

# 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

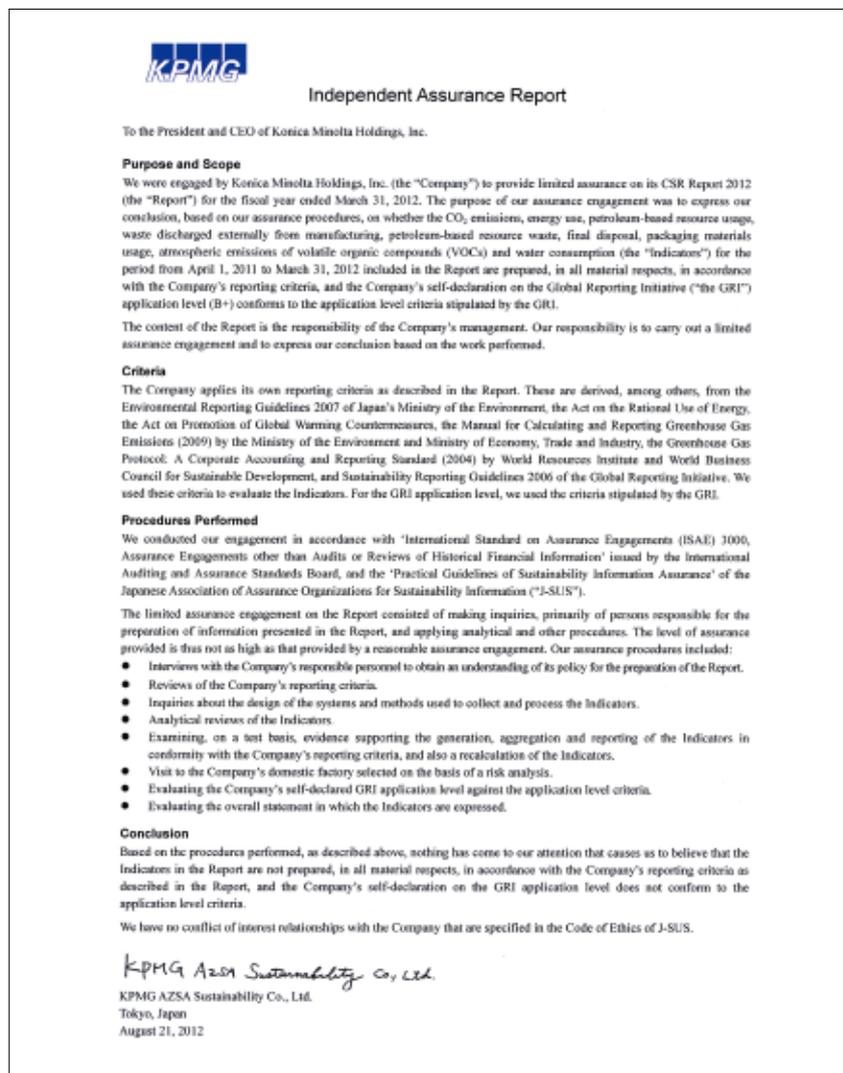
Konica Minolta has strengthened its CSR management throughout the supply chain. It has implemented three-year CSR surveys of its business partners since 2009, and in fiscal 2011, the Group requested all companies that received a rank C assessment to improve their CSR management. The commitment to enhancing 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 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 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 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.