

Strengthening Cooperation with Suppliers

Konica Minolta fulfills its social responsibility together with its suppliers by building relationships of trust based on fair and transparent transactions.

Basic Concept

It is essential to have reliable suppliers in order to continuously provide customers all over the world in a timely manner with products and services that are desirable in every aspect, such as quality, price, and environmental impact.

Recognizing this, Konica Minolta views the suppliers that provide its raw materials and parts as “essential partners in its business activities” and strives to build strong partnerships with those suppliers, based on fair and transparent transactions. The Group uses its close partnerships with its suppliers to improve quality, reduce costs, and promote green procurement.

Konica Minolta also promotes Group-wide efforts in CSR procurement, an area of recent growing demand, through which the Group cooperates with its suppliers to fulfill its social responsibility.

Konica Minolta established its Procurement Policy in April 2008 to clarify the Group’s overall approach to procurement activities.

Promoting CSR Procurement

Concept for CSR Procurement

Recent trends require manufacturers and service providers to fulfill their social responsibility not only within the company but also throughout the entire supply chain*1

that brings those products and services to life. This means addressing issues that include human rights, safety and health, and consideration for the environment. Konica Minolta is working on achieving Group-wide CSR procurement to meet such requirements. The Group also enlists the cooperation of its suppliers and is building stronger partnerships with them by providing support for problem-solving as needed.

Prior to a full-fledged implementation of the CSR procurement in 2009, an annual plan was formulated by each of the business companies, based on their business situation and procurement environment. To start with, these plans are implemented at Konica Minolta’s production sites, primarily in China where the majority of the group’s production sites are located, and the knowledge acquired in this process will be used when the Group extends the CSR procurement to its suppliers.

*1 Supply chain: The series of activities involved in delivering a product or service to a customer, ranging from procurement and production to distribution and sales.

CSR Procurement Diagram



Konica Minolta Procurement Policy (excerpts)

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.

- OPEN
- FAIR
- GLOBAL
- COMPLIANCE
- ECOLOGY

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 | 5. Environmental protection | 8. Information security |
| 3. Response to changes in demand | 6. Respect for the human rights of workers | 9. Firm management foundation |

Developing Systems to Promote CSR Procurement

To promote CSR procurement at Konica Minolta production sites, production affiliates, and suppliers, the Group assigned personnel at its business companies and major affiliates to serve as CSR Procurement Managers and Core Members in November 2008. Efforts are being made to ascertain the degree to which CSR procurement is being promoted by each of these Core Members as a leader.

Also, Konica Minolta is preparing tools that can be used to promote CSR procurement, including the Code of Conduct*² that identifies relevant fields and standards, and a CSR procurement questionnaire for ascertaining the degree to which CSR procurement is being achieved.

These tools are in compliance with those proposed by the code of conduct and the questionnaire specified in the EICC*³ which promotes global CSR procurement efforts. By providing training for procurement personnel in China and implementing CSR procurement on a trial basis with some of its suppliers, Konica Minolta is striving to identify challenges in advance and to add explanations to the questionnaire for helping make it more intelligible to participants.

*² Code of Conduct: Regulations that identify the level of achievement in the various areas of CSR procurement, including labor, ethics, safety and health, the environment, and management systems.

*³ EICC: Electronic Industry Citizenship Coalition (an organization promoting CSR procurement in the electronic information and communications industry).

Voice

Diligently Promoting CSR Procurement, the Global Standard

While we are a company that procures raw materials and parts from many different companies in order to manufacture our products, we are also a company that supplies highly sophisticated products to many global companies. We have already gone to great lengths to address issues of quality, cost, delivery lead-time, and considerations for the environment in our business activities. In the future, diligently promoting CSR procurement, now the global standard, will help us strengthen the cooperative relationships we have with our suppliers and earn an even greater level of trust from our customers.



Izumi Ishizone

Senior Manager
Quality & Environment Administration
Department
Konica Minolta Opto, Inc.

Cooperating with Suppliers

Procurement Collaboration System

Konica Minolta Business Technologies, Inc., has been promoting its Procurement Collaboration System since 2006, prior to the implementation of the Group's CSR procurement. This is an effort in which Konica Minolta Business Technologies and its suppliers work together to mutually promote business environment improvements, and it is aimed at maximizing customer satisfaction.

Specifically, the company identifies the issues and challenges the suppliers face by discussing their situations with them and visiting their workplaces. It then makes proposals and provides tangible support for solving the problems identified. On the other hand, the company also listens to the suppliers' suggestions and works to address any business problems identified.

Suppliers' Meetings Held in China

Konica Minolta Business Technologies periodically holds annual suppliers' meetings in China, where most of its suppliers are located. At the meeting held in March 2009, the company explained the Konica Minolta Procurement Policy, reported on the company's procurement achievements and the procurement plan for the coming fiscal year, and shared its goals and the challenges that need to be addressed. The meeting was attended by 222 companies in the south China region and 149 companies in the east China region, making it a valuable communication opportunity.



Suppliers' meeting in China