling ■ • CO<sub>2</sub> emissions throughout product life cycle: Reduce by 20% ■ CO<sub>2</sub> emissions from CO<sub>2</sub> emissions from CO<sub>2</sub> emissions CO<sub>2</sub> emissions from manufacturing: from distribution: product usage: Reduce sales and service: by 60% Reduce by 10% Reduce by 30% Reduce by 50% (per unit of sales) (per unit of sales) (per unit of sales) ■ • Petroleum-based resource usage: Reduce by 20% (per unit of sales) Amount of resources Waste such as resin Fuel consumption of sales and such as plastic used in scraps and solvent service vehicles products generated in production Waste discharged • Packaging materials usage: • Product recycling: externally\*1 from Reduce by 25% (per unit of sales) Build up product manufacturing: recycling systems in Reduce by 50% each region and aim (per unit of sales) for a recycling rate of 90% or more Chemical substance Atmospheric emissions of volatile organic management: Maintain strict compounds (VOCs): $management\, of\, chemical$ Reduce by 75% (in substances, including the entire supply chain\*2 terms of environmental impact index\*3) Help restore and preserve biodiversity **Green Products Green Factory** Green Marketing Activities

- \*1 Waste discharged externally: The amount of waste disposed of outside Konica Minolta facilities, comprising the total amount of waste generated through production activities, minus the amount recycled and reduced internally.
  \*2 Supply chain: In this case, the process by which raw materials from upstream companies pass through component manufacturers and are delivered to Konica Minolta
  \*3 Environmental impact index: An index unique to Konica Minolta designed to measure impact on the environment, obtained by multiplying VOC emission volume by a hazard factor (impact on human health and environmental impact) and a location factor.





## **Progress on the Medium-Term Environmental Plan**

As milestones on the way to achieving the goals the Medium-Term Environmental Plan 2015, Konica Minolta establishes targets each fiscal year, tightly managing its progress on reducing environmental impacts.

### 2011 Targets and Achievements

☆☆☆: Achievement more than 100% ☆☆: Achievement more than 80% and less than 100% ☆: Achievement less than 80%

Objectives	Fiscal 2011 Targets (Base Year: Fiscal 2005)			Fiscal 2011 Achievements and Key Measures		
	CO <sub>2</sub> emissions throughout product life cycle -44.4%					<del>ተ</del>
		CO <sub>2</sub> emissions from product usage		-65.8%	GP Marketed products with high energy-saving performance	<del>ተ</del>
Preventing global warming		CO₂ emissions from manufacturing (per unit of sales)		+34.5%	GF Improved energy efficiency in production	ተ ተ
warming		CO <sub>2</sub> emissions from distribution (per unit of sales)	-23.3%	+4.1%	GM Reduced air freight	☆
		CO <sub>2</sub> emissions from sales and service (per unit of sales)	+39.3%	-6.6% GM Increased efficiency in sales and services GM Introduced eco-cars and eco-driving		<b>☆☆☆</b>
	Petroleum-based resource usage (per unit of sales) +24.0%			GP Reduced resources used in products GF Reduced waste in production GM Introduced eco-cars and eco-driving		<b>ታ</b> ታታ
Supporting a recycling-oriented	Packaging materials usage (per unit of sales) +2.9% *1			+12.1%	GM Reduced packaging through improved design GM Made packing boxes returnable between production facilities	<b>ሴ</b> ሴ
society	Waste discharged externally from manufacturing (per unit of sales) +1.6%				GF Improved production efficiency and promoted internal recycling	**
	Product recycling : • Expand sales of re-manufactured MFPs • Enhance recycling systems			GM Marketed re-manufactured MFPs worldwide GM Implemented survey on recycling systems		<b>ፌ</b> ፌፌ
Reducing the risk of chemical	Chemical substance management : • Study alternatives to substances to be reduced • Compliance with the China RoHS*2			GP Implemented risk assessment on substances to be reduced GP Continued monitoring for compliance with the China RoHS and prepared plans for compliance with the revised RoHS Directive*3		***
substances	Atmospheric emissions of volatile organic compounds (VOCs) (environmental impact index) -67.0%			0% -73.4% GF Implemented reduction plan		<del>ተ</del> ተተ
Restoring and preserving biodiversity	Compliance with criteria of the Green Factory Certification System     Revise and implement the draft procurement standards for paper			GF Imple	ed Green Factory Certification Standards mented trial runs of ecosystem impact assessment igated revising the procurement standards for paper	☆☆

GP Activity under Green Products Certification System GF Activity under Green Factory Certification System **GM** Green Marketing activities

- \*1 Base year data has been revised to reflect changes in calculation method and the target has been adjusted accordingly.
- \*2 China RoHS: Administrative Measure on the Control of Pollution Caused by Electronic Information Products. Hazardous substance regulations enacted by China in March 2007
- \*3 RoHS Directive: Regulations enacted by the EU in July 2006 prohibiting the use of specified hazardous substances in electrical and electronic equipment.



Fiscal 2011 Targets and Results, and Fiscal 2012 Targets / Fiscal 2011 Targets and Results of each Objective / Standards for Calculating Environmental Data



### **Preventing Global Warming**

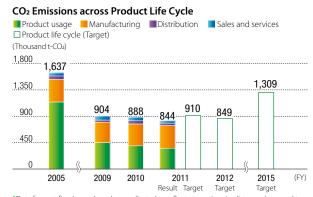
Reaching CO<sub>2</sub> Emissions Reduction Goals throughout the Product Life Cycle

As part of its effort to reduce CO<sub>2</sub> emissions throughout the entire product life cycle, Konica Minolta has set CO2 reduction targets for each stage of the life cycle, including product usage, manufacturing, distribution, and sales and services. Building on the results of reduction efforts implemented in previous years, in fiscal 2011 Konica Minolta set reduction targets that were even more challenging than the fiscal 2015 goals. The Group reached its fiscal 2011 goal for CO<sub>2</sub> emissions reduction across the entire product life cycle, primarily by reducing the CO<sub>2</sub> emitted from product usage, which accounts for nearly half of total emissions.

Konica Minolta is paying particular attention to the Business Technologies business, which accounts for over 90% of the total CO<sub>2</sub> emissions from product usage, and is pursuing the development of energy-saving product technologies (P. 23).

The Group is reducing CO<sub>2</sub> emissions from production in accordance with the certification standards of its Green Factory Certification System (P. 22). The effort based on this system since fiscal 2005 has resulted in the reduction of approximately 100,000 tons of CO<sub>2</sub> emissions for fiscal 2011.

Working to reduce CO<sub>2</sub> emissions from distribution, Konica Minolta has been striving to curtail the use of air transport. Unfortunately, in fiscal 2011 production and shipping delays caused by the difficulties in procuring parts after the flooding in Thailand forced the Group to use more air transport to make up for production delays of key products during the fourth quarter. As a result, CO<sub>2</sub> emission reduction targets were not met



\*Data for past fiscal years have been adjusted to reflect corrections in distance data used to



## **Supporting a Recycling-Oriented Society**

### Reducing Resources Used in Products and Using More Recycled Materials

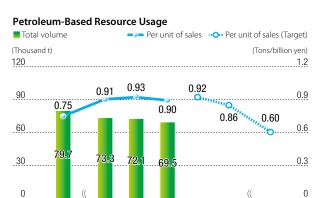
Konica Minolta is implementing reduction of petroleum-based resource usage via initiatives for each of the following phases of the product life cycle: development, production, and sales and service P. 16. The Group is emphasizing the reduction of plastic material and other resources used in products, which account for over 60% of total petroleum-based resource usage. In addition to making products lighter, thinner, shorter and smaller, Konica Minolta is also increasing the use of recycled materials. In fiscal 2011, the Group released various new products featuring reduced resource usage. Konica Minolta Business Technologies, Inc. launched its bizhub C754/C654 color MFPs, which use recycled PC and PET resins ( P. 21, P. 23).

The Group is reducing the amount of waste discharged externally from manufacturing by improving the production efficiency of each production business unit and increasing the percentage of internal recycling in accordance with the standards in the Green Factory Certification. In fiscal 2011 the total amount of waste discharged externally from manufacturing was down 3% in comparison with the previous fiscal year. However, since this reduction did not meet the results expected when the measures were established, the reduction target per unit of sales was not reached.

Packaging materials usage reductions did not meet targets due to increases in the usage of packaging materials that were made necessary by increased shipments of large machines such as production print equipment in the Business Technologies business.

In the area of product recycling, Konica Minolta continues to make strides in marketing of re-manufactured MFPs. It also conducted a survey on the collection rates of used products

around the world and is preparing new initiatives based on the survey results.



\*Data for past fiscal years have been adjusted to reflect revisions in the amounts of petroleum-based material used in products.

2011

Recult

2012

2015

2010

## **Waste Discharged Externally from Manufacturing**

2009

2005



\*Fiscal 2005 data have been revised to reflect slight revisions made by some sites.



### **Reducing the Risk of Chemical Substances** Eliminating Substances Targeted for Reduction and Reducing VOC Emissions

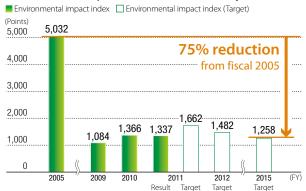
Konica Minolta is carrying out the planned elimination of substances targeted for reduction as part of its chemical substance management initiatives applied throughout the supply chain. In fiscal 2011, a risk assessment of the substances targeted for reduction under the REACH regulations\* was carried out. The Group is looking into alternative substances and technologies and creating replacement plans.

Since 1993 Konica Minolta has had initiatives in place to reduce the emissions of volatile organic compounds (VOCs) which the Group determines to have a high risk in terms of hazard and volume into the atmosphere around its production sites throughout the world. In fiscal 2011, while production levels were on the rise, the amount of VOCs

\*REACH regulations: Regulations enacted by the EU in June 2007 concerning the registration, evaluation, authorization and restriction of chemicals, to consolidate existing regulations concerning chemical substances.

emitted remained the same as the previous fiscal year and reduction targets were met.

### Reduction of Atmospheric VOC Emissions (Risk-Adjusted)



\*Fiscal 2009 data has been revised to reflect more accurate information



Progress on the Medium-Term Environmental Plan



### **Restoring and Preserving Biodiversity Assessing Ecosystem Impact Using WET Testing**

In fiscal 2011, Konica Minolta implemented various initiatives to restore and preserve biodiversity at its production sites. Specifically, the Group revised the Level 2 Certification Standards for Konica Minolta's unique Green Factory Certification System (P.22) to stipulate that the production sites had to be consistent with its Guidelines for Biodiversity Preservation. The Guidelines are composed of three main categories—consideration of water resources, consideration of wastewater, and proper management of greenery at factories—and stipulate such items as reduction of water

consumption, monitoring of impact of wastewater on ecosystems, and prohibition of the planting and sowing of seeds of invasive alien species on plant premises. These measures are being carried out in accordance with the Green Factory Activities Plan.

Trial runs of ecosystem impact assessment tests have been carried out by production sites in order to verify the impact of wastewater on the surrounding ecosystems, confirming that there has been no negative impact.

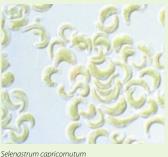
### Feature

## **WET Testing at Four Japanese Plants Confirms** No Negative Impact on Three Test Organisms

Konica Minolta has included in the Guidelines for Biodiversity Preservation a stipulation that it investigate the impact plant wastewater has on ecosystems, and this is a certification requirement set forth in the Green Factory Certification System. In fiscal 2011 four plants that emit wastewater from manufacturing processes into public water areas carried out bioassays using Whole Effluent Toxicity (WET)\* testing, which is a new method of wastewater management currently attracting attention around the world.

Specifically, the testing, implemented with the cooperation of the National Institute for Environmental Studies, was done on an algae (Selenastrum capricornutum), a crustacean (Ceriodaphnia dubia), and a fish (zebra fish, Danio rerio). The results indicated that there was no negative impact (algae: inhibition of growth; crustacean: inhibition of breeding; fish: reduced hatching rate or reduced survival rate after hatching) on any of the three test organisms at any of the four plants. Among plans to increase the number of plants that carry out WET tests, the Group is currently looking into conducting these tests at plants outside Japan.

\*WET: A method that assesses the aggregate toxic effect of wastewater on aquatic life rather than the volume of individual chemical substances. Unlike conventional effluent management methods, it enables holistic assessment of the effect of an effluent, detecting impact caused by any non-regulated chemical substance or the combined impact of multiple substances





Ceriodaphnia dubia

## Piloting WET Testing, the Likely Standard of the Future



Norihisa Tatarazako, Ph. D. National Institute for **Environmental Studies** 

It is difficult to manage large amounts of chemical substances and by-products and the combined effects of those substances appropriately under current laws that regulate the concentrations of individual substances, such as Japan's Water Pollution Prevention Act and Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. This is why WET testing, which provides an index that shows the total ecological impact of wastewater on the environment, was introduced in North America and Europe in the 1990s. In 2011, the same method was adapted in South Korea as a method for regulating wastewater management. The Japanese Ministry of the Environment has begun to consider adopting "a method of managing the aquatic environment that utilizes bioresponses" (in other words, WET). Guidelines are scheduled to be published in 2012, after deliberations by different committees formed to study issues such as the testing method and system management.

The reference laboratory of the Center for Environmental Risk Research of the National Institute for Environmental Studies is engaged in research with a view to the adoption and popularization of WET. We believe that Konica Minolta's initiative in adopting WET, an international standard, for testing the environmental impact of plant wastewater, is an outstanding example of environmentally friendly corporate compliance.

## **Fiscal 2011 Environmental Data Summary**

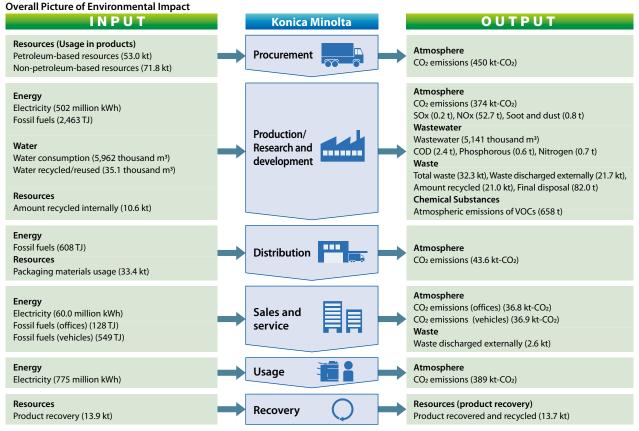
Konica Minolta continually monitors its environmental performance in areas such as total energy and resource inputs, CO2 emissions and waste discharge at each stage of the product life cycle, on a global basis.



 $About\ Konica\ Minolta > Sustainability > Environmental\ Activities > Environmental\ Management\ at\ Konica\ Minolta > Environmental\ Data$ 



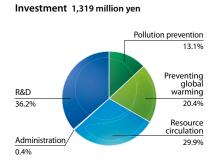
### **Environmental Impacts Resulting from Business Activities**

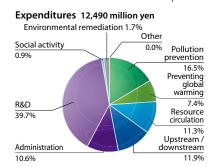


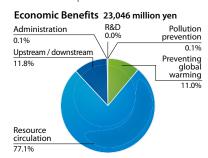
<sup>\*</sup>See the Konica Minolta website for the scope and standards for calculation.

## **Environmental Accounting**

Konica Minolta has appointed environmental accounting manager at each Group company to carry out consolidated environmental accounting globally. Investments in fiscal 2011 totaled approximately 1.3 billion yen, a 63% decrease year on year. The decrease was due to the fact that investments in new building construction that were made in the Performance Materials business in the previous fiscal year were not made again in fiscal 2011. Expenditures totaled approximately 12.5 billion yen, a 4% increase year on year. Specifically, product-related environmental measure costs in the Business Technologies business and cost related to environmental measures implemented at plants in the Performance Materials business made up the major share of the expenditures.







<sup>\*</sup>Percentages do not necessarily total to 100 because of rounding.



## Three Green Activities— Pillars of the Medium-Term Environmental Plan

Konica Minolta implements the "Three Green Activities" to achieve environmental innovation.



About Konica Minolta > Sustainability > Environmental Activities > Environment Plan: Objectives and Efforts > Three Green Activities



### **Green Products Certification System**

Konica Minolta introduced its Green Products Certification System and put it into full operation in July 2011. Under this system, standards are set for each of the different businesses and product characteristics, and products that meet these standards are certified at one of three levels. The targets are basically set as early as the product planning stage. Not only must the product meet standards for environmental performance, it must also fulfill requirements such as being produced at a certified Green Factory, compliance with environment-related regulations,

and management in accordance with the Group's CSR procurement plan (P.32). The Group introduced sales ratio targets for certified Green Products in fiscal 2012 (see the chart below), aiming to increase the number of products certified. The sales ratios for fiscal 2011 were 11% for Green Products Plus and 12% for Green Products.

The environmental performance of these certified products can be found in product catalogues and on the Konica Minolta website.

### **Green Products Certification System**

	Level 1 (fiscal 2013 target)	Level 2 (fiscal 2015 target)
Sustainable Products (SP) Products that contribute to realizing a sustainable society*	-	1 product
Green Products Plus (GPplus) Products that achieve the industry's top environmental performance	Sales ratio: 20%	Sales ratio: 30%
Green Products (GP) Products that achieve top-level environmental performance in the industry	Sales ratio: 30%	Sales ratio: 50%
	*Sustainable Produ	cts (SP) certification

Environmentally responsible products based on product assessment Certification requirements

Management in accordance with Production at a Compliance with the CSR certified Green environmentprocurement Factory related regulations standards require that the product not only embody superior environmental performance not typically achieved by earlier products, but also incorporate original technology. While seeking to reduce the environmental impact of all of its products, by setting a very challenging certification level, Konica Minolta aims to promote innovation and contribute more proactively to

### **Examples of Green Products Certified in Fiscal 2011**

### Konica Minolta Advanced Layers, Inc.

TAC film for LCD polarizers (VA-TAC series)

• Optimizing the formula made this the industry's top thin film product

### Konica Minolta Optics, Inc. BD/DVD/CD-compatible plastic single objective lens for optical disks



 Smaller size made possible by reducing approximately 30% off the total length and outside diameter (compared to our conventional devices)

### Konica Minolta Medical & Graphic, Inc. AeroDR cassette digital radiography detector

- Energy consumption when reading images has been cut by approximately 60%, and 90% when on standby (compared to our conventional devices). Continuous standby has been extended to 16 hours.
- Main unit weight 2.9 kg (including battery). The world's lightest wireless DR (as of the April 2011 launch).



### Konica Minolta Technology Center, Inc. LED shelf lighting for refrigerator/freezer showcases

- Development of a specially-shaped light guiding panel that effectively spreads the light from LEDs allowed a reduction of approximately 70% of the energy consumption of fluorescent shelf lighting.
- Has over double the life of fluorescent lighting.





## **Green Factory Certification System**

Konica Minolta has implemented its unique Green Factory Certification System for comprehensive evaluation of the environmental activities of its production sites since January 2010. This system has two levels of targets. The Level 1 targets for fiscal 2011 are preliminary goals representing milestones

on the way to the Level 2 targets, which are to be achieved by fiscal 2015. In fiscal 2010, 11 business units were certified with Level 1 status, making all of its 22 business unites\* achieve Level 1 as planned.

\*A single business unit is an organization engaged in the same production activities even across different locations. A single location may include several business units.

### **Green Factory Certification Standards**

Objectives	Management indicators		Level 1	Level 2
Preventing global warming	CO <sub>2</sub> emissions (per unit of production*1)		12% reduction*2	20% reduction*2
	Zero waste	Waste discharged externally (per unit of sales)	30% reduction*2	50% reduction*2
Supporting a recycling- oriented society	activities	Final disposal rate of total waste	0.5% or less	0.5% or less
	Petroleum-based resource waste (per unit of sales)		30% reduction*2	50% reduction*2
Reducing the risks	Atmospheric emissions of volatile organic compounds (VOCs)		Achievement of fiscal 2011 targets for each site in accordance with Medium-Term Environmental Plan 2015	Achievement of fiscal 2015 targets for each site in accordance with Medium-Term Environmental Plan 2015
or enemical substances	Guidelines for managing soil contamination risk		_	Consistent with guidelines
Restoring and preserving biodiversity	Guidelines for biodiversity preservation (consideration of water resources and wastewater, and proper management of greenery at factories)		_	Consistent with guidelines
Guideline-based activities	Achievement rate of implemented items		70% or more	90% or more

- \*1 Per unit of production: Environmental impact in terms of production output or production volume.
  \*2 The base year is fiscal 2005. Based on this (base year) figure, standards tailored to factory characteristics are established.

### **Green Marketing Activities**

In order to reduce the environmental impact of sales and service. Konica Minolta has introduced initiatives in accordance with the Medium-Term Environmental Plan 2015 to reduce CO<sub>2</sub> emissions from distribution, the amount of packaging, the amount of fuel used by company vehicles, and to recover old products and reuse their materials.

Similarly, in order to facilitate the reduction of the environmental impact incurred when customers use its products, Konica Minolta is focused on providing Green Products and Optimized Print Services (OPS) solutions that support the optimization of the document printing environment in business offices.

### Feature

## **Konica Minolta Environmental Mark**



The Konica Minolta Environmental Mark expresses the Group's commitment to promoting initiatives that reduce environmental impact in every phase of the business. The mark is used as a certification mark for products certified under the Green Products Certification System and for factories certified under the Green Factory Certification System. Additionally, it will be used as a symbol of Green Marketing activities.

\*The three arches symbolize Green Products, Green Factories and Green Marketing — the core of Konica Minolta's environmental activities. The arches rest on a green leaf—which represents the environment—forming a round Earth to convey this key message: "Konica Minolta is striving to fulfill its role on the planet as a bridge to a more sustainable society."

## **CLOSE UP**

# Three Green Activities in the **Business Technologies Business**

Konica Minolta provides customers with environmental innovations via its Three Green Activities: the Green Products Certification System, the Green Factory Certification System, and Green Marketing activities.

This section features a close-up of the efforts of Konica Minolta Business Technologies, Inc., which represent just a few of the many steps being undertaken by all the Group's business companies.



Konica Minolta generally sets Green Product Certification targets for a product at the very beginning—the product planning stage.

Konica Minolta Business Technologies is aiming to achieve Green Product Plus certification for most of its A3 color MFPs launched in fiscal 2011 and thereafter. Green Product Plus certification requires the industry's highest level of environmental performance. The bizhub C754/C654 color MFPs launched in February 2012 achieved industry-top or industry-first status in three categories, thoroughly earning the certification.



The bizhub C754 (75 ppm black / 60 ppm color, letter or A4 landscape)

The bizhub C754: Best in 3 **Categories** 

- Best in class\* in low power consumption (5.66 kWh/week)
- 2 Best in class\* in compact size (width: 650 mm, depth: 799 mm)
- First in class to use fire resistant recycled PC/PET

\*As of the February 2012 launch date



### green products

## **Power Consumption Levels** Far Below International Standards

- Achieved fixation at a lower temperature by improving the polymerized toner used in previous models
- Improved the heat generation efficiency of fixing heaters using induction heating technology, which results in approximately 10% less energy consumption

### **Energy Consumption (TEC\*)**



\*TEC: Typical Energy Consumption, a measure of energy consumption established by the International Energy Star Program.

## Effective Use of Resources with an Original Recycled Plastic

PET\*1 is a widely used plastic material. In recent years, it has become more and more popular from the perspective of recycling. However, the poor durability of recycled PET has made it difficult to use as outer casing for MFPs. Konica Minolta Business Technologies has developed a recycled plastic by evenly mixing recycled PET and

recycled PC\*2 to create a material that has the required strength and fire-retardant properties to meet safety standards and can be mold injected. This original recycled plastic was first used in the bizhub C754 and C654 MFPs. Recycled PET is made from recovered and recycled plastic drinking bottles, and recycled PC is made from recovered and recycled one-gallon jugs from water coolers. The new recycled plastic material makes effective use of existing resources.

# 0 0

Bioplastic is used in

the register keys on the control panel

Parts Using Environmentally Responsible Plastic

Recycled PET/PC plastic Recycled PC-ABS\*3 plastic

- \*1 PET: Polyethylene terephthalate, a type of polyester
- \*2 PC: Polycarbonate, a type of thermoplastic resin
- \*3 ABS: Acrylonitrile butadiene styrene, a type of thermoplastic resin



## A Prerequisite for Green Products **Certification: Green Factories**

To earn Green Product certification, a product must be manufactured in a certified Green Factory. Thus, in order for the bizhub C754 and C654 MFPs to be certified as Green Products, it was not enough for them simply to meet environmental performance standards. The factory where they are manufactured, Konica Minolta Business Technologies (Wuxi) Co., Ltd., also had to be certified as a Green Factory.

In order to achieve the certification, the company assembled a company-wide project team to re-evaluate the environmental initiatives it had in place and implemented various measures, including reviewing

the production area layout to improve operating efficiency, installing highly-efficient light fixtures, and introducing reusable cartons for use in packaging procured parts and components. As a result, the company received Level 1 Green Factory certification in November 2011.



The members of the Green Factory Project Team



Konica Minolta Business Technologies (Wuxi) Co., Ltd.



## **Reducing Customers' Environmental Impact**

Green Marketing emphasizes reducing the environmental impact of sales and service activities as well as the environmental impact of customer usage of products.

Konica Minolta Business Solutions (UK) Ltd., an office equipment and solutions sales company, developed the OPS Green Audit Process, an original program that conducts a comprehensive analysis of the customer's document workflow, including its environmental impact. The program allows companies who do not

> have staff trained in environmental issues to analyze power consumption and other data for their document production, calculate the resulting CO<sub>2</sub> emissions and devise countermeasures. By adjusting workflows based on this process, they can reduce their environmental impact and cut operating costs.

In November 2011, the international NPO The Green Organisation recognized the merits of this service by awarding the company the Green Apple Award.



### Feature

### The Global Environment Meeting

Konica Minolta Business Technologies held the First Global Environment Meeting in Japan on February 8 and 9, 2012. Manufacturing and related companies as well as the major sales companies from around the world met to share views and discuss issues such as trends in company-wide environmental initiatives and activities at each of their companies.





Konica Minolta believes that providing safe, reliable products and excellent customer service are among its most important responsibilities to customers. The Group has created a unified quality assurance system that covers all group sites. Using the system, the Group evaluates quality risks at all stages of the product's life cycle, from the product and service planning stage to design, development, procurement, manufacturing, sales, service, usage, and disposal. It enables the efficient prevention of quality problems and guides ongoing improvements. While working to improve not only products and services but also the quality of the ways it solves customer problems to improve customer satisfaction, the Group also strives to satisfy both latent and apparent customer needs through technological innovations using its core technologies.

### Quality Activities, by Stage



Major Themes, Goals, Plans and Results of Initiatives

Theme	Fiscal 2011 Goals and Plans	Fiscal 2011 Achievements	Self- Assessment	Fiscal 2012 Plan
Assuring product safety and preventing quality-related problems	1. Number of serious product-related accidents*1: 0 2. Quality problem index*2: Halving the fiscal 2008 level of problems by fiscal 2013	<ul> <li>1. 0 2. 65% reduction</li> <li>Implement the PDCA*3 for quality problem investigations via regular quality meetings</li> <li>Improve the analysis of market quality problems related to safety and reflect these improvements in safety standards</li> <li>Hold product safety training courses for technicians that include hands-on practice</li> <li>Solve problems via a Process Improvement that is coordinated with the Production Capability Strengthening Activities task force</li> </ul>	☆ ☆ ☆	<ul> <li>Continue fiscal 2011 initiatives</li> <li>Improve quality control at the design, development, and procurement stages</li> </ul>
Increasing customer satisfaction	Improving the solutions provided to customers	Standardize the process of providing solutions     Improve the customer service/support system and the function for incorporating customer input	* *	Establish a customer satisfaction index that is closely related to business and improve the PDCA system     Step-up activities to improve customer relationship management

<sup>\*1</sup> Serious accidents: Includes those in which products threaten the lives of product users or cause serious bodily injury and those in which property other than products was damaged





Universal Design / Security Functions for MFPs

<sup>\*2</sup> Quality problem index: An index created by Konica Minolta based on the costs related to quality problems that arise in the process of creating products or those involving products on

Earning the Confidence of Customers



## **Assuring Product Safety and Preventing Quality-Related Problems**

The entire Group implements quality management based on the Konica Minolta Quality Policy, and each business company develops initiatives in accordance with the special characteristics of its own business.





### Taking Various Steps to Improve the Quality Assurance System

Konica Minolta has established the Konica Minolta Quality Policy to articulate its basic ideas about how to obtain customer satisfaction and trust. The Policy is followed by all Group companies around the world, aiming to improve the implementation of the concept of always putting the customer and quality first.

Konica Minolta Holdings, Inc. has established a Quality Assurance Managers' Committee that supervises the Group's quality management. This committee is comprised of the quality assurance managers at all business companies and common function companies, chaired by the head of the Environment and Quality Division, and reports to the executive officer who has responsibility for and authority over the entire Group's quality issues.

All business companies have also created systems to regularly investigate quality problems, improved their ability to analyze market quality problems that are related to the safety of products and services, and have reflected these improvements in their individual product safety standards. In this way, serious accidents are avoided and quality problems are handled adequately.

### **Investigating Quality Problems via Regular Meetings**

All business companies regularly hold quality meetings to discuss product safety and other quality-related issues and work to continuously improve quality by thoroughly implementing the PDCA cycle.

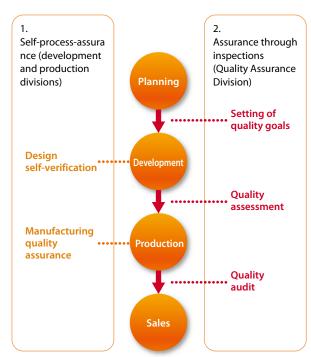
For example, the Quality Assurance Division at Konica Minolta Business Technologies, Inc. twice a month holds a Quality Council attended by those in charge of development, procurement, production, and customer support. They work to solve cross-functional quality problems and improve the quality management system as a united team. Established at this council was the Double Quality Assurance System in which, in addition to self-assessments performed by those in charge of development and production processes, evaluations are implemented from the unique perspective of the Quality Assurance Division. Since its start in April 2011, this system has contributed to the reduction in the frequency and severity of quality-related problems.

## Konica Minolta Quality Policy (excerpts)

The Konica Minolta Group ensures maximum satisfaction and trust by our customers, paying the utmost attention to our customers and giving our top priority to the quality of products and services. Our concept is to make steady progress in quality based on quantitative measurement and analysis of accurate data. This basic concept is demonstrated in the following affirmation:

- 1. Achieving the industry's top level Customer Satisfaction
- 2. Providing advanced products that satisfy customers' potential needs
- 3. Establishment and development of a global **Quality System**
- 4. Quality Management in the total life cycle of products and services
- 5. Continued enhancement of Quality Assurance **Process**
- 6. Minimization of product quality risks
- 7. Disclosure of product safety information

### Organization of the Double Quality Assurance System



## Assuring Product Safety and Preventing Quality-related Problems

### **Addressing Market Quality Issues**

All business companies use the Group-wide critical accident report database. This system allows product quality information that has been input at sales sites around the world to be instantly sent to the appropriate supervisor and shared. This database is useful for the prevention of quality problems, not only by reporting incidents that have already occurred but also by sharing information that even hints of a potential incident.

In the unlikely event of a safety-related incident, a report must be immediately filed with the individual company's quality assurance manager and Konica Minolta Holdings, regardless of the cause of the problem. When a quality problem with a potentially serious risk arises, a Quality Problem Countermeasure Conference is convened in order to promptly deal with the issue by analyzing the problem, investigating what steps to take, and discussing issues such as market control and public disclosure of information. There were no serious accidents in fiscal 2011.

### **Enhancing Product Safety Standards**

MFPs and laser printers used in offices must be designed so that misusage and break-downs do not cause electric shocks, smoking, or injuries to users. Konica Minolta Business Technologies, which handles these devices, has established independent product safety standards that exceed the requirements of the legal standards and have rules requiring the detailed check of every aspect of its products.

Past quality problems are thoroughly analyzed, the causes are identified, and measures to deal with the problems are investigated. The results of this process are reflected in updated product safety standards. Continuous implementation of this process prevents the recurrence of quality-related problems and prevents new problems from arising.

## Fostering Increased Awareness of the **Importance of Product Safety**

Konica Minolta conducts product safety education for technicians involved in design and development, manufacturing technology, procurement, and quality assurance. The courses are designed to increase technicians' knowledge of product safety issues and increase their awareness of potential problems.

The courses were created by restructuring the product safety assurance initiatives that had been operated by Konica Minolta Business Technologies and now have been implemented Group-wide since fiscal 2009. Experts in relevant fields from each Group company lead the courses on such topics as "Product Safety from CSR, Risk Management, and Compliance Points of View," "Product Safety Regulations," "Product Safety Management Systems and Their Operation," and "Methods of Product Safety Assurance." The courses include actual examples and hands-on training segments.

Seventeen lecture courses were held by the end of fiscal 2011, and eight experimental courses that gave participants a first-hand look at how and why products catch fire so as to increase their awareness of this particular problem. A total of 849 people attended the courses.





For the Global Environment

# **Increasing Customer Satisfaction**

Each business company at Konica Minolta is helping customers to solve their issues by providing products and solutions that meet changing needs and the requirements of individual market environments.



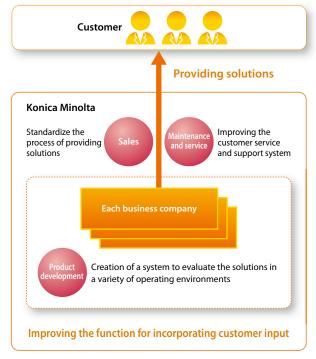
### **Providing Enhanced Solutions through Improved Customer Service and Support**

Konica Minolta strives to provide solutions in the form of both products and customer service and support in order to maximize customer satisfaction and trust.

For example, Konica Minolta Business Technologies is currently focused on the global development of its proprietary Optimized Print Services (OPS), a system designed to optimize the printing environment in business offices. OPS is a solution that seeks to meet the individual needs of each region of the world, while achieving total optimization. While creating worldwide standards for the sales and customer service processes, the company also seeks to improve the system by which it gets detailed feedback from customers and reflect this feedback in its future solutions.

Konica Minolta Medical & Graphic, Inc. is working on a system to better reflect customer feedback and improve its FAQ in an effort to improve the customer support system for its "Infomity," a remote maintenance and network service for medical devices

## **Improving the Solutions Provided to Customers**



### Feature

### **Working to Improve Customer Relationship Management**

In September 2011, Konica Minolta established its brand communication message "Giving Shape to Ideas." This message communicates the idea that "all the innovations we create are always for each and every one of our customers."

In order to realize this goal, the Group is working not only to satisfy essential quality needs such as consistent quality and complete customer support, but also to create innovative solutions to customer problems and deliver "appealing quality" that makes a powerful impression by providing customer support that goes beyond what customers expect. Each business company is creating detailed measures to meet their various customers' needs in order to maintain long-term good relations with customers by cooperating with them and offering the kind of assistance that leads to their success.

### Improving customer relationship management

Improving customer satisfaction

Improving communication





Creating "appealing quality"

## **CLOSE UP**

# Strengthening Konica Minolta's Bond with Customers in the Sensing Business

Konica Minolta has introduced its "Strengthening the Bond with Customers" initiative with the goal of helping to maintain the good customer relations that the company's dedication to customer satisfaction has fostered over the years. To this end, each business company is preparing goals and measures to proactively meet the diverse customer needs across the company's business segments. These measures are scheduled to be fully implemented as of fiscal 2012. The following is a look at the initiatives in the Sensing Business that have been in place for many years at Konica Minolta Optics, Inc.

### **Clients Need "Measurable Trust"**

Since the introduction of the TV Color Analyzer in 1968, Konica Minolta Optics has provided a wide array of industrial sensors to various industries for use in fields such as R&D and quality assurance. Sensors must be extremely reliable as customers depend upon them to ensure the quality of their products. In addition to ensuring reliability, the company is constantly working to ensure customer satisfaction above and beyond the value of its products. One way it does this is by having close communication with customers to identify ways to solve problems faced by different industries. This has resulted in the manufacture and usage of products that are widely considered industry-standard.



### Display Color Analyzer "CA-310"

This sensor adjusts the white balance on displays. Together with previous models, it boasts an 80% share of the market.

### The "Trio of Trust" That Creates Reliability

Konica Minolta Optics strives not just to make sure the sensors it manufactures display accurate values, but also to ensure that customers can rely on the company and its products through the "Trio of Trust."

## **Highly Reliable Designs and Compliance with Standards** The company can provide certificates attesting to the fact that the values its products measure comply with both international and national standards. The company's painstaking monitoring of quality assurance procedures also helps to deliver products that maintain a high degree of Quality reliability even when used over the long term. The "Trio of Trust"

Support

Reliability

## Complying with Safety and **Environmental Standards**

The company complies with environmental and safety standards during the development and manufacture of its products. The company makes sure its manufacturing processes are safe for the environment and ensures that the products can be used and disposed of in ways that are environmentally friendly. The aim is to ensure that customers can always use the company's products with confidence.

## **Total Support—from Consultation** to Purchase and Beyond

The company advises customers on the best choice of product and measuring methods before a purchase is made. It also has a customer support system that can answer questions on how to use and operate purchased products. There are 26 product service centers around the world that can conduct repairs in case of a problem. In Japan, product checks, calibrations, and repairs are done within two weeks (approximately 95% take only seven days from receipt to shipping to the customer).



### **Creating Global Standards in New Fields**

As more and more products with new functions come on the market as a result of technological innovation, it is becoming more difficult to obtain accurate performance evaluations using existing sensing technology. In fact, there are cases where there are no standards yet available for the evaluation of new technologies. Konica Minolta Optics is utilizing the technologies it has developed over many years to create new sensing technologies and standards.

For example, the company manufactures sensors that can handle the specific light-emitting properties of LED lighting fixtures, which create uneven wavelength distribution and thus typically make accurate measurement very difficult. In the field of solar batteries, for which there are no mandatory international performance evaluation standards, the company is working with Japan's National Institute of Advanced Industrial Science and Technology (AIST) both to develop standardized solar cells that can be accurately and safely measured and to create international standards.



### Spectrophotometer "CL-500A"

The world's first lightweight, portable spectroradiometer calibrated to JIS/DIN standards. It can evaluate how well the colors of objects can be rendered (known as color rendering) by comparing LED lighting, which has quickly become widespread, with sunlight.



### Reference PV Cell "AK-200"

Until now it has been difficult for anyone other than testing laboratories with specialized equipment to evaluate solar cells. The Reference PV Cell AK-200 makes it possible for development and manufacturing sites to obtain highly reliable values and therefore is contributing to the R&D and rapid popularization of solar cells.

## Becoming the First Choice of the World's Top Corporations



Toshihiko Karasaki, President Konica Minolta Optics, Inc.

Konica Minolta Optics has gained the trust of customers by striving to improve the quality of its products and customer support system. As a result, our products are now used by the leading companies in a diverse range of industries, and many of our products have become the industry standard in their respective field. This fact builds confidence which not only leads these companies to purchase our new devices but is also the reason why they recommend our products to other companies. We consider this to be an indicator of the strength of our bond with our customers.

I believe that each product's performance, the quality of our customer service and support, and our attitude as professionals all contribute to providing customers with the kind of value they require. Particularly when doing business with global companies, we have to meet extremely high expectations. These include having a system that provides customer service across national borders and being able to supply customers with products that have the functions they require within a limited period of time.

Our goal at Konica Minolta Optics is to become the company of first choice for the world's top corporations, the partner they can rely upon for solid advice and superior-quality products.



Konica Minolta considers the suppliers who provide it with materials and parts to be essential business partners and works to build relationships of trust with them by conducting fair and transparent transactions. The Group pursues "CSR procurement" to ensure respect for basic human rights and occupational health and safety throughout the supply chain\* in close collaboration with business partners. Konica Minolta requests that its partners engage in responsible practices, strives to assess the CSR commitment of its partners, and both requests improvements and offers advice on how to make improvements.

# **Business** Customers partners Consideration for human rights, labor, and the environment same is required of

### Konica Minolta Procurement Policy (excerpts)

OPEN

**FAIR** 

GLORAL

COMPLIANCE

**ECOLOGY** 

The Konica Minolta Group pursues customer satisfaction by creating innovative products and services that contribute to the development of society, according to our management philosophy, "The Creation of New Value." In procurement activities, we establish firm partnerships with our suppliers based on fairness and transparency and aim to build a sustainable society by fulfilling social responsibilities with our suppliers.

### **Request to Suppliers**

Based on strong partnerships with our suppliers, we ask our suppliers to focus on the following areas in order to increase customer satisfaction and fulfill social responsibilities.

1. Excellent quality

4. Compliance with laws, regulations and corporate ethics 7. Health and safety

2. Reasonable prices

3. Response to changes in demand

5. Environmental protection 6. Respect for the human rights of workers

8. Information security 9. Firm management foundation

Major Themes, Goals, Plans and Results of Initiatives

Theme	Fiscal 2011 Goals and Plans	Fiscal 2011 Achievements	Self-Assessment	Fiscal 2012 Plan
Promoting CSR throughout the supply chain	Survey of group sites: 36 sites     Survey of business partners: 585 companies     *three-year plan from 2009 to 2011	1. 36 sites (100%) 2. 561 companies (96%)  On-going surveys using self-evaluations on human rights, labor, and environmental initiatives  Establishing standards for qualifications of personnel responsible for surveys	☆ ☆	<ul> <li>Verify the results of the three-year survey, increase the scope of companies surveyed</li> </ul>





## Promoting CSR throughout the Supply Chain

A growing expectation today is that companies practice "CSR procurement," which means working with partners throughout the supply chain to fulfill social responsibilities with regard to respect for human rights, occupational health and safety, and environmental protection. Konica Minolta is implementing CSR procurement group-wide, working closely with its business partners.



CSR Procurement Management System



### Conducting a Three-year CSR Survey of Group Production Sites and Business Partners

Konica Minolta has created a Code of Conduct\* that outlines the criteria for and fields that are covered by its CSR procurement program, and it has also created a survey system that uses self-assessment questionnaires.\* Both of these are based on its Procurement Policy, which specifies the philosophy that guides the entire procurement process as well as the expectations placed on business partners.

Using the self-assessment questionnaires, a three-year survey that investigated the status of CSR implementation at group production sites and business partner companies, was implemented from fiscal 2009 to fiscal 2011. The goal was for group production sites to achieve Rank A and business partners to score Rank B or above.

The survey for the Group's production sites was completed as planned and all 36 major facilities within the Group achieved Rank A status.

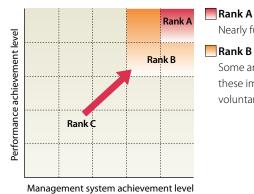
Working with the business partners, Konica Minolta

requested as many companies as possible to undertake CSR initiatives. The Group also conducted questionnaire assessments of its major business partners, aiming to ensure that more than 90% of the Group's business partners in terms of transaction value participated in the assessment. Specifically, over the three-year period, Konica Minolta sent CSR-implementation requests to 1,421 companies, asked 585 of these to participate in the investigative survey, and received completed questionnaires from 561 of those companies by the end of fiscal 2011. Of these, only 17 companies had unsatisfactory scores of Rank C, and they all received specific requests for improvement from Konica Minolta.

In fiscal 2012, the results of the three-year investigative survey will be reviewed, and there are plans to increase the scope of companies that are asked to complete the survey.

\*The Code of Conduct and the self-assessment questionnaires are compliant with standards of the Electronic Industry Citizenship Coalition (EICC)

### Rank Based on Achievement Level



Rank B Some areas need improvement; these improvements can be made voluntarily.

Nearly fulfills all social expectations.

### Rank C

Many areas need improvement; immediate action and submission of improvement plan required.

### Rank D

Some areas fall short of mandatory compliance levels determined by Konica Minolta; urgent improvements and submission of improvement plan required.

## **Basic Position on Conflict Minerals**

The conflict in the Democratic Republic of Congo and adjoining countries as well as the accompanying serious human rights abuses and environmental destruction are major international problems.

There are concerns that the mineral resources mined in this region—to be specific, tantalum, tungsten, gold and tin ("conflict minerals")—could be used to fund armaments, contributing to the conflict.

Efforts to address this international problem include section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which was passed in 2010 in the United States, and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Given these

circumstances, companies today are inevitably required to ensure responsibility in mineral supply chains.

Konica Minolta, for some time, has followed its own Procurement Policy, which includes commitments to comply with laws, regulations and corporate ethics, respect for the human rights of workers, and environmental protection. Konica Minolta is determined to fulfill its social responsibilities in all procurement activities, taking the initiative in its activities across the entire supply chain.

Konica Minolta is addressing the issue of conflict minerals in an appropriate manner based on this Procurement Policy.



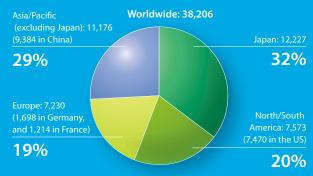


**Summary of CSR Activities in 2011** 

## **Growing Together with Our Employees**

With business operations in some 40 countries around the world, Konica Minolta employs a diverse group of people of different nationalities, cultures, and languages. The Group recognizes that creating an environment in which every member of this diverse team can maximize his or her potential is essential to its growth. Konica Minolta works to improve workplace health and safety throughout the Group, provides a workplace environment that allows opportunities for career growth to all regardless of race, nationality, or gender, and offers educational programs to develop human resources who can actively participate in the global business environment.

### **Employee Composition by Region**



(Total regular employees of consolidated companies, as of March 31, 2012)

Major Themes, Goals, **Plans and Results of Initiatives** 

☆:Result exceeded expectations ☆☆:Result satisfied expectations ☆:Not yet achieved

Themes	Fiscal 2011 Goals and Plans	Fiscal 2011 Achievements	Self- Assessment	Fiscal 2012 Plan
Promoting occupational safety and health	Number of serious accidents*: 0     Frequency rate of accidents causing absence from work: 0.1 or less	1. 1 2. In Japan: 0.39, outside Japan: 0.16  Designated six model facilities for fundamental facility improvement for safety and implemented risk assessments  Improvement of the system to prevent health problems due to overwork	本	Analyze similar past accidents and Group-wide implementation of measures to prevent recurrence     Increase the number of model facilities for fundamental facility improvement for safety outside Japan
Promoting diversity	Promoting a global workforce     Increasing the number of     women in management     positions through the     development of support     measures for female employees	Aggressively hiring     non-Japanese nationals into     Japanese organizations and     promoting interaction     between employees at Group     companies around the world     Expanding leadership training for     senior-level female employees	ቴ ቴ	<ul> <li>Increase hiring of non-Japanese nationals and personnel interaction</li> <li>Implement individual training plans to help female employees advance to management-level</li> </ul>
Personnel training and effective utilization of skills	Inmproving the personnel training system to create a global workforce	Expanding the Global     Executive Program by     utilizing the global personnel     database	☆ ☆	<ul> <li>Create a globally shared platform for personnel training and utilization of skills</li> <li>Adopt a foreign short-assignment training program for younger employees</li> </ul>

<sup>\*</sup>Serious accidents: 1. Death, diseases that require or may require long-term care, injuries that cause or may cause disabilities, and specific communicable diseases Accidents that cause three or more employees at one time to suffer on-the-job death, injuries or diseases (including accidents that do not cause absence from work)





Respecting the Rights of Employees / Promoting Reform of Corporate Culture and Communication





## **Promoting Occupational Health and Safety**

In order to provide a work environment in which employees can remain both physically and mentally healthy, Konica Minolta is continuously working to improve health and safety levels throughout the entire Group.

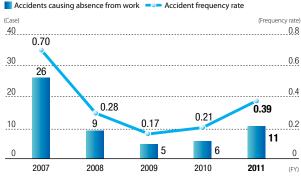


### Preventing Accidents During Working Hours and Promoting the Prevention of Health Problems

In order to prevent accidents during working hours, Konica Minolta has outlined measures to address specific safety and health risks at each Group company and has implemented them within the Group. The Group has promoted safety measures in Japan and China, where there is a large concentration of production sites, but in fiscal 2011 there was an increase in the number of accidents causing absence from work both in Japan and overseas, with one serious accident occurring in Japan. In addition, the target frequency for accidents causing absence from work has not been reached.

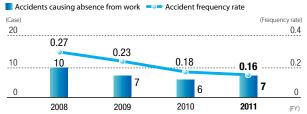
Among the priority measures for fiscal 2012 are initiatives to prevent similar accidents and implementation of fundamental facility improvements for safety. An analysis of the trends related to the occurrence of accidents is being done on the types of accidents that are on the rise, and several measures are being

### Accidents Causing Absence from Work at Sites in Japan



\*Boundary: Regular and temporary employees at major Group companies within Japan \*Accident frequency rate: Number of people injured or killed due to occupational accidents

### Accidents Causing Absence from Work at Overseas Production Sites



\*Boundary: Regular and temporary employees at major production companies in China and Malaysia \*Accident frequency rate: Number of people injured or killed due to occupational accidents per one million labor hours

taken to counter them across the Group. These measures include facility and equipment measures, the creation of rules, and improvement in safety awareness. The Group is also working to establish a system to implement the fundamental facility improvements, an initiative launched in fiscal 2010. In addition, safety inspections and counter-measures to handle safety-related problems are being thoroughly implemented at workplaces where major changes, such as personnel or the type of work performed, have occurred.

## **Implementing Fundamental Facility Improvements**

Since fiscal 2010 Konica Minolta has been implementing fundamental facility improvements, an initiative to make facilities and equipment themselves safe and less prone to human errors, helping to prevent accidents even when human error does occur.

In fiscal 2011, six facilities in Japan that were either newly introduced or were existing facilities identified as being high-risk sites were chosen to become model facilities. Using the knowledge gained from this test run, a basic training course for technicians who are in charge of the safety design of facilities and equipment was created and training seminars were begun.

In fiscal 2012, the number of model facilities is being increased to include overseas production sites. These will be utilized to increase awareness of the initiative so that safer facilities could be further promoted.

### Consideration for the Health of Employees

Konica Minolta has implemented a variety of initiatives designed to create workplaces in which all employees can maintain good mental and physical health. Group companies in Japan are promoting the Medium Term Health Management Plan, which includes the following three priority measures: prevention of health problems caused by excessive work, mental health care, and prevention of lifestyle diseases.

In May 2011, the president and CEO of Konica Minolta Holdings, Inc. issued the Konica Minolta Statement on Health, which outlines the Group's basic stance regarding the realization of safe and comfortable workplaces and calls on employees to work personally toward better health.



## **Promoting Diversity**

Konica Minolta has in place a variety of measures designed to allow each member of its diverse workforce to make the most of his or her individual skills and aspirations.



Promoting Work-Life Balance / Hiring of Handicapped Employees



### **Fostering a Corporate Culture That Values Diversity**

A culture that fosters diverse, new ways of thinking is essential to an organization's ability to contribute new value to the increasingly diversified global society. That is why Konica Minolta promotes diversity and an organizational structure that allows employees from a variety of backgrounds and with widely varying ways of thinking to demonstrate their capabilities.

There are many examples of this policy in action. One is the fact that the number of foreign nationals employed at the main Group companies in Japan is increasing. Another is the fact that since fiscal 2010 the Group has had in place a variety of female employee career development programs designed to help women reach managerial level positions. Finally, the Group has adopted a variety of work-life balance systems that help support a broad range of ways to achieve a balance between the demands of work and personal life.

### **Building a Global Workplace**

The major Group companies in Japan actively employ foreign nationals and recent college graduates who are Japanese and have lived outside Japan. Approximately 25% of the 111 people hired in fiscal 2011 were such "global employees."

The company plans to increase the percentage of global employees, and is working to increase the opportunities for employees at foreign Group companies to work in Japan and promoting interaction among employees around the world.

## Training to Help Female Employees Advance to Management-Level

Though the percentage of female employees at the major Group companies in Japan is currently 19.7%, only 1.6% of these women are in managerial positions (as of March 31, 2012).

In order to increase the participation of female employees



At a Leadership Training course

at the managerial level, Konica Minolta has in place a training program known as Leadership Training for those women at the section chief level who show potential as managers. The Group also holds meetings to explain its promotion policy for female employees to the supervisors of the women chosen for this program and is implementing a support program with mentors other than the supervisors in charge of guidance and training. In fiscal 2010, 22 women took part in the program and 6 of those were promoted to managerial positions. In fiscal 2011, the program was expanded to include 28 women.

### Support for Work-Life Balance

Konica Minolta has implemented a variety of programs at its major Group companies in Japan to support its employees to achieve a satisfying work-life balance. In fiscal 2011, prompted by the strong social requirement for electricity conservation at companies, the Group offered a work-at-home program for people not involved in child care on a trial basis.

The programs offered and used in fiscal 2011 are shown in the following table.

### Work-Life Balance Support Program Use (Fiscal 2011)

		Women	Men
	Maternal health management leave	2	_
Maternity	Maternity leave	26	_
	Spousal maternity leave	_	129
	Parental leave	61	5
Child Care	Shorter working hours for childcare	191	1
	Work-at-home during child-rearing	13	5
	Nursing care leave	1	0
Other	Shorter working hours for nursing care	0	0
	Work-at-home for purposes other than child care	18	4

<sup>\*</sup>Scope: Regular employees at major Group companies in Japan



## **Personnel Training and Effective Utilization of Skills**

Konica Minolta promotes the training of personnel who can play an active role on the global stage and help enable the Group to be effective in the changing markets of the world. Konica Minolta focuses on training employees to be active on the global stage.



Fair Compensation / Open Job Posting and Free Agent Systems / Human Resource Development

## **Promotion of Personnel Training Both at Global and Local Levels**

Konica Minolta focuses on training employees to be active on the global stage. Among such programs is the Global Executive Program, a Group-wide leadership program started in fiscal 2010 for members selected using a database of executives and potential executives at Group companies around the world.

Educational programs are also in place in individual regions of the world. These programs are designed to meet the respective needs of each region based on the local societies and business environments.

### Improving the Global Executive Program

In fiscal 2010, the Global Executive Program was put into action in order to increase awareness among managing executives at major Group companies around the world of their role as leaders for the entire Konica Minolta Group and help create a network among them. During the program held in Japan, which lasts about one week, participants have opportunities to have face-to-face discussions with top managers, debate issues among themselves, and make renewed commitments to various strategies. The Group also has built and operated a community site on the intranet that serves as a place for program participants to interact and receive information from top managers.

The program was held three times during fiscal 2011. Seventeen participants were from Group companies in Japan, 17 from production companies in China and other regions of Asia, and 18 executives from English-speaking countries (14 participants) and Japan (4 participants). Currently the program is divided into English and Japanese language sections, but there are plans to consolidate the two into a single English-language program.





At the Global Executive Program

### Feature

### **Patent Training for Developers in China**

As more and more companies are obtaining patents in China, Konica Minolta Technology Development (Wuxi) Co., Ltd., an office equipment R&D company, has in place a patent training program for its developers.

Every year this program is attended by the company's new hires. The program is composed of three steps—introduction, fundamentals, and practices—and provides them with basic knowledge of patents, an understanding of inventions, and training in how to draw up preparatory documents for patent applications, respectively. Furthermore, started in February 2012, the Patent Search Training Program has been offered for employees at the section chief level who have completed the three steps of the patent training program. Twelve employees have attended the program so far. The ability to perform a patent search as part of a pre-application investigation or research theme search will become increasingly important. The goal of this program is to teach the knowledge and skills required to complete these tasks.



A Patent Training class



## **Contributing to Society**

Committed to Addressing Social Issues around the World

Aiming to earn the confidence and trust of society and be a good corporate citizen, Konica Minolta is helping to solve local social issues around the world. The Group focuses especially on issues where it can make a unique and highly effective contribution through its business.



About Konica Minolta > Sustainability > Contributing to Society

Clearing away debris where houses once stood



## in Japan

## Participation in Efforts to **Support Disaster-Affected Areas**

The earthquake and tsunami that struck in March 2011, now known as the Great East Japan Earthquake, caused massive damage to the coastal areas of northeastern Japan. Approximately 100 new Konica Minolta employees from Konica Minolta Group companies in Japan participated in recovery support efforts in the town of Minamisanriku in Miyagi Prefecture. The participants were divided into two groups, with each group visiting the town in September 2011. Together with other volunteers, they helped clear away debris and filled sandbag weights for rafts used in the growing of wakame seaweed.



Filling sandbags near the port

### in France

## **Promoting the Integration of People with Disabilities**

Konica Minolta Business Solutions France S.A.S., an office equipment and solutions sales company, established the Konica Minolta Enterprise Foundation in 2011 in order to facilitate the access of people with disabilities to sports, entertainment, culture, education, and work. The Foundation also allows employees to participate by proposing projects. The fund is applied to a wide variety of projects, from local to national in scale, working in cooperation with a number of non-profit organizations, cultural venues and institutions.

One example of a funded project took place with the Quai Branly Museum in Paris, where the foundation supported the creation of 3D models to assist people with visual impairments to understand the floor plans

of the museum. The fund is also being used to support projects by the French National Forestry Office to build a wheelchair path in the Chamonix Valley and a facility that allows people in wheelchairs to go swimming along Atlantic Coast beaches.





A path built along the beach

## **Painting Contest for Children with Disabilities**

Konica Minolta Business Solutions (China) Co. Ltd., an office equipment and solutions sales company, has been offering support to schools for children with mental disabilities since the 2007 Shanghai Special Olympics. Every year the company donates laser printers or educational materials produced on Konica Minolta MFPs, and its employees hold volunteer activities and exchanges with students at six schools in Shanghai and Beijing.



In October and November of 2011 the company held a painting contest at these six schools on the theme of "Painting 'Green' Dreams and a Colorful Future." Members of the public voted online for their favorite paintings out of 128 that were submitted to the contest, and some 20 children were awarded prizes.

## ( in Hong Kong

## Organizing a "Green Concert"

Konica Minolta Business Solutions (HK) Ltd., an office equipment and solutions sales company, held its Konica Minolta Green Concert for the second time on November 27, 2011. The concert, first held in 2010, is an event that combines the environment, sports, music, and charity and draws public attention to the energy crisis and environmentally-friendly lifestyle choices.

In order to meet the electricity needs of the concert, the Power Generating Challenge was held at The Hong Kong Polytechnic University in mid November, in which teams of five to eight people pedaled bicycles to generate electricity. They received prizes for their team unity and the amount of electricity they were able to generate. All the entry fees after covering the administration cost of the event were donated to the university to be used for the research and development of renewable energies. Popular Hong Kong singers performed and raised awareness of the importance of environmental protection in front of a crowd of 1,600 people.





Contest participants pedaling to generate electricity

## in the U.S.A.

U.S.A

## **Donating Books to Children**

The Konica Minolta Colorful Tomorrow Foundation (the "CTF") is a charitable nonprofit organization sponsored by Konica Minolta Business Solutions U.S.A., Inc., an office equipment and solutions sales company located in the U.S. Since its founding in February 2007, the CTF has carried out social action programs focused on education, healthcare, the environment, and disaster assistance.

In April 2012, as part of its efforts to provide employees and their families with more opportunities to participate in their mission, the CTF introduced the Books2BETTER program, with the goal of collecting and donating books to underprivileged children. Book donations from employees from many of Konica Minolta's U.S. companies far exceeded the target of collecting 500 books. In total, 400 used books and 524 new books were collected. The used books were donated to a local volunteer center and the new books were packaged into backpacks by employee volunteers and donated to underprivileged Pre-School and Kindergarten students in their community.













# Management System

Konica Minolta seeks to improve corporate value by using a holding company system and maintaining a highly transparent management and governance system that separates supervisory and execution functions.

## Corporate Governance

Konica Minolta believes that strengthening corporate governance is a vital part of fulfilling its responsibilities to stakeholders. The Group has created a management and governance structure that allows more timely and appropriate decision-making on matters such as restructuring.

## **Company-with-Committees System**

Konica Minolta Holdings, Inc. has adopted a company with-committees system, enabling the management supervisory function of the directors to be separated from the business execution function of the executive officers.

The executive officers perform decision-making and business execution, as entrusted by the Board of Directors. The content of this business execution is subject to the oversight of the Board of Directors and to audits by the Audit Committee, which enhances the soundness of management and compliance.

The Board of Directors includes four outside directors, who are highly independent and have no significant business relations with the company. A majority of directors do not serve as executive officers. Moreover, the Chairman of the Board of Directors has no executive officer position, which reinforces the supervisory function of the Board of Directors.

There are three committees within the Board of Directors: Nominating, Audit, and Compensation Committees-all of

which are chaired by outside directors. Although the law in Japan only requires that no executive officers serve on the Audit Committee, Konica Minolta has implemented a system in which its executive officers do not serve on any of these committees, in order to ensure better transparency.

### **Holding Company System**

Konica Minolta has adopted a holding company system comprised of a holding company, business companies and common function companies.

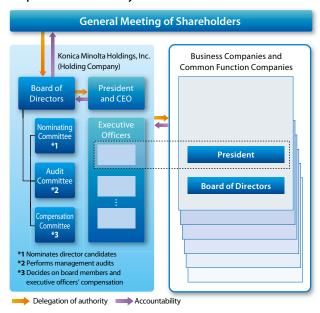
Having separate business companies in each business category enables accelerated decision-making processes and enhances competitiveness. Moreover, the common function companies centralize basic research and back-office operations within the Group, helping to achieve greater efficiency and stronger functionality. Each president of a business company or common function company is also an executive officer of Konica Minolta Holdings. They have the authority and responsibilities for directly executing the management activities in their respective business.

Thanks to this system, the holding company is able to focus on Group management and governance with greater leadership ability, which helps to improve corporate value for the entire Group.

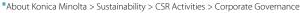
### Board of Directors and Three Committees (as of June 20, 2012)

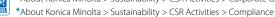


### **Corporate Governance System**



Three Directors (Senior Executive Officers)





\*About Konica Minolta > Sustainability > CSR Activities > Risk Management

## Compliance

Compliance as Konica Minolta understands it is not simply obeying the laws of Japan and other countries but also includes adherence to corporate ethics and internal corporate rules. The Konica Minolta Group Charter of Corporate Behavior was created with this understanding and has been established as the compliance policy for the entire Group (P. 12). This charter represents the principles guiding Group governance and is considered the authority on how all types of corporate activities should be carried out. Moreover, the Konica Minolta Group Guidance on the Charter of Corporate Behavior was published in 2011 as a reference for employees of all Group companies worldwide to consult when implementing the Charter. The company also implements various educational programs for employees to ensure the level of compliance awareness continues to increase.

## **Global Deployment of Group Compliance**

Since fiscal 2011, Konica Minolta Holdings has been implementing its Compliance Medium Term Plan, as a part of the Medium Term Business Plan, "G PLAN 2013." The major policies of the Medium Term Compliance Plan are global implementation of compliance programs and efforts to meet diverse social requirements regarding corporate compliance and ethics.

Regular communication is the key to ensuring that an equal commitment to compliance will be shared by all Group companies worldwide. To make this happen, the Konica Minolta Group Compliance Committee and its office are fostering compliance promotion efforts through the "Dialogue Program," in addition to the regular compliance reporting by Group Companies and internal audit system. In fiscal 2011, the Executive Officer responsible for Group Compliance visited Group companies in Europe, the US and China and had direct discussions with the companies' compliance committee members under the "Dialogue Program."

The company is also enhancing its compliance education program to align it more closely with the UN Global Compact (P. 12) and other international policies, and to implement training programs in various countries.

## Crisis Management

Konica Minolta has established a system for minimizing the business and social impact of crises that may arise from a range of risks, by taking prompt and appropriate action and by releasing information.

### Improving the Business Continuity Management System

Maintaining important business activities required by society even during times of large-scale disaster is one of Konica Minolta's corporate responsibilities. Konica Minolta had its Group companies devise a Business Continuity Plan (BCP) that outlines the specific actions to be taken in times of disaster. In addition, an emergency initial response system has been established to facilitate the gathering of information immediately after a disaster and facilitate decision making on whether to implement the BCP. The Group has established a system to address emergency cases by combining these actions.

The Group's major sites escaped severe damage in the Great East Japan Earthquake that struck on March 11, 2011 and the BCP did not have to be implemented. However, for the first month after the disaster, the president of Konica Minolta Holdings held an Earthquake Response Meeting every morning to gather information, give appropriate instructions, and ensure consistent information disclosure. Afterwards, the company implemented a review of its emergency systems based on what was learned through this process. It revised the emergency guidelines and reassigned the various roles of employees in charge of emergency situations. These measures resulted in the increase of disaster relief supplies and the improvement of the system for helping employees who are unable to return home in times of disaster.

On November 11, 2011, emergency drills were conducted throughout the Group's companies in Japan. The drills were based on the premise of a massive earthquake striking the Tokyo metropolitan area. A sub-headquarters in charge of the information gathering function was set up in the Itami site in Hyogo Prefecture. It coordinated with the Konica Minolta Holdings central headquarters to practice the procedures that would be carried out during such an emergency.



The Earthquake Response Sub-Headquarters set up at the Itami site during the emergency drill

# **Expert Opinion of Konica Minolta's CSR Report**

We asked Yoshinao Kozuma, Professor of Economics at Sophia University, to give us some feedback on this report. His comments are presented below. We will use this feedback to improve our future CSR activities and the CSR report next year.



Yoshinao Kozuma Professor Faculty of Economics Sophia University

## 1. CSR Management System Restructured

In April 2012, the Konica Minolta integrated the CSR Promotion Section and the Corporate Communications & Brand Promotion Section in a new organization that reports directly to the CEO. This move marked a great stride for the Group's CSR Management System in shifting toward an environmentally and socially responsible business model. The Group has embraced an advanced CSR management policy and implemented the Green Factory Certification System and other initiatives to ensure that its entire manufacturing system contributes to the shift toward a more sustainable world. This idea, which is articulated in the Group's message "Giving Shape to Ideas," is furthermore literally reflected in the Group's organizational structure. I highly value the Group's constant commitment to identifying and delivering its own unique forms of corporate value; this is precisely why the Group continues to be selected for inclusion in socially responsible investment (SRI) indexes such as the Dow Jones Sustainability Indexes and the FTSE4Good.

### 2. Strengthening Supply Chain Initiatives

Konica Minolta has strengthened its CSR management throughout the supply chain. It has implemented three-year CSR surveys of its business partners since 2009, and in fiscal 2011, the Group requested all companies that received a rank C assessment to improve their CSR management. The commitment to enhancing CSR management even beyond its own business is clear. This is an outstanding initiative, as it looks at the impact of business activities from the perspective of their footprint, and it is an effective method of identifying hidden issues in the Group's value-creation process. I am also very impressed by the Group's new policy on conflict minerals. In the future I would like to see the Group focus on making public the Group's initiatives in the later stages of the value chain, such as its customer satisfaction surveys.

## 3. Improving Public Disclosure of Information

Improvements are being made in areas identified as problems in fiscal 2010. One of these improvements was the public release of engagement channels for each stakeholder. Another was the fact that, although until fiscal 2010 the only items that were described for initiatives in areas other than the environment were qualitative targets and major items implemented, in fiscal 2011 quantitative targets were published in part along with 2011 achievements and self-assessments as well as targets for fiscal 2012. As a result, the Group's plan-do-check-act (PDCA) process is far easier to understand. However, the newly released fiscal 2012 targets are almost all descriptive and seem to have a lower disclosure standard compared to the fiscal 2011 quantitative targets. Target management using key performance indicators is essential to the successful promotion of CSR management. Thus, I recommend that the Group review the disclosure method in order to ensure it can disclose annual quantitative targets in advance and their results next year, with a view to solid self-assessment.

## External Assurance

Konica Minolta engaged KPMG AZSA Sustainability Co., Ltd. to provide assurance on whether its CO₂ emissions, energy use, petroleum-based resource usage, waste discharged externally from manufacturing, petroleum-based resource waste, final disposal, packaging materials usage, atmospheric emissions of volatile organic compounds (VOCs), and water consumption have been measured, gathered and disclosed in accordance with the criteria set by the Group, and on whether the Group's statement of its GRI application level in the report is compliant with the reporting guidelines of the GRI. KPMG AZSA Sustainability has expressed its conclusion in its independent assurance report.



### Independent Assurance Report

To the President and CEO of Konica Minolta Holdings, Inc.

We were engaged by Konica Minolta Holdings, Inc. (the "Company") to provide limited assurance on its CSR Report 2012 (the "Report") for the fiscal year ended March 31, 2012. The purpose of our assurance engagement was to express our conclusion, based on our assurance procedures, on whether the CO<sub>2</sub> emissions, energy use, petroleum-based resource usage, waste discharged externally from manufacturing, petroleum-based resource waste, final disposal, packaging materials usage, atmospheric emissions of volatile organic compounds (VOCs) and water consumption (the "Indicators") for the period from April 1, 2011 to March 31, 2012 included in the Report are prepared, in all material respects, in accordance with the Company's reporting criteria, and the Company's self-declaration on the Global Reporting Initiative ("the GRI") application level (B+) conforms to the application level criteria stipulated by the GRI.

The content of the Report is the reaponsibility of the Company's management. Our responsibility is to earny out a limited assumance engagement and to express our conclusion based on the work performed.

### Criteria

The Company applies its own reporting criteria as described in the Report. These are derived, among others, from the Environmental Reporting Guidelines 2007 of Japan's Ministry of the Environment, the Act on the Rational Use of Energy, the Act on Promotion of Global Warming Countemposures, the Manual for Calculating and Reporting Greenhouse Gus Emissions (2009) by the Ministry of the Environment and Ministry of Economy, Trade and Industry, the Greenhouse Gas-Protocol: A Corporate Accounting and Reporting Standard (2004) by World Resources Statistics and World Business
Council for Sustainable Development, and Sustainability Reporting Guidelines 2006 of the Global Reporting Initiative, We used these criteria to evaluate the Indicators. For the GRI application level, we used the criteria stipulated by the GRI.

We conducted our engagement in accordance with 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board, and the 'Practical Guidelines of Sustainability Information Assurance' of the Japanese Association of Assurance Organizations for Sustainability Information ("J-SUS").

The limited assurance engagement on the Report consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures. The li-provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedes. The level of assi

- Interviews with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Report.
- Reviews of the Company's reporting criteria.
   Inquiries about the design of the systems and methods used to collect and process the Indicators.
- Analytical reviews of the Indicators
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators
  conformity with the Company's reporting criteria, and also a recalculation of the Indicators.
- Visit to the Company's domestic factory selected on the basis of a risk analysis. Evaluating the Company's self-declared GRI application level against the application level criteria. Evaluating the overall statement in which the Indicators are expressed.

### Conclusion

tures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report, and the Company's self-declaration on the GRI application level does not conform to the

We have no conflict of interest relationships with the Company that are specified in the Code of Ethics of J-SUS.

KPMG AZEM Sustambility Co, CEL. KPMG AZSA Sustainability Co., Ltd. Tokyo, Japan August 21, 2012

Period: March to June 2012

On-site audit of Konica Minolta Supplies Manufacturing Co., Ltd.







### **Comments on the Assurance Process**

Naomi Sugo KPMG AZSA Sustainability Co., Ltd.

Konica Minolta collects and aggregates environmental data such as energy use at the Group's production and R&D sites with an information system. The accuracy of the collection and aggregation of data has been improved for the indicators for environmental impacts from manufacturing and R&D, in particular for the indicators for which medium- and long-term reduction targets have been set, including CO<sub>2</sub> emissions from manufacturing.

However, among those items with medium- and long-term reduction targets, there were some items such as CO<sub>2</sub> emissions from the use of company vehicles and distribution, for which we deem headquarter's confirmation to be not yet fully in place. The same applies to items such as water consumption and energy use at offices, which were not included in the items targeted for medium- and long-term reductions.

It is a rational approach to apply more strict controls on items with a relatively large environmental impact and target setting. However, we would advise the company to apply appropriate controls to other items as well, since the accumulation of all kinds of data pertaining to the achievements of each of its sites that makes up the entire picture of the Group's performance.



## KONICA MINOLTA HOLDINGS, INC.

KONICA MINOLTA BUSINESS TECHNOLOGIES, INC.
KONICA MINOLTA ADVANCED LAYERS, INC.
KONICA MINOLTA OPTICS, INC.
KONICA MINOLTA MEDICAL & GRAPHIC, INC.
KONICA MINOLTA TECHNOLOGY CENTER, INC.
KONICA MINOLTA BUSINESS EXPERT, INC.
KONICA MINOLTA IJ TECHNOLOGIES, INC.
KONICA MINOLTA PLANETARIUM CO., LTD.

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