

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

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Prompt disclosure of earthquake response information

The most notable feature of this year's report is its disclosure of information on Konica Minolta's response to the Great East Japan Earthquake on the pages just after the Message from the President. The earthquake delivered a devastating blow to the social infrastructure of eastern Japan, severely affecting industrial activity there. However, the Group's business companies have provided quick and detailed reporting on how they coped with the disaster, thus providing timely information on the functioning of the company's risk management system not only to stakeholders who have been worried about the ongoing impact of the quake, but also to all stakeholders with a concern for the Group's CSR management. This active approach to information disclosure is the best way to build stakeholder trust.

Life-cycle-based environmental management

The point most deserving of recognition within the Konica Minolta Group's environmental management efforts is the Group's focus on reducing the environmental impact of its business activities at every stage of the life cycle. In recent years,

in a bid to ensure that economic activity need no longer result in greater resource consumption and increased environmental impact, the scope of environmental management has been broadened to go beyond its focus on the traditional business areas. There is now a pronounced trend for it to additionally cover the entire value chain. This is the thinking behind Konica Minolta's approach, which is quite advanced even by international standards, and I have high hopes that it will help to make human societies more sustainable.

However, with the increase in information included this year over last year, notational issues related to the reporting of environmental management plans and results has made it a bit harder to grasp the big picture. For example, the Medium-Term Environmental Plan 2015 adopts a product life-cycle CO₂ reduction target of 20%, but when one examines the subcomponents of this target, absolute targets are used for the "product usage" stage of the life cycle, while per-unit targets are used for the other three stages. This makes it difficult to see the quantitative relationship between the parts and the whole. In addition, some of the per-unit targets show an increase in the current year, where the Group's medium-term targets had called for a reduction. A more detailed explanation is required regarding the relationship between the two.

Better disclosure of social information

The Konica Minolta Group's Medium Term Business Plan, "G Plan 2013," declares the goal of "becoming a truly global company." However, if the Group is to provide disclosure at a level befitting a global company, further improvements in the content and format of its reporting of social information will be needed. This year's report is better than last year's in that it provides more information regarding occupational accidents at overseas production sites. On the other hand, some of the items given in the social action targets and results could be disclosed with quantitatively evaluated data. I recommend further consideration of how to improve disclosure quality on such items.

External Assurance

Konica Minolta engaged KPMG AZSA Sustainability Co., Ltd. to provide assurance on whether its CO₂ emissions, energy use, petroleum-based resource usage in products, waste discharged externally, petroleum-based resource waste, 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.



Period: March – June 2011



Site inspection at the Kobe Site



Assurance procedures being conducted

Comments on the Assurance Process

Naomi Sugo KPMG AZSA Sustainability Co., Ltd.

Last year, assurance was performed only for Konica Minolta's data on energy use and CO₂ emissions, but this year, in order to improve the reliability of the report, additional assurance has been provided for data on a number of other indicators, especially those related to the Medium-Term Environmental Plan, such as waste discharged externally (weight of waste material, etc.) and atmospheric emissions of VOCs. In addition, the Group has sought to improve the accuracy of reported indicators by, for example, unifying the distance data used for calculating CO₂ emissions from distribution, which used to vary from one business company to another.

Information systems were used by Konica Minolta to collect data on waste discharged externally and the energy use of domestic business locations, but there were some indications that

the functions of these systems were not being fully utilized. For example, regarding data input that was missing or clearly erroneous, it would be possible to arrange for an alert to be sent out whenever input values differ greatly from those for the previous month, or for the same month of the previous year, thereby avoiding many errors. By taking advantage of the computing power of information systems, Konica Minolta could achieve greater efficiency while at the same time ensuring more accurate numerical data.

Double checking by people is important in order to improve accuracy, but given the limited availability of human resources, it is equally important to exploit information systems to detect and prevent human error.