



KONICA MINOLTA

KONICA MINOLTA

CSR REPORT 2016



Giving Shape to Ideas



# New Value for a Sustainable World

Konica Minolta's mission is "The Creation of New Value." The company exists for this very purpose: to use creative ideas to deliver tangible new value in order to resolve the challenges faced by customers and the broader society.

In order for companies to be sustainable in the times ahead, they will have to contribute to the resolution of social challenges while continuing to grow. In other words, they will be required to create value for both the company and society.

In cooperation with its stakeholders around the globe, Konica Minolta aims to establish itself as a company that is vital to society by continuing to create new value that brings innovation to the world.

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**Note:** Indicators that have been assured by KPMG AZSA Sustainability Co., Ltd. are marked with ★.

## Konica Minolta Philosophy

### Our Philosophy

#### The Creation of New Value

##### 6 Values

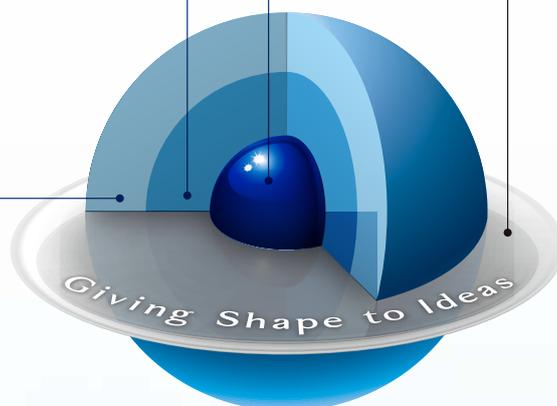
**Open and honest**  
**Customer-centric**  
**Innovative**  
**Passionate**  
**Inclusive and collaborative**  
**Accountable**

##### Our Vision

**A global company that is vital to society**  
**An innovative company that is robust and constantly evolving**

### Brand Proposition

#### Giving Shape to Ideas



## Editorial Policy

The Konica Minolta CSR Report is published to inform all stakeholders about the Group's corporate social responsibility initiatives. Konica Minolta recently reevaluated the issues with the greatest materiality to its business—issues with social significance and substantial impact on the company's business. This report provides information on the specific initiatives taken and progress made on each of those issues. To facilitate communication with stakeholders around the world, the report is published in five languages: Japanese, English, Chinese, German, and French.

### Report Boundary

This report covers Konica Minolta, Inc. and its consolidated subsidiaries. When data is given on a specific subset of companies, the boundary is separately indicated.

Note: In this report, "Konica Minolta" refers to the Konica Minolta Group. "Konica Minolta, Inc." refers to Konica Minolta, Inc. alone.

### Reporting Period

In principle, the report covers activities from April 1, 2015 to March 31, 2016. Some sections may include information on earlier initiatives or more recent activities. In this report, "fiscal 2015" refers to the fiscal year that started April 1, 2015 and ended March 31, 2016.

### Publication Date

August 2016  
(Next report: scheduled for August 2017; previous report: August 2015)

### For Further Information

More detailed information about the Group's CSR activities is available at: <http://konicaminolta.com/about/csr>



Page on the website



Relevant information available on the website

The documents below are available for download at:

[http://www.konicaminolta.com/about/corporate/document\\_download.html](http://www.konicaminolta.com/about/corporate/document_download.html)

•Company Brochure •CSR Report •Environmental Report  
•Annual Report •Intellectual Property Report

The CSR report, which consists of the printed pamphlet and the web-based information, is prepared in accordance with the Core option of the Global Reporting Initiative's G4 Sustainability Reporting Guidelines.



GRI / ISO26000 / United Nations Global Compact Content Indices

### 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.

We strive to earn social support and be a company that is vital to society by creating value that contributes to people's lives.



### **Continuing to Embrace the Challenge of Creating Value That Contributes to Society**

Technological innovation and globalization are spurring “creative destruction” worldwide. In this era, we believe it is crucial that our business helps provide solutions to social issues so that we can achieve our management vision of making Konica Minolta a global company that is vital to society. By using the core technology and expertise that we have built up throughout our history to produce products and services that help to resolve society's issues, I believe that we can achieve sustainable growth as a company that society can depend on.

In line with this belief, our Medium-Term Business Plan, TRANSFORM 2016, aims to create value that contributes to society. It is driven by two aspirations: resolving global environmental problems and contributing to a better quality of life for people everywhere.

### **Leading the Way in Environmental Management by Striving to Reduce Global Environmental Impact**

Addressing environmental problems such as climate change is a pressing issue for the global community. Konica Minolta established Eco Vision 2050, a long-term environmental plan that aims to reduce CO<sub>2</sub> emissions by 80% over the product life cycle compared to fiscal 2005. Reducing the environmental impact of CO<sub>2</sub> emissions and use of resources helps to realize a sustainable society and also creates economic value as a result of cost savings. This awareness lies behind Konica Minolta's commitment to initiatives that raise corporate value by both creating environmental value and enhancing business value. For example, given the importance of the sustainable use of resources, we developed our own upgraded recycling technology that recycles milk bottles to produce toner bottles for multi-functional peripherals (MFPs). This is both an effective use of resources and a way of reducing material procurement costs.

In addition, we share the environmental expertise we have gained through experience with customers and suppliers, thereby making a greater impact through collaboration. By sharing our knowledge with customers and suppliers, our initiatives and efforts expand beyond the walls of our company, and have a much greater effect in reducing environmental impact.

We aim to achieve business growth and contribute to the environment by expanding our activities globally.

### **Building a Problem-Solving Company That Improves the Quality of Life**

Technological innovations such as the Internet of Things, artificial intelligence, and robots are not just solutions for our customers' problems; they also have the possibility to solve social issues. At Konica Minolta, we are working to become a problem-solving digital company that generates solutions for social issues by proactively integrating these cutting-edge technologies with our area of expertise, digital input/output technology.

Konica Minolta's strength in this area is our ability to transform the workflow of people working in offices and other facilities across a wide variety of industries and sectors. One example is our Care Support Solutions, integrating sensing technology with information and communication technology (ICT). This system focuses on nursing homes, which are experiencing staff shortages as populations are aging. We have begun to expand this solution, which was developed to improve the operational efficiency of nursing staff.

I am confident that we will achieve business growth while enhancing quality of life by creating and offering this kind of high value-added solutions business.

### **Emphasizing Diversity in Management**

Our world currently faces a wide range of challenges, and social values and needs are diversifying. This means that we need to incorporate a broad range of sensibilities into our business activities in order to create value

that contributes to society quickly and continually.

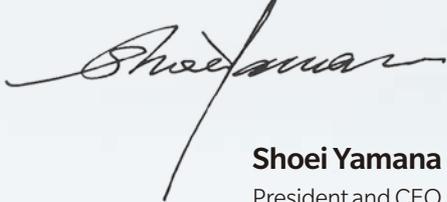
For this reason, the entire Group is working together to create a system and culture that makes the most of diverse human resources, providing opportunity to talented individuals regardless of nationality, culture, race, religion, gender, age and area of expertise. As president, I will be sincere in my efforts to utilize human resources from countries and regions all over the world, train a global staff with broad perspectives, and foster an environment where women can perform to their full potential. I believe this will lead to innovation and growth born from diverse ideas.

### **Bringing Together the Group's Strengths and Meeting Responsibilities to the Global Community**

Konica Minolta is a signatory to the United Nation Global Compact (UNGC). By signing the UNGC, we have demonstrated our resolve to fulfill our social responsibilities in a wide range of areas, and to pursue CSR activities in line with the UNGC principles. In recent years, companies have been called on to be more proactive to help resolve social issues. The Sustainable Development Goals (SDGs), adopted by the United Nations in September 2015, exemplify this.

Konica Minolta has reviewed a broad range of social issues and designated six material issues that we aim to tackle with priority. All 40,000 of our Group employees around the world will work together as one to address these key issues in order to achieve sustainable growth while contributing to society.

I invite you to look forward to what Konica Minolta will achieve in the future.



**Shohei Yamana**  
President and CEO  
Konica Minolta, Inc.

# Konica Minolta's CSR

## CSR Management

### Basic Approach

Konica Minolta aims to establish itself as a company that is innovative and constantly evolving. Practicing its management philosophy, "The Creation of New Value," Konica Minolta works to remain vital to society. This is why the Group strives to contribute to the resolution of societal challenges by creating value that improves the quality of the world through its business endeavors.

Konica Minolta's CSR activities are guided by its management philosophy and vision, which are based on its Charter of Corporate Behavior. The Konica Minolta Group Guidance for the Charter of Corporate Behavior is shared globally and illustrates desirable behavior in each of the categories included in the Char-



ter as a basis for understanding and practicing desired behavior. The Group Guidance articulates Konica Minolta's commitment to acting in compliance with international social norms such as the United Nations Global Compact, to which the company is a signatory, and the Universal Declaration of Human Rights.

### The United Nations Global Compact's Ten Principles

<b>Human Rights</b>	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.
<b>Labour</b>	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.
<b>Environment</b>	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.
<b>Anti-Corruption</b>	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

## Konica Minolta Group Charter of Corporate Behavior

Corporations, in addition to being economic entities engaged in the pursuit of profit through fair competition, should be beneficial to society at large.

For this reason, the 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 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, 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.

#### 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.

#### 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.

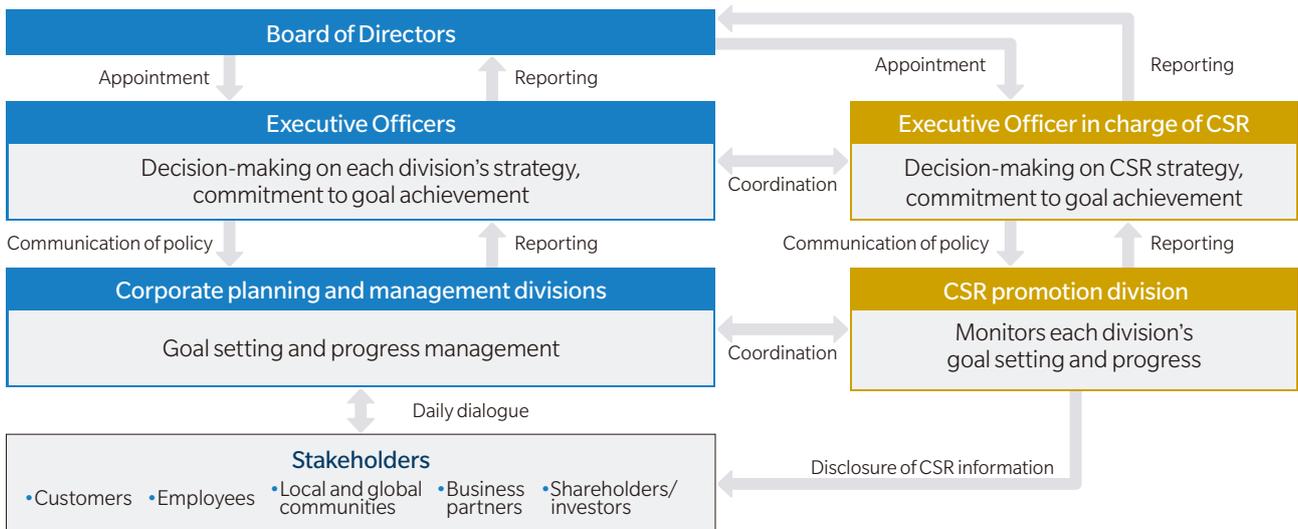
#### 7. Responsible actions

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 Management System

At Konica Minolta, Inc., the executive officer responsible for CSR, who is appointed by the Board of Directors, carries the duties and authorities concerning the entire Group's CSR activities. Directly reporting to the officer is the CSR promotion division, which sees to the implementation of CSR

management for the entire Group. The division reports the progress of CSR activities to the executive officer responsible for CSR, while also reviewing measures and making proposals. Regarding matters of great importance, the executive officers meet in a timely fashion to deliberate, keeping CSR at the forefront of management decisions.



	Characteristics of Stakeholders	Tools and Opportunities for Communication
<b>Customers</b>	Konica Minolta does business around the world. The major customers of Konica Minolta's main business operations are corporations, government agencies, and hospitals.	<ul style="list-style-type: none"> <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>
<b>Employees</b>	Konica Minolta employs 43,332 people worldwide. Of those, 28% are in Japan, 23% are in Europe, 20% are in the U.S., and 29% are in China and elsewhere in Asia, and others. (Figures are based on total regular employees of consolidated companies, as of March 31, 2016.)	<ul style="list-style-type: none"> <li>• Interactive intranet</li> <li>• Group journal</li> <li>• Employee attitude surveys</li> <li>• Dialogue with labor unions</li> <li>• Internal help line systems</li> <li>• Discussion during inspection tours of production sites by senior staff</li> <li>• Town meetings attended by senior staff</li> </ul>
<b>Local and Global Communities</b>	Konica Minolta operates in countries across the globe, and acts as a responsible member of every community where it operates.	<ul style="list-style-type: none"> <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> <li>• Environmental reports and websites</li> <li>• Global public relations activities through international publications and websites</li> </ul>
<b>Business Partners</b>	Konica Minolta procures raw materials, parts and components from many suppliers for each of the Group's businesses. The majority of these suppliers are located in Japan, China, and elsewhere in Asia.	<ul style="list-style-type: none"> <li>• Holding suppliers' meetings</li> <li>• Procurement Collaboration System</li> <li>• Conducting CSR surveys (self-assessment questionnaires)</li> </ul>
<b>Shareholders and Investors</b>	Since Konica Minolta, Inc. has relatively high ownership by institutional and foreign shareholders, the company is expected to take part in IR initiatives proactively on a worldwide basis.	<ul style="list-style-type: none"> <li>• Shareholders' meetings</li> <li>• Briefings for investors</li> <li>• Visits to investors</li> <li>• Briefings for business analysts and institutional investors</li> <li>• Annual reports</li> <li>• IR website</li> </ul>

## Reevaluating Materiality

Companies must address a great range of social issues, including human rights issues, labor issues, and environmental challenges such as climate change and resource depletion. In light of the changing social landscape and business environment, Konica Minolta reevaluated materiality to identify issues that it should address on a priority basis, with the aim of ensuring that its initiatives function with greater coordination between social issues and business objectives.

To identify materiality, first a comprehensive list of issues was made with reference to international guidelines. Those issues were given a quantitative rating for two aspects, "stakeholder interest" (materiality to stakeholders) and "impact on the Group's business" (materiality to the company's business) to verify their materiality. Outside experts were asked for their opinions in order to incorporate

objectivity into the decisions on the materiality of each issue, which were then validated by the newly established CSR Executive Meeting, whose main members are executive officers. Six material issues were identified in this process.

In the future, targets and action plans will be established in accordance with these material issues, and action taken. This approach will help to ensure that Konica Minolta contributes to the resolution of social challenges, thereby enhancing its competitiveness as a company.

### Overview of the CSR Executive Meeting

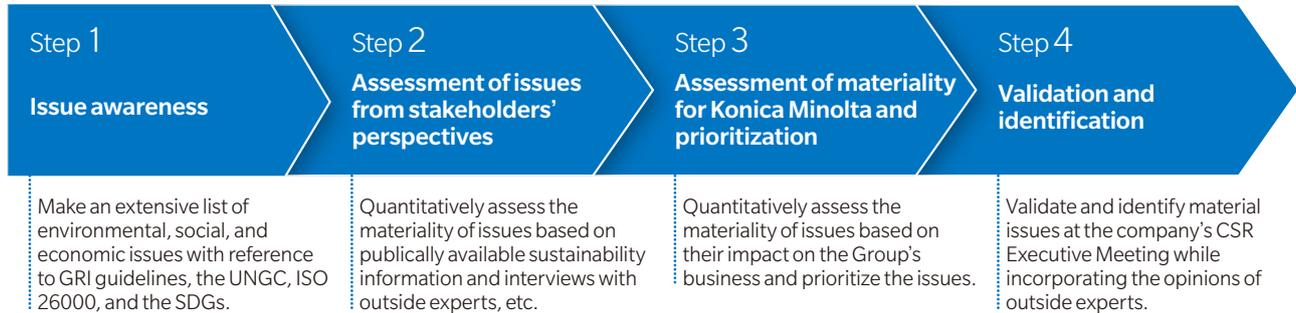
#### Purposes of the CSR Executive Meeting

- (1) To hold fundamental discussions on CSR issues, make policies, and decide on future course.
- (2) To review the "Planning" phase of PDCA, which until now was done separately by each organization, in a cross-cutting manner from the overall perspective of CSR, thereby increasing the sophistication of each strategy and improving measures.

#### Members

Mandatory members: Executive officers in charge of areas concerned with the environment and social impact

### Process for Identifying Materiality



### Identification of Materiality

Material Issues	Boundary	GRI G4* Aspects
1 Environment	•Group •Suppliers •Customers	•Materials •Energy •Emissions to Air •Products and Services •Group Transport
2 Social innovation	•Group	—
3 Customer satisfaction and product safety	•Group	•Customer Health and Safety
4 Responsible supply chain	•Group •Suppliers	•Supplier Assessment for Labor Practices •Supplier Human Rights Assessment
5 Human capital	•Group	•Employment •Training and Education •Occupational Health and Safety
6 Diversity	•Group	•Diversity and Equal Opportunity

\*G4: The 4th edition of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines

# Simultaneously creating social and corporate value



## Essential requirements to fulfill CSR



Materiality	Key Action	Material Issue	Goals of the Medium-Term Environment Plan 2016	
			Business Value	Environmental Value
Environment	Green Products (planning and development)	(1) Creating and promoting the green products demanded by customers and society	<b>Sales</b> •Sales of Green Products: 640 billion yen (GP sales ratio: 60%)  <b>Cost reductions</b> •Reduce cost of product materials	<b>Preventing global warming</b> •CO <sub>2</sub> emissions reduction during product use: 59 thousand tons •CO <sub>2</sub> emissions reduction during procurement: 105 thousand tons  <b>Supporting a recycling-oriented society</b> •Effective resource utilization: 33 thousand tons  <b>Reducing chemical substance risks</b> •Control emissions
		(2) Complying with government procurement standards and environmental label requirements	<b>Sales</b> •Eliminate lost sales opportunities	<b>Environment overall</b> •Reduce environmental impact by complying with standards and label requirements
		(3) Dependably complying with product-related laws and regulations	<b>Risk avoidance</b> •Eliminate effect on sales	<b>Reducing chemical substance risks</b> •Reduce hazardous chemical substance risk by conforming to laws and regulations
	Green Factory (procurement and production)	(1) Translating Green Factory operations into cost competitiveness	<b>Cost reductions</b> •Reduce costs of energy and materials (reduce loss)	<b>Preventing global warming</b> •CO <sub>2</sub> emissions reduction during production: 4 thousand tons  <b>Supporting a recycling-oriented society</b> •Effective resource utilization: 3 hundred tons  <b>Restoring and preserving biodiversity</b> •Sustainable use of water resources
			<b>Cost reductions</b> •Reduce cost of materials	<b>Supporting a recycling-oriented society</b> •Effective resource utilization: Resource cycle through expanded utilization of reusable materials
		(3) Translating cooperation with suppliers into cost competitiveness	<b>Cost reductions</b> •Reduce costs of energy and materials (reduce loss)	<b>Preventing global warming</b> •CO <sub>2</sub> emissions reduction at suppliers (established in agreement with each target supplier)  <b>Supporting a recycling-oriented society</b> •Effective use of resources (established in agreement with each target supplier)
			(4) Dependably complying with production-related laws and regulations	<b>Risk avoidance</b> •Eliminate effect on production
	Green Marketing (distribution, sales and service, and collection and recycling)	(1) Resolving customers' environmental challenges	<b>Sales</b> •Acquire sales opportunities	<b>Environment overall</b> •Reduce environmental impact on customer side
		(2) Optimizing the supply chain and linking environmental initiatives	<b>Cost reductions</b> •Reduce cost of distribution and packaging	<b>Preventing global warming</b> •CO <sub>2</sub> emissions reduction during distribution: 3 hundred tons  <b>Supporting a recycling-oriented society</b> •Effective resource utilization: 4.5 hundred tons
		(3) Undertaking product 3R initiatives	<b>Risk avoidance</b> •Reinforce 3R initiatives	<b>Supporting a recycling-oriented society</b> •Use resources effectively through product 3R initiatives

**Note:** Some of the fiscal 2016 targets have been changed, but the binding target of a 40% reduction in lifecycle CO<sub>2</sub> emissions has not been changed.

Fiscal 2015 Targets		Fiscal 2015 Results	
Business Value	Environmental Value	Business Value	Environmental Value
<b>Sales</b> •Sales of Green Products: 590 billion yen (GP sales ratio: 54%) <b>Cost reductions</b> •Reduce cost of product materials	<b>Preventing global warming</b> •CO <sub>2</sub> emissions reduction during product use: 50 thousand tons •CO <sub>2</sub> emissions reduction during procurement stage: 83 thousand tons <b>Supporting a recycling-oriented society</b> •Effective resource utilization: 27 thousand tons <b>Reducing chemical substance risks</b> •Control emissions	<b>Sales</b> •Sales of Green Products: 590.7 billion yen (GP sales ratio: 57%) <b>Cost reductions</b> •Reduced cost of product materials	○ <b>Preventing global warming</b> •CO <sub>2</sub> emissions reduction during product use: 51.5 thousand tons •CO <sub>2</sub> emissions reduction during procurement stage: 93 thousand tons <b>Supporting a recycling-oriented society</b> •Resources used effectively: 27.7 thousand tons <b>Reducing chemical substance risks</b> •Controlled emissions
<b>Sales</b> •Eliminate lost sales opportunities	<b>Environment overall</b> •Reduce environmental impact by complying with standards and label requirements	<b>Sales</b> •Eliminated lost sales opportunities	○ <b>Environment overall</b> •Reduced environmental impact by complying with standards and label requirements
<b>Risk avoidance</b> •Eliminate effect on sales	<b>Reducing chemical substance risks</b> •Reduce hazardous chemical substance risk by complying with laws and regulations	<b>Risk avoidance</b> •Eliminated effect on sales	○ <b>Reducing chemical substance risks</b> •Reduced hazardous chemical substance risk by complying with laws and regulations
<b>Cost reductions</b> •Reduce costs of energy and materials (reduce loss)	<b>Preventing global warming</b> •CO <sub>2</sub> emissions reduction during production: 1.7 thousand tons <b>Supporting a recycling-oriented society</b> •Effective resource utilization: 5.5 hundred tons <b>Restoring and preserving biodiversity</b> •Sustainable use of water resource	<b>Cost reductions</b> •Reduced costs of energy and materials (reduced loss)	○ <b>Preventing global warming</b> •CO <sub>2</sub> emissions reduction during production: 2.85 thousand tons <b>Supporting a recycling-oriented society</b> •Effective resource utilization: 7.5 hundred tons <b>Restoring and preserving biodiversity</b> •Sustainably used water resources
<b>Cost reductions</b> •Reduce cost of materials	<b>Supporting a recycling-oriented society</b> •Effective resource utilization: Expanded use of reusable high density polyethylene in toner bottles	<b>Cost reductions</b> •Reduced cost of materials	○ <b>Supporting a recycling-oriented society</b> •Effective resource utilization: Expanded use of reusable high density polyethylene in toner bottles
<b>Cost reductions</b> •Reduce costs of energy and materials (reduce loss)	<b>Preventing global warming</b> •CO <sub>2</sub> emissions reductions at suppliers: 4 hundred tons <b>Supporting a recycling-oriented society</b> •Effective resource utilization: 1 hundred tons	<b>Cost reductions</b> •Reduced costs of energy and materials (reduced loss)	○ <b>Preventing global warming</b> •CO <sub>2</sub> emissions reductions at suppliers: 4.7 hundred tons <b>Supporting a recycling-oriented society</b> •Effective resource utilization: 1.3 hundred tons
<b>Risk avoidance</b> •Eliminate effect on production	<b>Environment overall</b> •Reduce environmental impact by complying with laws and regulations	<b>Risk avoidance</b> •Eliminated effect on production	○ <b>Environment overall</b> •Reduced environmental impact by complying with laws and regulations
<b>Sales</b> •Acquire sales opportunities	<b>Environment overall</b> •Reduce environmental impact on customer side	<b>Sales</b> •Acquired sales opportunities	○ <b>Environment overall</b> •Reduced environmental impact on customer side
<b>Cost reductions</b> •Reduce cost of distribution and packaging	<b>Preventing global warming</b> •CO <sub>2</sub> emissions reduction during distribution: 3 hundred tons <b>Supporting a recycling-oriented society</b> •Effective resource utilization: 3 hundred tons	<b>Cost reductions</b> •Reduced cost of distribution and packaging	△ <b>Preventing global warming</b> •CO <sub>2</sub> emissions reduction during distribution: 2.7 hundred tons <b>Supporting a recycling-oriented society</b> •Effective resource utilization: 2.5 hundred tons
<b>Risk avoidance</b> •Reinforce 3R initiatives	<b>Supporting a recycling-oriented society</b> •Use resources effectively through product 3R initiatives	<b>Risk avoidance</b> •Reinforced 3R initiatives	△ <b>Supporting a recycling-oriented society</b> •Use resources effectively through product 3R initiatives

Materiality	Key Action	Fiscal 2015 Targets
Customer Satisfaction and Product Safety	Assuring product safety	1) Number of serious product-related accidents*1: 0 2) Improve quality throughout the product lifecycle*2
	Increasing customer satisfaction	
Responsible Supply Chain	Promoting CSR in the supply chain	<ul style="list-style-type: none"> <li>• Request that suppliers practice CSR</li> <li>• Conduct CSR assessments and audits</li> <li>• Clarify support programs for suppliers</li> <li>• Clarify incentive programs for suppliers</li> </ul>
		<ul style="list-style-type: none"> <li>• Proper information disclosure</li> <li>• Further improve the response rate and response accuracy for conflict mineral surveys</li> </ul>
Human Capital	Ensuring work-life balance	<ul style="list-style-type: none"> <li>• Initiatives to reduce working hours</li> <li>• Support for balancing work and childcare</li> </ul>
	Developing human resources	<ul style="list-style-type: none"> <li>• Conduct a global employee attitude survey</li> <li>• Run programs for systematically developing senior personnel in Asia</li> <li>• Continue implementing the town hall-style meetings between employees and the president</li> </ul>
	Managing occupational safety and health	1) Serious accidents*4: 0 2) Frequency rate of accidents causing absence from work: 0.1 or less <ul style="list-style-type: none"> <li>• Strengthen cultivation of safety culture: Involvement of top management in safety, safety management at workplace, improve individuals' safety awareness</li> <li>• Improve global safety and health management</li> <li>• Ensure basic safety of facilities and provide comprehensive risk assessment in safety sectors</li> </ul>
		1) Continue implementing the Health KM2016 medium-term health plan <ul style="list-style-type: none"> <li>• Enhance and strengthen support for Group-affiliated companies in Japan</li> <li>• Reduce the number of high-stress workplaces by strengthening workplace improvement measures</li> <li>• Increase the continuous usage rate of KENPOS, a health encouragement website</li> </ul>
Diversity	Supporting women's career building	<ul style="list-style-type: none"> <li>• Implement career development programs for female employees</li> </ul>
	Globalizing human resources	<ul style="list-style-type: none"> <li>• Proactive hiring and utilization of global human resources</li> </ul>

Note: Targets are not set for social innovation since this material issue has been newly specified.

\*1 Serious accidents refer to those accidents that cause serious harm to the product user's life and/or body and accidents that cause serious damage to assets other than the product.

\*2 Product lifecycle: All processes from product planning, development, and material procurement, to production, sales, service, and disposal.

	Fiscal 2015 Results	Fiscal 2016 Targets and Plans
	1) Number of accidents: 0 2) Improved quality throughout the product lifecycle*2 <ul style="list-style-type: none"> <li>In addition to the original product safety education, a program to improve risk assessment was implemented.</li> <li>In the Business Technologies Business, NPS indicators*3 were measured globally, and measures integrating development, production and sales were implemented based on customer feedback.</li> <li>The CR Master Program was started in the Business Technologies Business.</li> </ul>	<ul style="list-style-type: none"> <li>Number of serious product-related accidents*1: 0</li> <li>Risk assessment practice: 12 times/year</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Set indicators measuring customer relationship strength for each business</li> </ul>
	<ul style="list-style-type: none"> <li>Requested that suppliers practice CSR</li> <li>CSR assessments were carried out on 16 Group manufacturing sites and 57 business partners</li> <li>Improvements were made at one Group manufacturing site based on the results of the Electronic Industry Citizenship Coalition (EICC) third-party audit</li> <li>A Konica Minolta CSR audit was implemented at one business partner</li> <li>Education was provided on the background of CSR procurement, codes of behavior and audit standards</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Expanded CSR activities to logistics partners</li> </ul>	<b>CSR procurement</b> <ul style="list-style-type: none"> <li>Request that business partners carry out CSR activities: 100% implementation</li> <li>CSR assessment: Complete assessments of all 20 Group production sites and about 130 important business partners by the end of fiscal 2016</li> <li>CSR audit: Complete audits of three particularly important Group production bases and two particularly important business partners by the end of fiscal 2016</li> </ul> <hr/> <b>CSR logistics</b> <ul style="list-style-type: none"> <li>CSR assessment: Assess eight logistics partners and complete improvements by the end of fiscal 2016</li> </ul>
	<ul style="list-style-type: none"> <li>Appropriate disclosure of information in response to customer inquiries</li> <li>Improved business partners' response rate to 99% in conflict mineral surveys in the Business Technologies Business</li> </ul>	<b>Response to conflict mineral issues</b> <ul style="list-style-type: none"> <li>Response to customers' request for surveys: 100% response</li> </ul>
	<ul style="list-style-type: none"> <li>Prohibited overtime past 8 pm in principle (Konica Minolta, Inc.)</li> <li>67 employees took childcare leave with a 100% rate of return from childcare leave</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of Work-style Reform Project</li> <li>Pursued with the following four task teams               <ul style="list-style-type: none"> <li>Improve labor productivity</li> <li>Optimize workplace</li> <li>Promote sharing and utilization of information</li> <li>Set rules for improvements to operations</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>Reorganized education process for global managerial staff</li> <li>Implemented global employee survey</li> <li>Held regional Global Executive Program (GEP)</li> <li>Held town meetings hosted by president and executive officers</li> </ul>	<ul style="list-style-type: none"> <li>Develop customer-oriented, innovative personnel to win out in global competition</li> <li>Clarify the ideal employee and the desired mindset, actions, capacity and skills</li> <li>Accelerate the speed of human resource development</li> <li>Systematically develop Group managers</li> <li>Share global success stories (hold global award ceremonies, etc.)</li> </ul>
	1) Serious accidents*4: 1 2) Frequency rate of accidents causing absence from work: 0.23 (in Japan), 0.44 (outside Japan)	<b>Prevention of occupational accidents</b> <ul style="list-style-type: none"> <li>Serious accidents*4: 0</li> <li>Frequency rate of accidents causing absence from work: 0.1 or less</li> </ul>
	<ul style="list-style-type: none"> <li>Selected for inclusion in Health &amp; Safety Stock Selection of Ministry of Economy, Trade and Industry of Japan for second straight year</li> <li>Promoted measures to minimize number of employees with health risks</li> <li>Promoted health movement to establish exercise habits and improve food habits</li> </ul>	<b>Promote health management</b> <ul style="list-style-type: none"> <li>Step in to help employees before they have to take leave of absence for illness</li> <li>Take steps to reduce the number of employees with health risks</li> </ul>
	<ul style="list-style-type: none"> <li>Provided leadership training for female managerial candidates</li> <li>Offered mentoring for female employees</li> </ul>	<ul style="list-style-type: none"> <li>Hire female managers: 5.0% ratio of female employees (fiscal 2017 target)</li> <li>Active hiring of new female graduates: 30% rate of female hires</li> <li>Encourage female employees to perform to potential through leadership from top managers</li> </ul>
	<ul style="list-style-type: none"> <li>Percentage of non-Japanese employees among new Konica Minolta, Inc. employees: 8.0% (joining April 2016)</li> <li>Evaluated managers based on globally standardized evaluation criteria</li> <li>Shared a global perspective through Global Strategy Council (ongoing implementation)</li> </ul>	<ul style="list-style-type: none"> <li>Proactive hiring and training of employees of foreign nationality</li> <li>Evaluation of managerial staff based on globally standardized evaluation criteria (ongoing)</li> <li>Sharing of global perspective developed by Global Strategy Council (expand membership)</li> <li>Share measures to promote diversity on a global basis</li> </ul>

\*3 The NPS (net promoter score) indicator measures the percentage of recommendations of companies, products and services made to other people.

\*4 Serious accidents refers to (1) death, illness requiring a long recuperation (or the possibility of such), injuries leaving a disability (or the possibility of such), and/or specific contagious diseases and/or (2) an accident that causes the occupational death, injury or illness of three or more workers at one time (including cases in which leave is not required).

Material Issue 1

# Environment

In order to achieve sustainable growth in the future, a company must not only pursue economic value—it must help to solve social challenges including environmental sustainability.

Konica Minolta strives to reduce environmental impact by applying its management philosophy, “The Creation of New Value,” and sees these efforts as the key to further corporate growth. The company’s environmental management is driven by the commitment to create new social and economic value.

## Our Vision

### Long-Term Environmental Plan: Eco Vision 2050

Given the urgency of global environmental issues, global businesses have a great responsibility to help build more sustainable societies by reducing environmental impact.

Konica Minolta has created specific targets in its Medium-Term Environmental Plan 2016, which was released simultaneously when the company announced its Eco Vision 2050, a long-term environmental plan designed to help realize a sustainable society.

### Concept of the Medium-Term Environmental Plan 2016

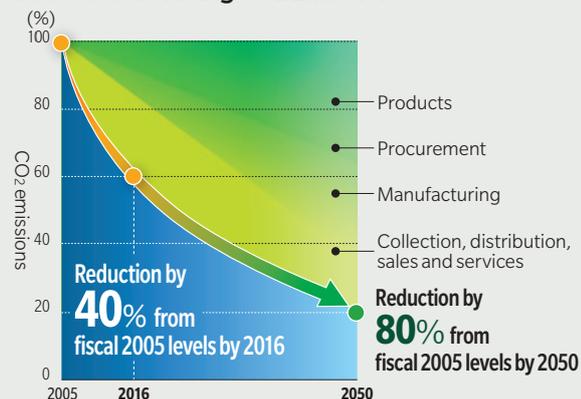
#### Twin Objectives: Resolving Environmental Challenges and Achieving Corporate Growth

Companies that contribute value to society grow based on the profits they earn. The same is true for corporate environmental activities. Based on this approach, Konica Minolta’s Medium-Term Environmental Plan 2016 works together with its business plan. The aim is to achieve corporate growth while providing products and services that help reduce environmental impact.

#### Eco Vision 2050

1. Reduce CO<sub>2</sub> emissions throughout the product lifecycle by 80% by 2050, compared to fiscal 2005 levels
2. Promote recycling and effective use of Earth’s limited resources
3. Work to promote restoration and preservation of biodiversity

#### Vision for Reducing CO<sub>2</sub> Emissions

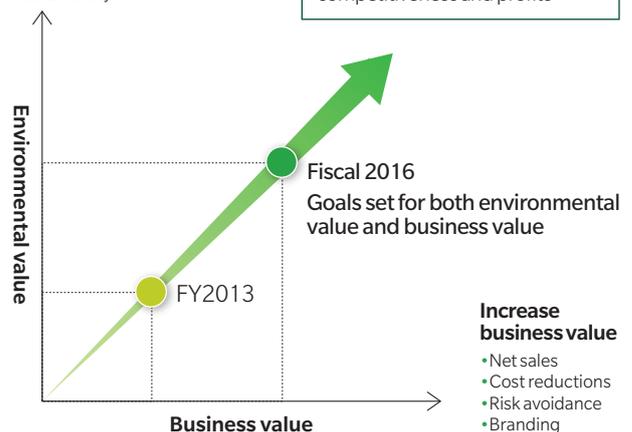


#### Increase environmental value

- Preventing global warming
- Supporting a recycling-oriented society
- Reducing chemical substance risks
- Restoring and preserving biodiversity

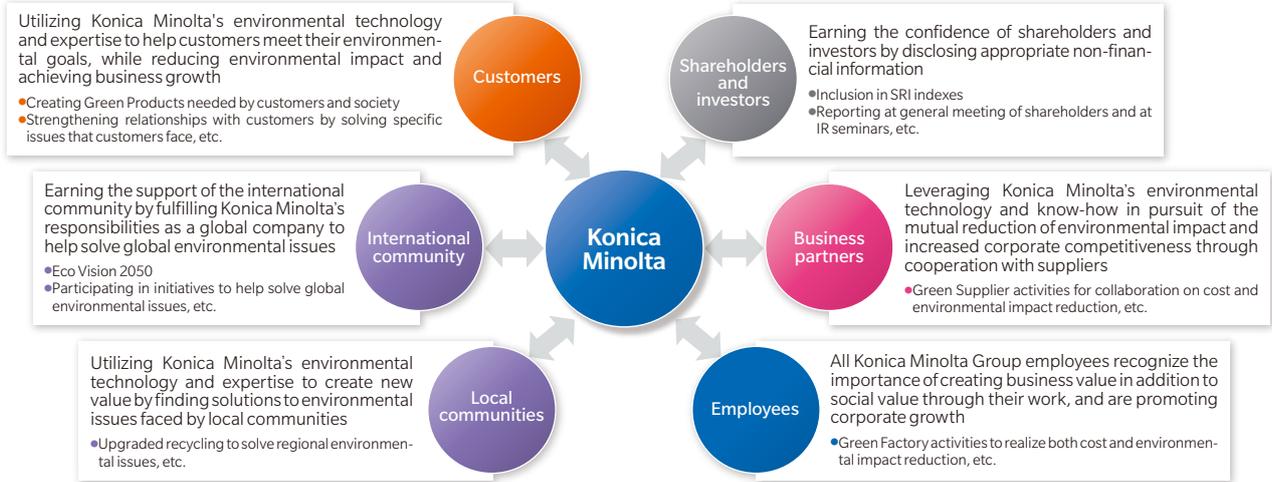
#### Vision

A company that creates value for both society and itself by integrating efforts to resolve societal challenges and improve corporate competitiveness and profits



## Creating Value Together with Stakeholders

Konica Minolta is working to solve environmental challenges on a global scale. By cooperating with stakeholders such as customers and business partners, the company can have a greater impact. Konica Minolta's environmental plan suggests that the Group and stakeholders work side-by-side to create value and grow together.



## Important Environmental Issues

Under the Medium-Term Environmental Plan 2016, Konica Minolta ascertained environmental factors relating to its business, both as risks and opportunities. It identified important issues where solutions can lead to business growth, and reviews results each fiscal year to confirm that the issues selected and plans devised are adequately aligned. By aligning targets for strengthening its business with targets for environmental issues, and demonstrating

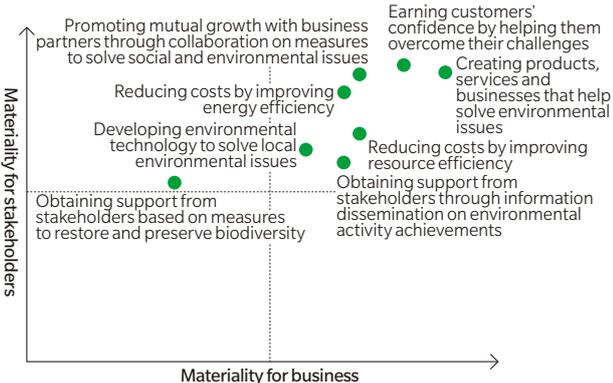
the commitment of the entire organization including top management, Konica Minolta is achieving highly effective environmental management.

## Reducing Environmental Impact throughout the Entire Product Lifecycle

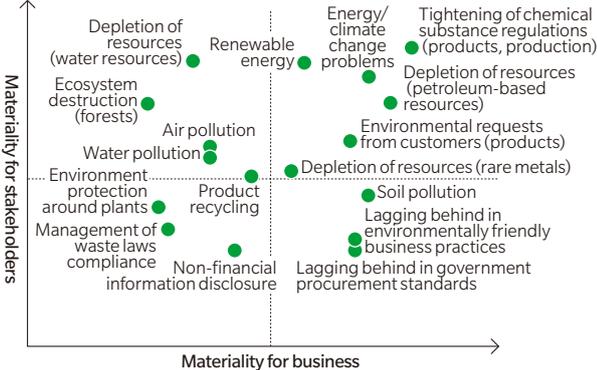
Eco Vision 2050 commits Konica Minolta to reducing its environmental impact in all business processes, from product development to procurement, production, distribution, sales and service, collection, and recycling.

To that end, the Medium-Term Environmental Plan 2016 lays out Three Green activities—Green Products (planning and development), Green Factories (procurement and production), and Green Marketing (distribution, sales and service, and collection and recycling)—as globally material themes at each stage of business. Therefore, this environmental plan takes the entire supply chain and product lifecycle into account.

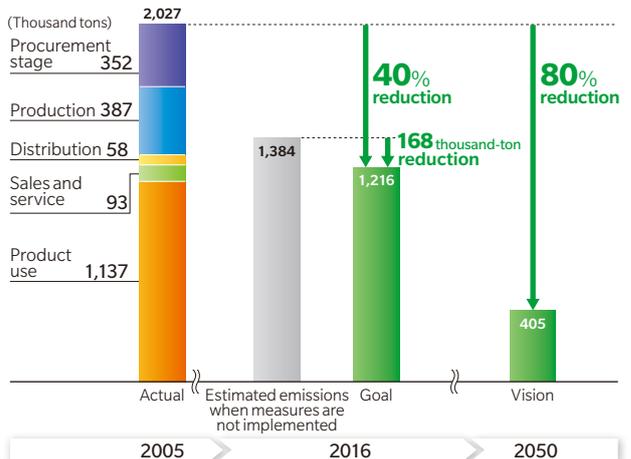
## Materiality Analysis (Opportunities)



## Materiality Analysis (Risks)



## CO<sub>2</sub> Emissions Reduction Goal throughout the Entire Product Lifecycle





# Green Products

## Background and Issues

Given the broad-based awareness of environmental and social issues, the value that people seek today is shifting from material wealth to value that helps improve the quality of society. By ascertaining the evolving values of society and helping to solve social issues, Konica Minolta is able to continue to develop highly competitive products which enhance its profitability.

## Vision

While striving to develop products that help reduce the environmental impact of customers and society, Konica Minolta also aims to encourage widespread adoption of these products by broadly promoting their value. Through initiatives like these, Konica Minolta strives to help build a sustainable society, earn social confidence, and achieve sustainable growth together with the broader society as a company of choice.

## Key Measures and KPIs

### Creating Green Products with outstanding environmental performance

- GP sales: 640 billion yen (GP sales ratio: 60%)
- CO<sub>2</sub> emissions reduction during product use: 59 thousand tons
- CO<sub>2</sub> emissions reduction during procurement: 105 thousand tons
- Effective resource utilization: 33 thousand tons

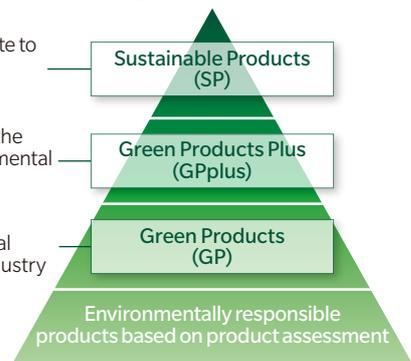
## Main Initiatives in Fiscal 2015

### Green Products Certification System

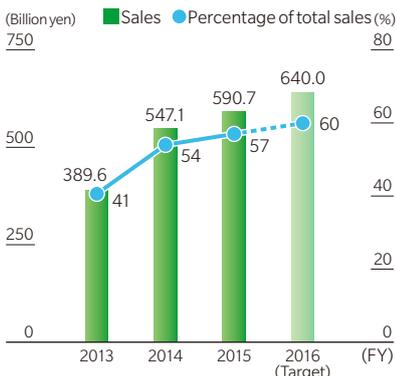
Konica Minolta introduced its original Green Products Certification System to drive the creation of environmental value that matches business and product characteristics. The goal is to reduce the environmental impact of customers and society, while also raising profitability. In fiscal 2015, Konica Minolta placed 35 new models of certified Green Products on the market, bringing the total to 182. Sales of Green Products in fiscal 2015 came to 590.7 billion yen, or 57% of the Group's total sales. In that year, Green Products also had a CO<sub>2</sub> emissions reduction effect during product use of 51.5 thousand tons and represented 27.7 thousand tons in effectively used resources.

### Green Products Certification System

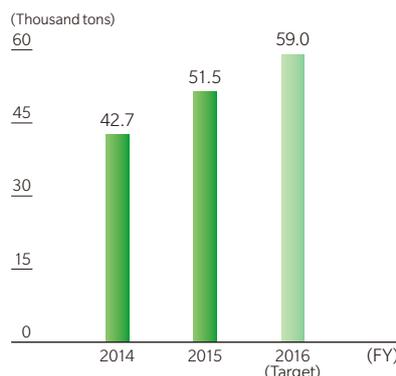
- Products that contribute to realizing a sustainable society
- Products that achieve the industry's top environmental performance
- Products that achieve top-level environmental performance in the industry



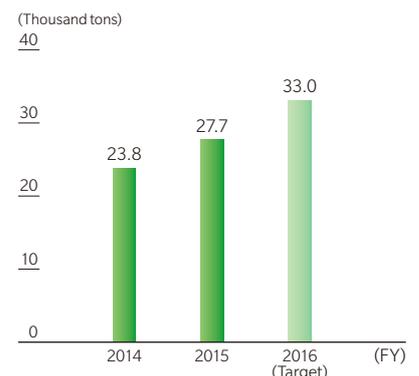
### Green Product Sales



### CO<sub>2</sub> Emissions Reduction Effect During Product Use



### Effective Resource Utilization





## Close Up 1

### Significant Environmental Performance Enhancement in New Green Products

Launched in June 2015, three models of bizhub full-color printers (C368, C308, and C258) were certified as "Green Products Plus." The products incorporate the industry's top-level environmental technology, including the use of recycled plastic that contains at least 25% recycled resin by weight. This represents an industry first for MFPs that accommodate A3 size paper.

#### Feature 1 Recycled PC/PET

Through the further evolution of chemical processing technology, Konica Minolta has also increased its use of recycled PC/PET\*1 and has raised the PCR ratio\*2 to approximately 70%. This recycled material accounts for at least 25% of the weight ratio of the total resin volume in the main unit. The ratio of recycled materials in the surface area of the machine has increased to approximately 78%.

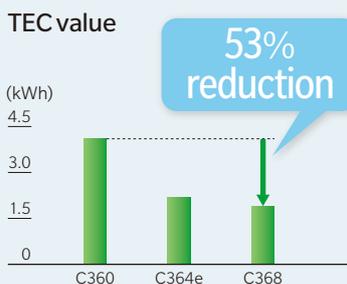


\*1 PC/PET: polycarbonate/polyethylene terephthalate

\*2 PCR (post-consumer recycling) ratio: Percentage of recycled material containing material processed from used consumer products

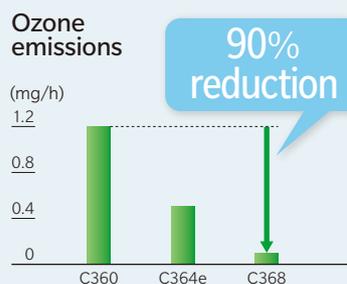
#### Feature 2 Energy Savings

CO2 emissions have also been greatly reduced by substantially lowering the typical energy consumption (TEC) value compared to the previous model. TEC is an international energy saving index.



#### Feature 3 Ozone-Free

A charge roller method is used to reduce ozone emissions by at least 99%. Ozone emits an odor when it exceeds a certain concentration.



## Close Up 2

### Upgraded Recycling Technology: Turning Used Materials into High-Performance Materials

When used materials are recycled, qualities such as strength, flame retardancy and processability are usually degraded, which limits the use of recycled materials to products with low performance requirements. Using its own material and production technologies, Konica Minolta is enhancing the performance of recycled materials and thereby expanding the effective use of resources.

#### Recycled PC/PET

Konica Minolta developed a composite material, recycled PC/PET, by using used plastic PET bottles and PC. It achieved the industry's first use of this material to make the exterior body of bizhub series color MFPs.



\* ABS: acrylonitrile butadiene styrene

#### Milk Bottle Recycling

Polyethylene milk bottles widely used in the US are being recycled to make toner bottles for MFPs. The company developed a bottle cleaning technique to remove milk odor and tiny cells that lead to plastic deterioration.



#### Recycled ABS

The company has developed recycled ABS\* with enhanced flame retardancy, produced by upgraded recycling of ABS resin obtained from used gaming machines. It plans to start using the material for internal parts of MFPs in fiscal 2016.



# Green Factory

## Background and Issues

Today's increasingly urgent environmental problems demand more efficient use of energy and resources. There is a limit to the degree of environmental impact reduction that can be obtained solely through a company's own initiatives. Global companies must increase their positive contribution to global environmental preservation by expanding their activities to suppliers and other business partners throughout the supply chain.

## Vision

In pursuit of production process efficiency, Konica Minolta is developing production technology that helps to control CO<sub>2</sub>, waste, and chemical substance emissions while minimizing energy and resource input. Integrating this with proprietary environmental technologies and expertise, the company is working to make an even larger environmental contribution across the entire supply chain by working in close collaboration with business partners.

## Key Measures and KPIs

- Promoting Green Factory activities to reduce costs and environmental impact**
- Energy and materials cost reduction
  - CO<sub>2</sub> emissions reduction effect in production activities: 4 thousand tons
  - Effective resource utilization: 3 hundred tons
- Promoting Green Supplier activities to reduce both cost and environmental impact together with business partners**

## Main Initiatives in Fiscal 2015

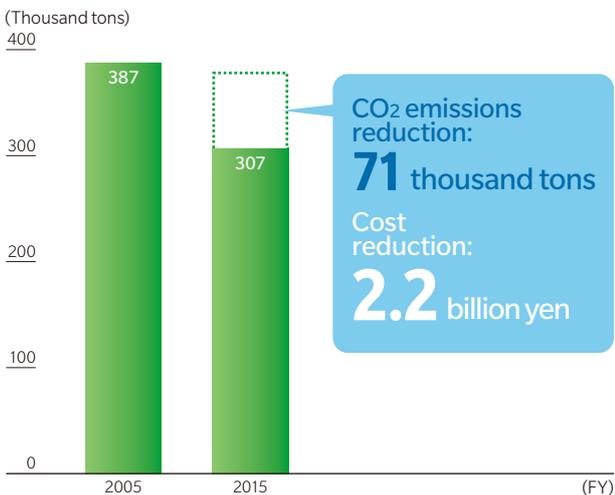
### Green Factory Certification System

The purpose of Konica Minolta's original Green Factory Certification System is to promote both cost and environmental impact reduction by developing specific initiatives to suit the production strategy in each business field. In addition to achieving targets based on individual environmental themes, the Green Factory certification requirements include the attainment level for some 250 specifications related to the implementation process. The system

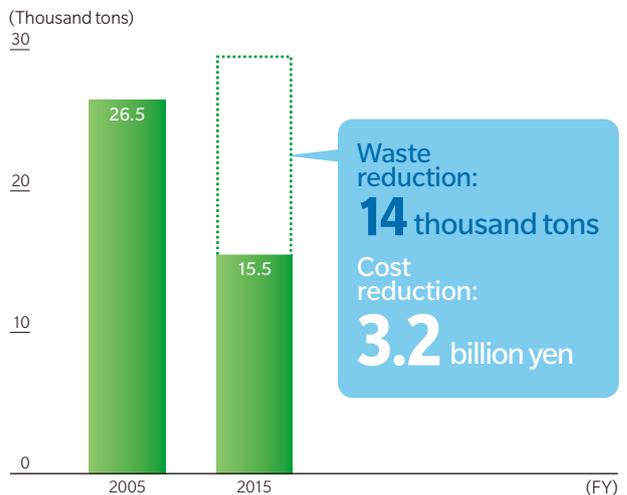
crystallizes Konica Minolta's know-how and helps improve the quality of environmental activities.

In fiscal 2015, four more units (two in Japan, one in the United States, and one in France) achieved Level 2 status, bringing the total up to 18 units, which now covers all of Konica Minolta's production sites. As a result of Green Factory activities, CO<sub>2</sub> emissions were reduced by 71 thousand tons, waste was decreased by 14 thousand tons, and costs were lowered by 5.4 billion yen.

### CO<sub>2</sub> Emissions Reduction Effect during Production



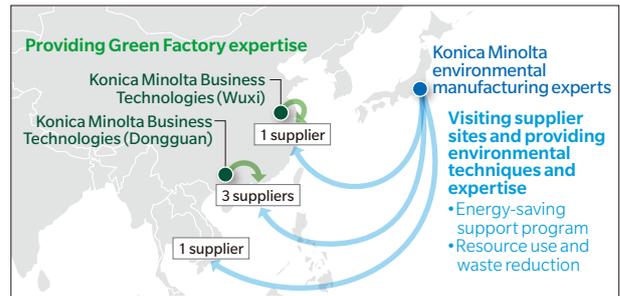
### Waste Reduction Effect during Production



## Green Supplier Activities

Konica Minolta conducts Green Supplier activities, aiming to reduce costs and the environmental impact of suppliers. This is achieved by saving energy and materials through the sharing of environmental technology and expertise accumulated through Konica Minolta's Green Factory activities. Environmental experts from Konica Minolta visit supplier factories and propose improvement measures. The suggested measures are designed to reduce energy and resource use as well as waste production. The experts convey the cost reduction benefits to the suppliers and emphasize the need for investment to reduce impact. Through these activities, the company takes action in cooperation with suppliers to reduce their environmental impact.

These activities were launched at three more locations in fiscal 2015, and two suppliers that started in fiscal 2014 are nearing their Green Supplier activity targets, which are at a comparable level to Konica Minolta's Green Factory standards.



### Voice

#### Voice of a Business Partner: Changhong Technology Co., Ltd.

As part of the Green Supplier activities, Konica Minolta environmental manufacturing experts visited our production site, and we discussed environmental measures for molding machines and utilities use. Preparing for the actual implemen-



Visiting a Konica Minolta site to see environmental measures

tation of the suggested measures, we visited a Konica Minolta production site in China, and we were able to address our situation while discussing specific ways to proceed.

The local government places great importance on energy-saving activities, and we received a monetary incentive after reporting the energy-saving initiatives we took through the Green Supplier activities. We were able to reduce our emissions by 800 tons per year, and also contributed to CO<sub>2</sub> emissions reduction in China.

**Xu Yanping**  
President, Changhong Technology Co., Ltd.

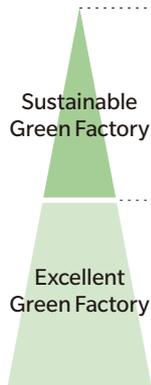


## Highlight

### Excellent Green Factory Activities: The Next Step in Green Factory Certification

In fiscal 2016, Konica Minolta is launching an Excellent Green Factory System. Along with promoting further cost and environmental impact reduction at production sites, the new system sets activity standards for fiscal 2018 that involve cooperation with stakeholders, such as customers, business partners, and local communities. By making the most of its technology and expertise, Konica Minolta is determined to contribute to the global environment on a broad scale that goes beyond its own corporate organization.

#### Certification system



**Carbon neutral (Transforming society)**  
Environmental impact reductions equivalent to the company's own factories, utilizing cutting-edge environmental technology and know-how

**Significant reduction (Social contribution)**  
Substantially reducing the environmental impact of local communities, business partners, customers or the company

#### Certification standards

##### 1. Stakeholder standard

Standard for utilizing the environmental manufacturing know-how of Konica Minolta sites to help solve environmental challenges faced by stakeholders and society and broadly reduce environmental impact

##### 2. Reduction of environmental impact standard

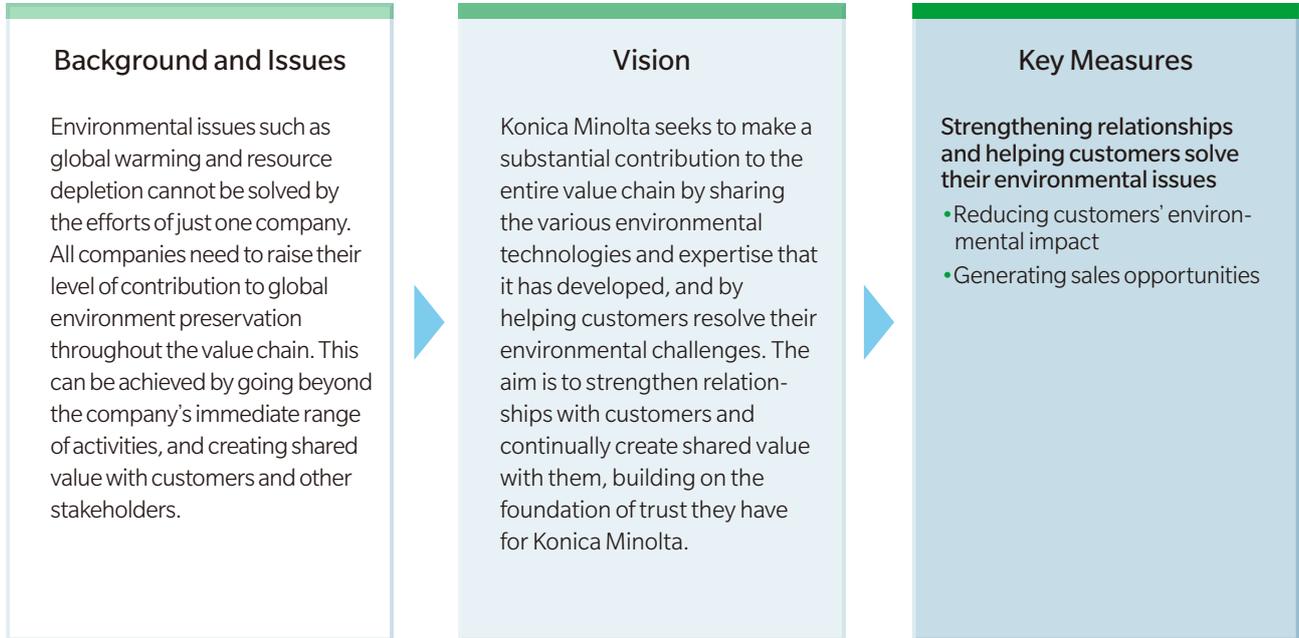
Standard for environmental impact reduction that Konica Minolta sites should achieve

##### 3. Guideline standard

Initiative standard that Konica Minolta sites should aim for

Key Action  
**3**

# Green Marketing



## Main Initiatives in Fiscal 2015

### Utilizing Environmental Expertise and Helping Customers Solve Their Environmental Issues

Konica Minolta seeks to provide optimal solutions for each customer, engaging in close communication and information sharing about their unique needs. Similar efforts are applied to understanding each customer's environmental concerns. The company utilizes Green Marketing to support customers' environmental activities by sharing its management approach and effective practical applica-

tions. By raising the level of environmental action among customers, Konica Minolta is striving to create substantial environmental value that could not be achieved by one company. Proposing solutions to customer issues and earning their confidence has also helped Konica Minolta foster business discussions and secure MFP sales. This is the essence of Creating Shared Value (CSV) that promotes the growth of both Konica Minolta and customers.

In fiscal 2015, Konica Minolta held a total of 12 environmental seminars, lectures and factory tours, involving 350 companies and over 500 personnel. Many participants provided positive feedback and considered the events very useful, while others expressed a desire for more detailed information. Konica Minolta also visited over 100 customers and held discussions with them. The company conducted energy-saving diagnoses at some customer production sites and implemented an Energy-Saving Support Program consisting of suggestions for reducing energy use. These actions create a beneficial cycle for the mutual improvement of environmental activities and give Konica Minolta insight into customer expertise and initiatives.



Energy-saving diagnosis at a customer factory



**Voice**

**Voice of a Customer:  
JTEKT Corporation (auto parts and machine tool equipment manufacturer)**

Although JTEKT had set high CO<sub>2</sub> emissions reduction targets for its long-term group vision, our programs stagnated since all the energy-saving measures we thought of had already been done. Top management told us that it might be a good idea to get a third-party



Visiting a Konica Minolta site to see environmental measures

Sharing and discussing the results of an energy-saving diagnosis at a customer plant



assessment, and we turned to Konica Minolta for an energy-saving diagnosis.

We received very helpful ideas including visualization measures to monitor costs and CO<sub>2</sub> emissions reduction effects, prioritization starting with investment recovery, and the creation of execution plans. The energy-saving diagnosis became an opportunity to revitalize energy-saving activities at our other plants. Based on joint activities by the management department and frontlines, we realized the importance of sharing a sense of accomplishment in order to achieve further improvements. We believe that companies from different industries can share their technologies and expertise to achieve an even greater environmental contribution. We will continue to value the deep relationship of trust we have built with Konica Minolta through these environmental activities.

**Kiyonori Ito**  
General Manager, Environmental Management Department  
JTEKT Corporation

**Voice**

**Voice of a Customer:  
Shanghai Huahui Silk Products Co., Ltd. (textile manufacturer)**

Chinese environmental regulations have been getting stricter by the year. Since companies in the dyeing industry use large amounts of energy and water, the government asked us to make special efforts to save energy and water. Since our firm does not have experts in energy and



Studying potential environmental measures at a customer's plant



environmental measures, we were wondering how to comply with the government requests.

Then we were contacted by Konica Minolta, a company we knew through its inkjet textile printers. They said members of their environmental team would be visiting China from Japan, and they offered to help us. The team visited us several times and empathetically reviewed our energy and water usage situation before proposing a solution. Several of the measures they suggested, we then implemented. In addition to providing us with inkjet textile printers, Konica Minolta gave us very useful support including related areas, and helped us deal with the environmental issues we faced. Based on the trust created, we intend to maintain a long-term relationship with Konica Minolta.

**Chen Yundai**  
Chairman  
Shanghai Huahui Silk Products Co., Ltd.



Material Issue 2

# Social Innovation

Creating new value to solve issues that customers and society face, by making the most of the unique technologies developed across the years—this is Konica Minolta's mission and reason for being. By continually creating value that offers new innovation for society, Konica Minolta is promoting social and environmental sustainability.

## Our Concept

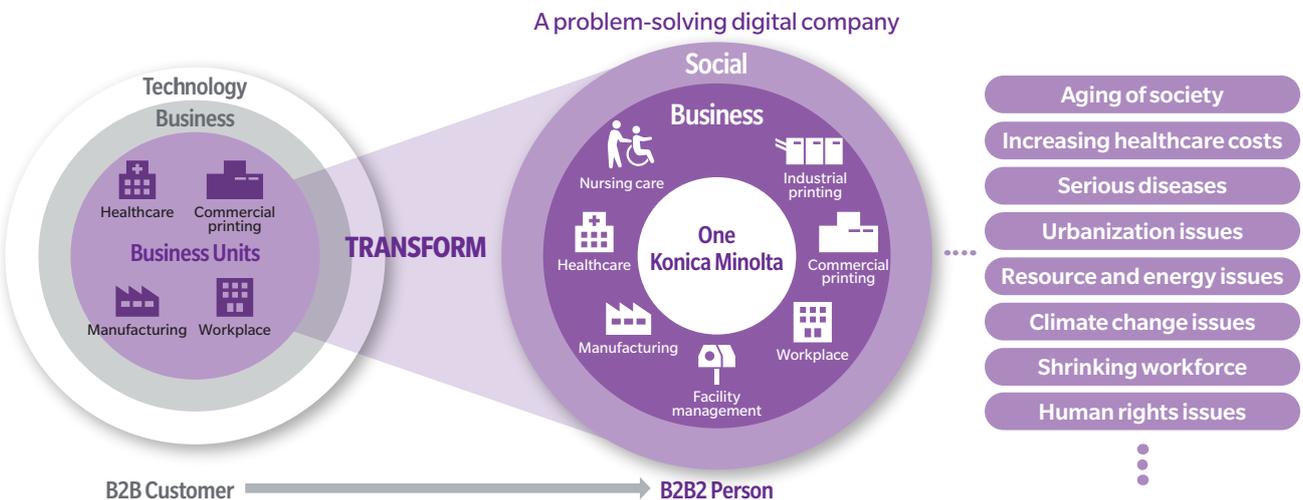
### Aiming to Be a Digital Company That Solves Social Issues

In recent years, there has been an urgent need for initiatives that help solve global issues for humanity, such as climate change as well as resource and energy issues. Meanwhile in Japan, which is becoming a super-aged society, issues such as a shrinking working population and rising healthcare and nursing care costs are intensifying. Konica Minolta's mission, "The Creation of New Value," stated in its management philosophy, means that the company is working to help solve these social problems and generate new value that brings innovation to people and society.

Under its Medium-Term Business Plan, TRANSFORM 2016, Konica Minolta is currently promoting a bold change in its business focus. The aim is to use digital technology

to combine the company's strengths in optical, image-processing, and sensing technologies. The company seeks to become a problem-solving digital company that creates products and services that help resolve social issues.

This is why the company not only embraces the perspective of its immediate clients, but is also now extending its focus to their customers—all the people who make up society—in other words, switching its focus from B2B to "B2B2Person." Toward this end, Konica Minolta is building new organizations that cross the boundaries between its current business units, aiming to work as One Konica Minolta to meet customer and social requirements in each business area.



**C** Lose Up 1

## Delivering Even More Advanced Healthcare by Providing Solutions for Home Care and Regional Healthcare Collaboration

### Social Issues

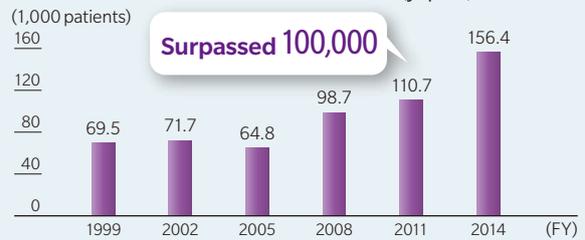
#### Regional Healthcare Systems Needed for Growing Numbers of Home Care Patients in an Aging Society

With a quarter of its population now 65 or older, Japan has reached the globally unprecedented situation of being a super-aged society. As such, it faces various issues, including more patients who cannot make hospital visits, fewer doctors in local communities, and higher healthcare costs for the whole society. As a result, there is a growing need for care products and services that enable healthcare to be provided in the home.

In order to further popularize home care and expand healthcare provided in the home, local clinics that provide diagnostic visits and general hospitals that have specialized knowledge and facilities will

need to work together to care for patients over large areas. There is an urgent need to create a system to support this kind of service provision.

#### Patients Who Received Home Care (Japan)



Source: Prepared based on the "Patient Survey" of the Ministry of Health, Labour and Welfare

### Social Innovation

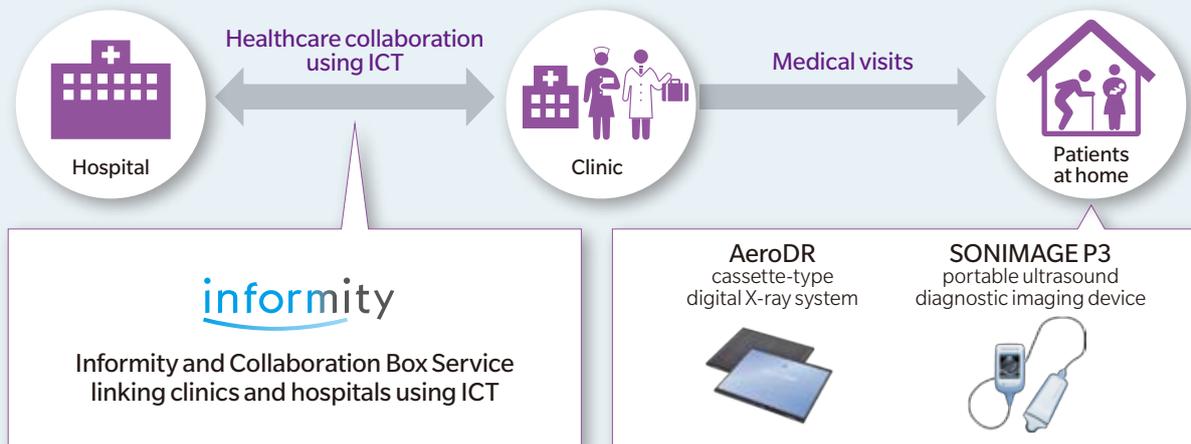
#### New Diagnostic Solutions to Support Home Care and Community Healthcare

Konica Minolta provides new solutions to support the future of healthcare.

For example, the company has realized a digital X-ray system and an ultrasound diagnostic imaging device that are lighter, more compact and wireless. As a result, the diagnostic imaging equipment can be taken out of the hospital, and it is now possible to make highly accurate medical diagnoses with a visit to the patient's home, thereby reducing the stress on the patient.

The company is also supporting regional health-

care collaboration through its Informity ICT service, which provides broad support for building healthcare networks. The company's Collaboration Box Service, which allows the seamless sharing of diagnostic data such as medical images between medical institutions, makes greater healthcare cooperation possible. For example, specialists in the hospital can perform diagnosis based on data sent from a local clinic, and then inform the clinic of the necessary treatment and patient transport.





## Innovating in Nursing Care Workflow to Facilitate Care Support Solutions for an Aging Society

### Social Issues

#### Shortage of Nursing Care Staff in an Aging Society

Along with the graying of society, more people are in need of nursing care. Meanwhile, the shrinking workforce has worsened the shortage of nursing care staff.

Given this situation, Konica Minolta determined that it could help to reduce the workload of nursing care staff by promoting workflow innovation on the frontlines. The company visited nursing care facilities to ascertain and analyze operations in detail. Nursing care operations were separated into individual workflows initiated by a nurse call. That made nursing care staff run around the facility. It was clear that this was creating a major burden.

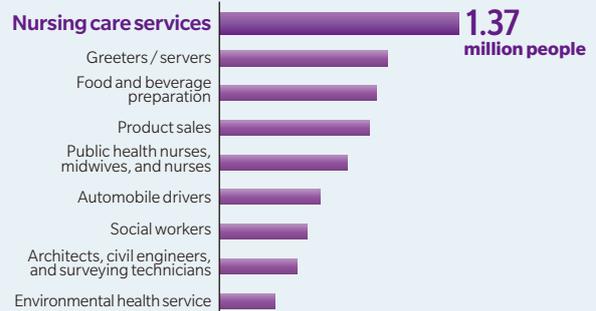
### Social Innovation

#### Workflow Innovation for Nursing Care Staff, Starting with Highly Accurate Action Recognition

In order to tackle the challenges of the nursing care field, Konica Minolta's business development staff gathered information directly at about 70 nursing care facilities. Stationed in the facilities for about three months, they ascertained the nursing care operations in detail. Based on this, the company developed its Care Support Solution, a monitoring system for nursing care workflow innovation.

The Sensor Box, which is the core of the system, performs 24-hour monitoring using near-infrared and microwave sensors, and operates regardless of the room's brightness or the posture of the room occupants. If a patient sits up on the bed, leaves the bed, falls down, or falls out of the bed, nursing staff are notified via a

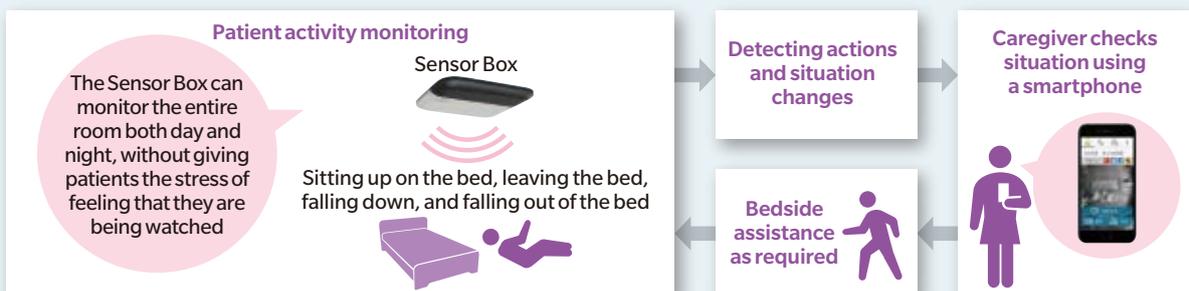
2015 Worker Shortfall by Occupation in Japan\*



\* Labor shortage figures are calculated by subtracting the number of effective job seekers from the number of effective job openings  
Source: Labor market indicators by occupation (Ministry of Health, Labour and Welfare)

smartphone with video display. By checking the video of the patient, the staff can decide whether to rush for assistance and can predict patient behavior, which significantly reduces their workload. Since the staff can also use their smartphones to input care records or vital-sign data on the spot and share them instantly, the system substantially reduces record-keeping work and helps to prevent miscommunication. By providing one-stop total innovation that covers both the nursing care frontlines and administrative work such as record keeping, the Care Support Solution offers greater efficiency for the entire nursing care operation.

### Konica Minolta's Care Support Solution



### Close Up 3

## 3D Laser Radar Pioneering the Future for a Safer and More Secure Society

### Social Issues

#### Need to Improve Sensor Detection Accuracy to Achieve More Reliable Security

With society's growing awareness of safety and security, improving security levels has become a social issue. This includes measures to prevent street crime especially in downtown areas, security measures for areas where crowds gather, and strengthening security at facilities where safety is required.

Rapid personnel response is essential to maintain the current level of security. However, due to a shortage of human resources and the need to reduce costs and raise efficiency, there are growing needs for security technology such as surveillance cameras. Facilities with extensive grounds are facing detection accuracy

issues, such as unnecessary personnel dispatch due to sensor false alarms, and reduced detection ability due to blind spots or nighttime and rainy conditions.

#### Cases Where Greater Detection Accuracy Is Needed



### Social Innovation

#### Realizing Advanced Security Using Motion Detection in Addition to High-Precision, Real-Time Detection

3D Laser Radar was developed by Konica Minolta utilizing its proprietary optical technology. It can perform 3D scans from high angles and distant locations, and detects objects and people with high accuracy. In addition to ascertaining the position, shape and size of an object in real time, the technology can also recognize a moving object, while detecting its direction and speed. Moreover, through the addition of image processing and analysis technology using artificial intelligence, situation prediction is also possible. By realizing an efficient surveillance system that only sends alerts when there is an actual problem,

and by conducting behavior detection of suspicious persons based on analysis of accumulated behavior data, an even higher level of security is being realized.

As an unprecedented high-precision, high-performance detection tool, 3D Laser Radar is expected to be adopted for a variety of applications. It will help realize a safer and more secure society not only as part of monitoring systems, but also in self-driving vehicle development and social infrastructure surveillance.



3D Laser Radar



#### Self-driving Vehicle Development

3D Laser Radar can be combined with various sensors for pedestrian detection to increase driving safety, and for creating high-accuracy maps for use by self-driving vehicles.



#### Preventing Traffic Accidents

By indexing behavior patterns based on collection and analysis of pedestrian and vehicle behavior data, pedestrians who suddenly dart into the street can be predicted.



#### Risk Prediction at Construction Sites

Since a wide area can be monitored at one time, the technology can also be used to predict operational hazards and monitor safety at construction sites.

# Customer Satisfaction and Product Safety

Konica Minolta puts customers first; that's why a "customer-centric approach" is one of the company's core values. Konica Minolta employees worldwide strive to practice a thoroughly customer-oriented attitude. This commitment helps to build long-term relationships with customers, allowing Konica Minolta to continue creating new value.



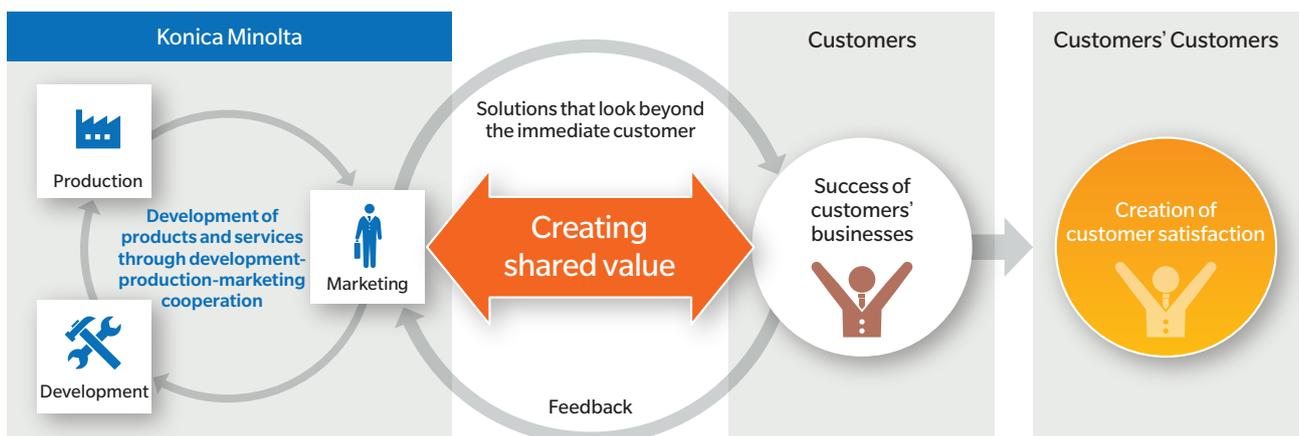
## Our Concept

### Sharing a Single Global Quality Policy

Konica Minolta aims to maximize customer satisfaction by offering products and services that reflect its management philosophy, "The Creation of New Value." To achieve top-tier, high-value products, the company created the Konica Minolta Quality Policy, a global program that is followed by Group companies and employees worldwide. The policy ensures that emphasis is placed on customer confidence in Konica Minolta products and services. Accordingly, a group-wide quality assurance system has been created, allowing the Group to further enhance reliability throughout the product lifecycle including product planning, development, procurement, production, sales, service, and disposal.

### Creating Shared Value with Customers

In addition to striving for excellent customer satisfaction, Konica Minolta considers the needs of the consumers who use the products and services offered by Konica Minolta's direct corporate clients. Konica Minolta is aiming for unified growth by creating shared value in collaboration with these clients. The company is working to achieve this by promoting continuous dialogue with clients and carefully listening to their feedback with the goal of forming prosperous, long-term relationships. By sharing feedback with R&D and production departments, Konica Minolta strives to meet the needs of both direct clients and their customers. The ultimate goal is to help create a prosperous society.



# Key Action 1

## Assuring Product Safety

### Background and Issues

Today, safe, high-quality products are valued more than ever before. Expectations from customers and society have grown, and companies that cannot provide high quality and safety will not survive. This is why the entire Konica Minolta Group is working to ensure that its products and services meet the highest levels of quality and safety. Konica Minolta believes that this commitment is the key to sustainable growth.

### Vision

To meet the ever-changing needs of customers, Konica Minolta continually seeks to enhance its products, incorporating cutting-edge technologies. Simultaneously, the company is educating employees about quality and safety, while continuously enhancing quality management activities. The aim is to provide customers with products that offer greater convenience and confidence.

### Key Measures and KPIs

- Reduction of quality risk throughout the product lifecycle
- Sharing information about quality problems and cross-deploying countermeasures
- Implementation of risk assessment practices as part of product safety training
- Number of serious product-related accidents\*: 0
- Risk assessment practices: 12 times/year

\* **Serious product-related accidents:** Accidents in which products put the lives of product users at risk or cause serious bodily injury, and those in which property other than the products is damaged seriously

### Main Initiatives in Fiscal 2015

#### Product Safety Training

Technical employees related to design and development, production technology, procurement and quality assurance across the Konica Minolta Group receive training aimed at enhancing their knowledge and awareness of product safety.

In fiscal 2015, in addition to pre-established product safety training, the company introduced a hands-on risk assessment program, focusing on identifying and assessing risks working with actual equipment. The goal of the program is to promote the practical use of the knowledge and skills learned through training. Participants provided feedback that was used to evaluate the program and make improvements.

Konica Minolta will continue to raise the level of product safety awareness and skills by providing ongoing training.

Number of serious product-related accidents in fiscal 2015

0

#### Sharing Information about Quality Problems and Cross-Deploying Countermeasures

To raise awareness surrounding quality issues, improve early issue resolution and raise response levels, the company is promoting group-wide initiatives to share quality issues and cross-deploy countermeasures.

In fiscal 2015, mutual production capability assessments were conducted by participants at 16 production sites across business areas in and outside of Japan. By assigning scores in categories such as 5S, visualization, elimination of inefficiencies, and factory management, issues at individual sites were identified and proactive improvement was encouraged.

Additionally, outstanding practices are cross-deployed by sharing assessment results and examples of initiatives from each site on the company intranet.



Production capability assessment

Key Action  
**2**

# Increasing Customer Satisfaction



## Main Initiatives in Fiscal 2015

### Strengthening Customer Relationships in the Business Technologies Business

In the Business Technologies Business, the Customer Relations (CR) Division, which is part of the Business Planning Headquarters, deployed a unique scientific approach worldwide, adding NPS\* to the customer satisfaction survey. At the annual Global Customer Relations Conference, CR managers from sales companies worldwide met with members of the development, production and marketing departments to discuss ways to improve customer relations and share experience and knowledge. They also discussed the pursuit of best practices. These activities are part of Konica Minolta's continuous efforts to strengthen customer relations.

A CR Master Program was launched in fiscal 2015. The training and certification program aims to improve the skills of CR managers and leaders at sales companies worldwide. Currently, there are approximately 100 employees from the eight principal sales companies participating in the program, and the number will increase as necessary in the future.

\* NPS (Net Promoter Score): An indicator that measures the percentage of customers who recommend the company and its products and services to others



Certificate presentation for CR Master Program completion

### Enhancing Call Center Customer Service Capabilities in the Healthcare Business

In the Healthcare Business, Konica Minolta is focusing on strengthening call center capabilities in order to minimize diagnostic downtime.

At call centers in Japan, Konica Minolta has introduced remote maintenance technologies for resolving equipment problems in the early stages. This system allows call center staff to operate customer equipment remotely over the Internet. The ability to resolve equipment problems without dispatching technicians has helped reduce product down time.

In fiscal 2015, approximately 60% of calls received at call centers were from customers using the remote maintenance service. As a result, product down time was reduced by approximately 45,000 hours.\* This represents a 65% improvement over the figure from six years ago. The rate of issues resolved by the Call Center also increased from approximately 60% in the year it opened to approximately 80% in fiscal 2015.

\* Calculated using Konica Minolta's own index

# C lose Up

## Building a Global Support Structure to Support Global Customers with One-Stop Operations

It is becoming more common for large, global customers to centralize the management of ICT devices including MFPs at their locations worldwide. This means that support calls often come from the head office, rather than the office that requires the service, and these two offices are sometimes in different locations. In order to provide accurate and timely support for these customers, device vendors also need to build a global support system.

To address this need, Konica Minolta has established the Global Support Center (GSC), an infrastructure that allows for consistent global customer service. The mission of the Global Support Center is to provide a single point of contact to initiate service and support delivery worldwide in a consistent and efficient manner.

Using dedicated IT tools, support requests received by the GSC are shared with support staff worldwide. For hardware support, local customer engineers are dispatched to the customer's site, and for software support, specialized staff provide support remotely. This system allows Konica Minolta to provide efficient, quality support globally. Furthermore, inquiries and support results are stored in a database. Sharing this information globally is helping to provide a consistent level of service to customers.

### GSC Staff Message

I oversee the European hardware service desk at GSC. Customers have told us that they appreciate our seamless global service, and we are logging an increase in customer satisfaction. Our global system also makes it easy to learn about customer service initiatives in the United States, Asia, and other regions, and that is truly rewarding.

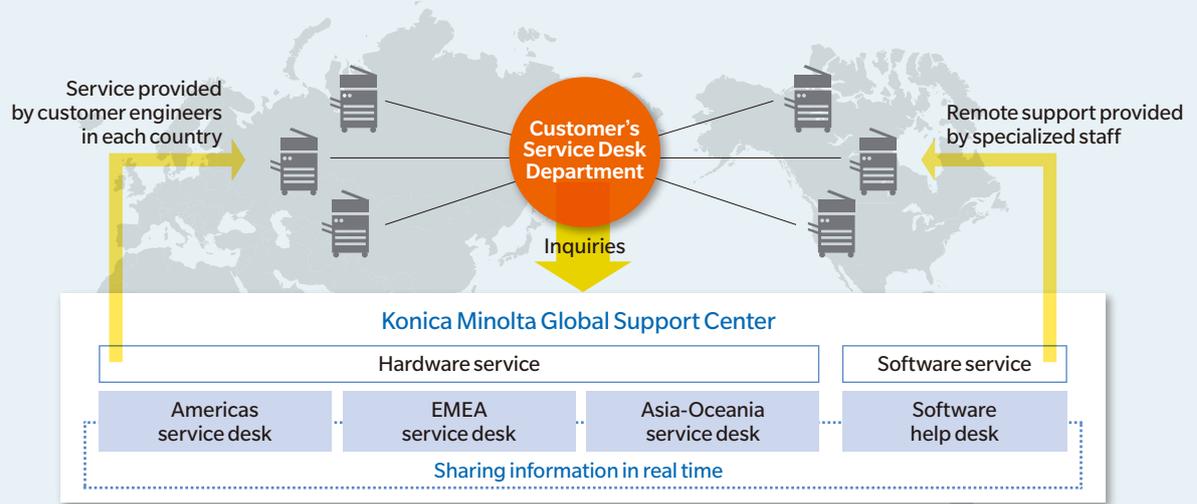


**Christopher Farrugia Smith**  
Team Leader, Service and Support Division, Konica Minolta Business Solutions Europe GmbH

I oversee the software help desk at GSC. Konica Minolta is strengthening hybrid-type sales activities that combine MFPs with IT service. By providing detailed support in the IT field, my team and I intend to contribute to the popularization of this new business model.



**Simon Koch**  
Manager, IT Support, Service Competence Center, Konica Minolta Business Solutions Deutschland GmbH



Material Issue 4

# Responsible Supply Chain

Companies that supply raw materials and parts, product manufacturing contractors, and logistics providers are essential business partners that help Konica Minolta contribute to society. To enhance these partnerships even further, Konica Minolta is working to expand its CSR activities through coordinated activities with its business partners.



## Our Concept

### Solving Social Issues with Partners through Business Activities

In the age of global business, companies need to support progress towards a sustainable society by taking steps to solve social issues. These actions must be taken in collaboration with business partners throughout the supply chain in an effort to achieve efficient procurement and production, while improving product quality, costs, and lead time. This is why Konica Minolta is working to make a positive change in society while enhancing the corporate value of both Konica Minolta and its business partners. This can be achieved by providing customers with reliable products that contribute solutions to social issues such as environmental sustainability, health and safety, ethics, and labor and human rights.

Konica Minolta has joined other companies through membership in the EICC\*1, which adheres to internationally recognized standards, such as the Universal Declaration of Human Rights\*2 and the ILO International Labour Standards\*3. Konica Minolta is engaging in activities with other member companies based on the EICC framework.

\*1 **Electronic Industry Citizenship Coalition (EICC):** An organization that promotes CSR in the supply chain of the electronics industry



\*2 **Universal Declaration of Human Rights:** Basic human rights to be recognized by all people and countries, adopted in 1948 by the United Nations General Assembly

\*3 **ILO International Labour Standards:** Standards on human rights and labor adopted by the general assembly of the International Labour Organization (ILO)

### Konica Minolta's CSR Activities in the Supply Chain





# Promoting CSR in the Supply Chain

## Background and Issues

The Konica Minolta Group is determined to address social issues, including environmental sustainability, health and safety, ethics, and labor and human rights, in the supply chain. This commitment extends not just to Group production sites but also to material suppliers, logistics providers and even to mines where raw materials are obtained. Adhering to the EICC framework, Konica Minolta is addressing conflict mineral issues in order to prevent human rights violations in mines, at the beginning of the supply chain. The company also engages in CSR procurement activities at Group production sites and through material suppliers, and works with logistics providers to ensure efficient and responsible distribution.

## Vision

In order to solve social issues and realize a sustainable society, it is essential to include material suppliers and logistics providers throughout the supply chain in CSR activities. Konica Minolta shares initiative value with its business partners, and provides them with support for improvement. By thinking and growing together with its partners, Konica Minolta aims to continue CSR initiatives that include its suppliers.

## Key Measures and KPIs

### CSR procurement

- CSR activity participation requests to partners: 100% implementation
- CSR assessments: By the end of fiscal 2016, completion at all 20 Group production sites and at approximately 130 important partner sites
- CSR Audits: By the end of fiscal 2016, completion at three targeted Group production sites, and at two partner sites

### CSR Logistics

- CSR assessments: By the end of fiscal 2016, completion of implementation and improvements at 8 logistics providers

### Addressing conflict mineral issues

- Response to customer survey requests: 100% compliance

## Main Initiatives in Fiscal 2015 (1) CSR Procurement

### CSR Activity Participation Requests and CSR Assessments

Through its Procurement Policy and Supplier Code of Conduct, Konica Minolta asks its partners to participate in CSR activities. By setting explicit targets and standards in areas such as the environment, health and safety, ethics, and labor (human rights), these activities aim to promote improvements at partner companies.

In order to ascertain the level of CSR activity implementation, Konica Minolta uses Self-Assessment Questionnaires to promote CSR assessments at Group production sites and important partner companies. The questionnaires are administered using EICC-ON, the EICC's online database. Sites are assigned rankings from A to C, based on their CSR achievement level. The target for Group production sites is rank A, while partners aim for rank B or higher.

In fiscal 2015, CSR assessments conducted at 16 Group production sites and 57 partner sites confirmed

that all locations were achieving their targets.

Konica Minolta will continue to perform regular confirmation while offering support, so that partner companies can promote their independent CSR activities.

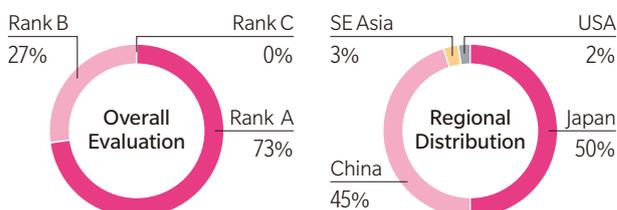
### Rankings from CSR Assessment Results

**Rank A (100% - 85%):** Social demands are mostly satisfied.

**Rank B (85% - 65%):** There is some room to improve, and voluntary improvement is expected.

**Rank C (65% - 0%):** There are items needing improvement, and urgent improvements are needed in conjunction with submission of an improvement plan.

### Fiscal 2015 Partner CSR Assessment Results and Regional Distribution



Environment

Social Innovation

Customer Satisfaction and Product Safety

Responsible Supply Chain

Human Capital

Diversity

### CSR Audits and Correction Support

Konica Minolta is developing appropriate EICC third-party auditing\*1, mainly using Konica Minolta CSR Audits\*2 based on EICC standards, for targeted Group production sites and business partners.

Konica Minolta Business Technologies (Wuxi) is one of the Group's main production sites in China; the site underwent EICC third-party auditing in fiscal 2014. In fiscal 2015, the company revised its internal regulations and operating procedures based on the issues identified in the audit. It implemented correction measures such as ensuring thorough implementation records. In-house training on CSR auditing was also provided to 27 employees, and an internal audit system was created at the company. A follow-up audit is scheduled for fiscal 2016 to confirm the improvements.

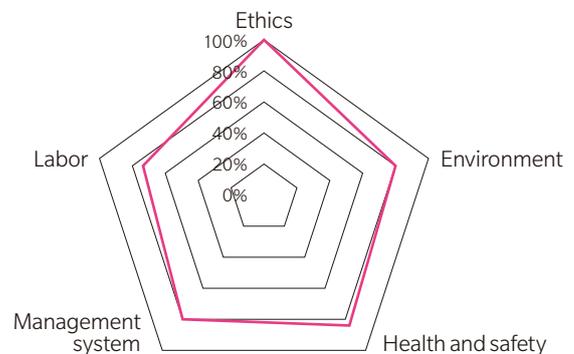
As part of CSR auditing measures at partner companies, a Konica Minolta CSR Audit was conducted at Allied Precision Manufacturing in Malaysia in fiscal 2015. Some suggestions for improvement were identified, but no urgent problems requiring immediate action were discovered. An improvement plan was formulated with the company to

address the identified issues. Konica Minolta will continue to provide support for ongoing improvement, including participation in progress reviews, consultation, and CSR education for Allied Precision Manufacturing employees.

\*1 **EICC third-party auditing:** Using EICC standards, audits are performed by a third-party institution certified by EICC [Validated Audit Program (VAP) audits]

\*2 **Konica Minolta CSR Audit:** Using EICC standards, audits are performed by Konica Minolta auditors who have EICC qualifications

### Results from a Third-Party Audit of Konica Minolta Business Technologies (Wuxi)



In-house education on CSR auditing at a production site in China



CSR education at Allied Precision Manufacturing

### Voice Business Partner Feedback

#### Working together with Konica Minolta to improve labor circumstances.

What is most attractive about Konica Minolta's CSR procurement activities is that Konica Minolta is willing to work together with us to accomplish improvement. In the stage of establishing the corrective action plan, Konica Minolta not only shared with us a lot of knowledge; we also worked together to discuss the countermeasures. As a result, we could establish the most appropriate corrective action plans. With the assistance of Konica Minolta, we will keep improving the labor, work, and employment conditions, taking human rights issues into consideration. By fostering a supportive, safe and healthy work environment, we will improve CSR issues, which will maximize organization value and improve competitiveness.

**Hsu Ching Yuh**  
CEO/Group Managing Director  
Allied Technologies Limited Group of Companies



## Main Initiatives in Fiscal 2015 (2) CSR Logistics

### CSR Initiatives Expanded to Logistics Providers

In fiscal 2015, Konica Minolta began promoting CSR activities in its logistics chain. Together with logistics partners, CSR Logistics is being carried out through cooperation with DHL Supply Chain, which provides comprehensive domestic logistics services for Group companies in Japan.

As with CSR procurement, logistics providers are sent a request to complete CSR assessments using an EICC self-diagnostic questionnaire. Ongoing improvement

activities are implemented based on the results. This represents the first CSR Logistics initiative in Japan based on the comprehensive application of EICC standards.

In fiscal 2015, CSR assessment was conducted as part of CSR activity requests made to eight logistics providers. The assessment revealed that all the providers met the target of rank B or higher. Improvement plans were created in collaboration with the providers to improve low-scoring areas. Support is being provided for improvement.

#### Voice

#### Business Partner Feedback

It was an opportunity to greatly enhance our CSR activities.

By adopting CSR activities based on EICC standards, we got to know what the international community is expecting beyond just legal compliance. By evaluating and analyzing our initiative situation for over 400 items in areas such as the environment, health and safety, ethics and labor, we were able to ascertain our current situation in a systematic and rational way. Our achievements and areas for improvement were clarified both company-wide and for each business unit,

and now we have a clear picture of what needs to be done in the future. We are confident that the resulting improvement efforts will further strengthen our competitiveness.



**Takuya Sugawara** (left)  
Sales Development Department Manager,  
Nippon Express Co., Ltd.  
**Yusuke Yuasa** (right)  
Kofu International Transportation Office  
Manager, Yamanashi Branch, Nippon  
Express Co., Ltd.

## Main Initiatives in Fiscal 2015 (3) Addressing Conflict Mineral Issues

### Ongoing Implementation of Conflict Mineral Surveys

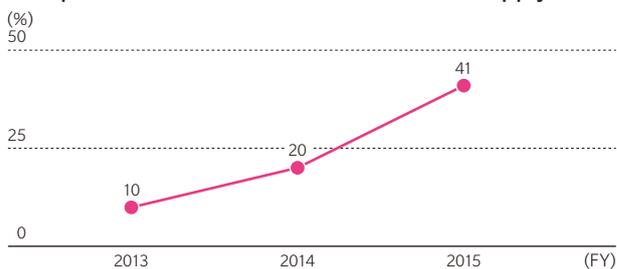
It is pointed out that certain minerals mined in the Democratic Republic of Congo and adjoining countries have become a source of funding for warring forces who are violating human rights. The Konica Minolta Conflict Minerals Policy Statement was created to address the conflict mineral issue. While responding to customer survey requests, Konica Minolta asks its suppliers to take measures in line with its Conflict Minerals Policy, and to respond to a survey about the parts and materials it procures.

The conflict mineral survey was conducted in the Business Technologies Business in fiscal 2015. The supplier response rate was 99%, a dramatic improvement over the previous year. Referencing the responses, Konica Minolta identified smelters in the supply chain in its own investigation as part of due diligence. The percentage of these smelters that have been certified as conflict-free by the international Conflict-Free Sourcing Initiative (CFSI) rose to 41% from 20% in the previous year. The company is

steadily advancing toward a conflict-free supply chain. No evidence of involvement in conflicts was found relating to parts and materials procured by Konica Minolta.

Konica Minolta is also actively cooperating with other companies through industry associations, to address conflict mineral issues. The company gave a lecture at a conflict mineral survey briefing organized by the Japan Electronics and Information Technology Industries Association (JEITA) to raise awareness of the conflict mineral issue.

#### Percentage of Certified Conflict-Free Smelters among All the Specified Smelters in the Konica Minolta Supply Chain



Material Issue 5

# Human Capital

Konica Minolta's growth as a problem-solving company is powered by employees' ability to create value by understanding customer issues and using creative approaches to resolve them. Recognizing this, Konica Minolta strives to create work environments that enable every employee to perform to his or her full potential.



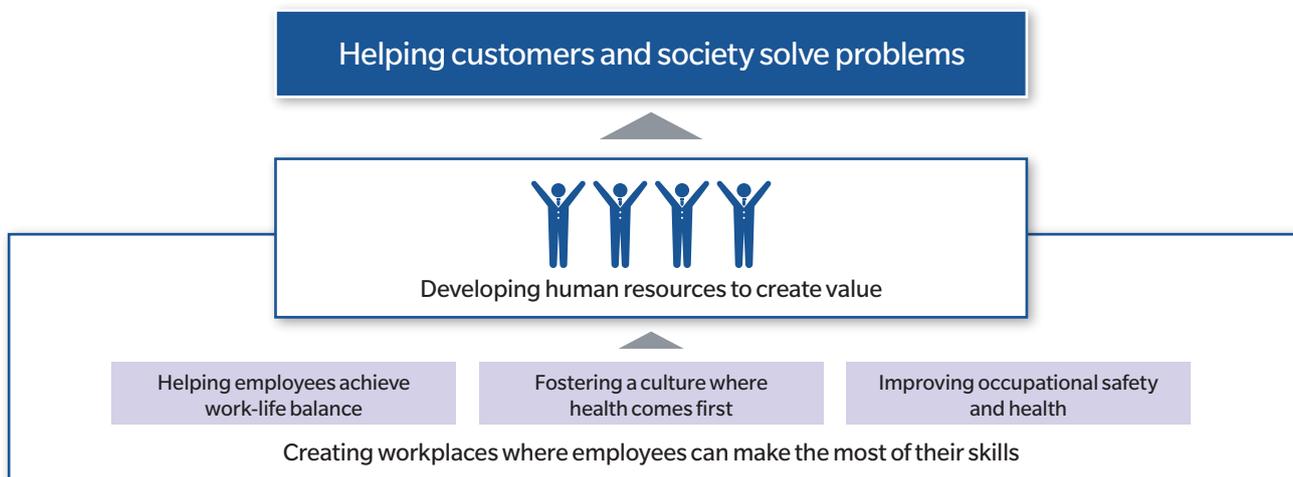
## Our Concept

### Raising the Value of Human Capital

Konica Minolta is transforming itself into a problem-solving company that helps resolve issues faced by customers and the broader society in order to achieve sustainable growth. In today's world, humanity is faced with increasingly complex and unpredictable problems. This means that innovative, flexible employees who take bold action to solve problems are the key to Konica Minolta's success with its growth strategy. Accordingly, Konica Minolta seeks to foster the independent development of every employee by hiring talented individuals and devoting ample resources to their development, while also providing an environment that allows every person to experience meaningful growth.

### Workplaces Where Employees Can Make the Most of Their Skills

Creating an environment where every employee can perform while maintaining both physical and emotional health is vital to ensuring that they can maximize their potential. Konica Minolta helps employees achieve work-life balance, seeks to foster a culture in which health comes first, and takes measures to improve labor safety. By rolling out these initiatives globally across the Group, Konica Minolta aims to enhance the human capital of the Group as a whole and empower employees to create value.



**Key Action**  
**1**

# Ensuring Work-Life Balance

## Background and Issues

Balancing work and personal life is becoming more essential in today's workplace as lifestyles change and values diversify. Pursuing a work-life balance enriches employees' lives and broadens their perspective beyond work, while also raising individual productivity.

## Vision

Konica Minolta systematically encourages communication and collaboration transcending sectional boundaries in order to enhance efficiency of the overall organization.

This enables employees to focus on tasks that lead to value creation, while proactively enriching their lives outside of work. The company aims to strengthen the potential of its human resources and create an environment of mutual trust by promoting work-life balance.

## Key Measures

### Promoting the Workstyle Reform Project

Four teams worked on the following different aspects of this project, starting in fiscal 2015.

- Improving labor productivity
- Optimizing workplaces
- Promoting information sharing and utilization
- Setting rules for operation improvements

## Main Initiatives in Fiscal 2015

### Initiatives to Reduce Working Hours

Since April 2015, Konica Minolta, Inc. has promoted workstyle reforms to boost labor productivity by enhancing skills of individual employees while helping them to find work-life balance.

As part of these efforts, overtime past 8 pm has been banned in principle in order to change perceptions of time and transform workstyles.

#### Results of Initiatives to Reduce Labor Hours

(Results in fiscal 2015)



**Note:** Figures are for regular employees of Konica Minolta, Inc.

### Support for Balancing Work and Childcare

In an effort to support work-life balance, Konica Minolta, Inc. has created programs to support working parents. In addition to maternity and childcare leave, a work-at-home program has been introduced. These programs, available to both men and women, were expanded to include employees providing nursing care to family members in fiscal 2014. The company works to familiarize employees with these programs, and to create an environment and infrastructure that makes it easy for employees to use them.

Konica Minolta received the *Kurumin* Mark Certification, recognizing the company as a "corporation that supports parents and children" based on Japan's Act for Measures to Support the Development of the Next Generation.

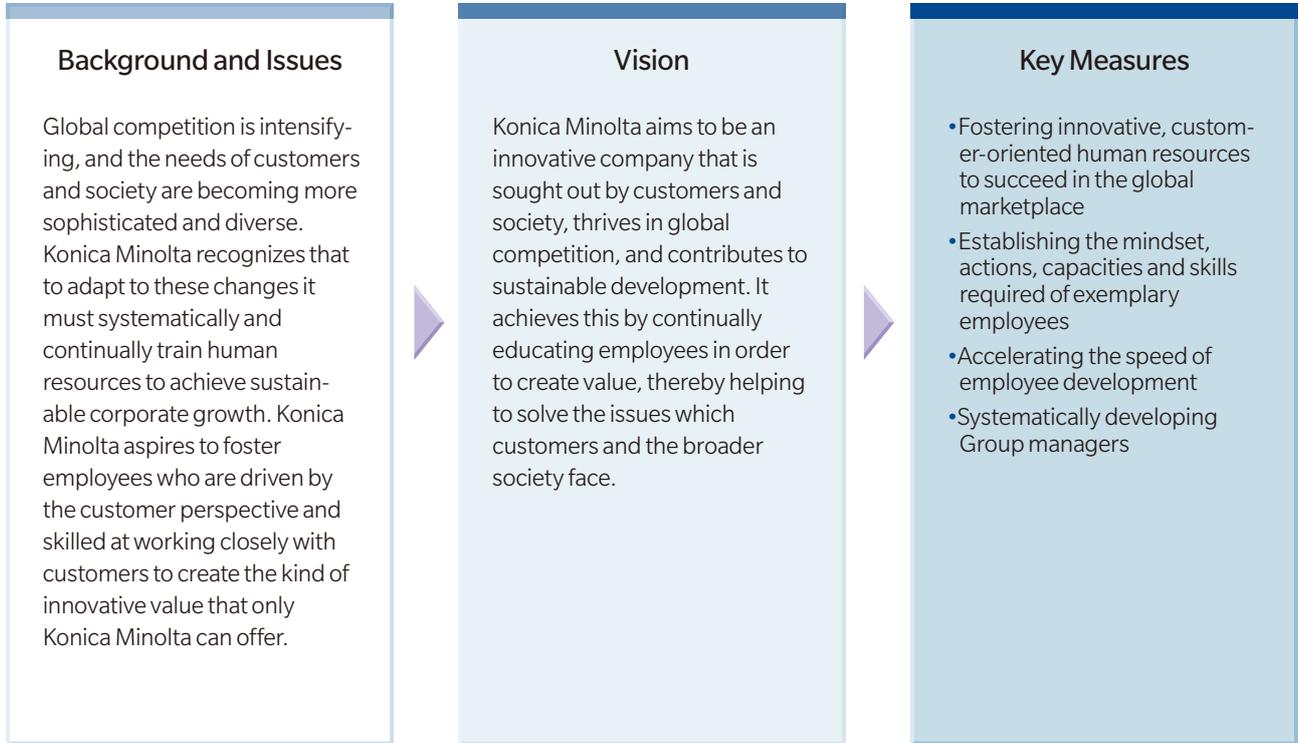
#### Status of Use of Main Programs Supporting Work-Life Balance (Results in fiscal 2015)



**Note:** Figures are for regular employees of Konica Minolta, Inc.



## Developing Human Resources



### Main Initiatives in Fiscal 2015

#### Global Rollout of Human Resource Development Cycle

Konica Minolta has conducted global employee surveys and in Japan held town-meeting-style dialogues between top management and employees to identify concerns among employees. It has also globally rolled out the cycle that runs from off-the-job-training (Off-JT) to assessment, on-the-job training and regular reviews, as part of its efforts to develop and utilize human resources across the entire Group.

Specifically, an image of the ideal employee for each business and the skills and experience needed to achieve this ideal were clarified, and then put into action by jump-starting rotations and other measures.

In fiscal 2015, the process of training global executives was redesigned based on the results of assessments of global executives.

#### Program to Foster Business Leaders

Konica Minolta holds the Global Executive Program (GEP) for executives working for affiliates around the world with the aim of fostering human resources with the potential to

become business leaders. In this one-week training session, a global mindset is fostered and leadership is developed via dialogues with top managers and discussions with other participants.

Konica Minolta also holds a regional GEP, expanded to include managers, with the aim of training candidates for executive positions in different regions. In fiscal 2015, the second regional GEP was held in Singapore for Group companies in ASEAN regions in May. Eighteen managers from nine companies in four countries participated.



Second regional GEP held in Singapore for Group companies in the ASEAN region

Key Action  
**3**

# Managing Occupational Safety and Health

**Background and Issues**

When an accident occurs in the workplace, employee safety is jeopardized. This can affect the neighboring environment and even threaten business continuity. Konica Minolta also recognizes that ensuring employees' mental and physical health is a critical management issue, given the growing social problems of higher risk of lifestyle diseases and people having to leave work due to mental health issues.

**Vision**

Based on its commitment to "safety first," Konica Minolta seeks to foster a culture of occupational safety and health that places a premium on top management engagement and employee awareness. Additionally, the company aims to create a workplace where every employee can work with peace of mind and energy by promoting healthy habits and a safe environment.

**Key Measures and KPIs**

**Preventing occupational accidents**

- Serious accidents\*<sup>1</sup>: 0
- Frequency rate of accidents causing absence from work\*<sup>2</sup>: 0.1 or less

**Promoting health management**

- Preventing illness resulting in absences
- Reducing number of employees with health risks

\*1 **Serious accidents:** (1) Death, disease requiring a long recovery period (or the possibility), an injury resulting in a disability (or the possibility of a disability), or a specific contagious disease; (2) an accident resulting in the death or injury of three or more workers during work at one point or the contraction of a disease (including accidents not accompanied by lost worktime)

\*2 **Accident frequency rate:** The number of persons absent from work per one million total actual working hours for current employees

## Main Initiatives in Fiscal 2015

### Occupational Safety and Health at Production Sites

Konica Minolta takes various steps to prevent workplace accidents based on the Occupational Safety and Health Management System (OSHMS) and its occupational safety and health committee organization. These measures are practiced worldwide.

In fiscal 2015, despite ongoing efforts to reduce risks, there was one serious accident at a production site outside Japan. In June 2015, a fire caused by explosion occurred at a group company in China. While there were no fatalities or injuries leaving residual disabilities, nine employees and three outside contractors had to take leave from work. An investigation into the cause of the accident found that it was due to a leak of flammable refrigerant gas from the air-conditioning cooling device. In response, the company replaced the refrigerant gas with a non-flammable gas and measures were taken to prevent similar accidents from occurring in the future anywhere in the Group.

The frequency rate of accidents causing absence from work was 0.23 in Japan and 0.44 outside Japan in fiscal 2015.

### Managing Employee Health

Under the three-year medium-term health plan, Health

KM2016, measures to promote health are actively implemented to achieve the philosophy laid out in the Konica Minolta Statement on Health. In fiscal 2015, the company pursued a range of measures related to improving physical and mental health, seeking to minimize the number of employees with health risks. Health indicators were set and steps were taken to establish physically active habits and improve eating habits to promote better health.

### Close Up

#### Chosen for the Health and Productivity Stock Selection for second straight year

In January 2016, Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange chose Konica Minolta for inclusion in the Health and Productivity Stock Selection for the second straight year on the basis of its health management philosophy and initiatives. The Health and Productivity Stock Selection recognizes companies that focus on employee health from a management perspective and take strategic initiatives accordingly.

## Material Issue 6

# Diversity

Being “Inclusive and Collaborative” is one of Konica Minolta’s core values. This not only means adapting to the diversifying needs of customers and society, but also creating an environment that enables employees from diverse backgrounds to use their skills to their full potential.



## Our Concept

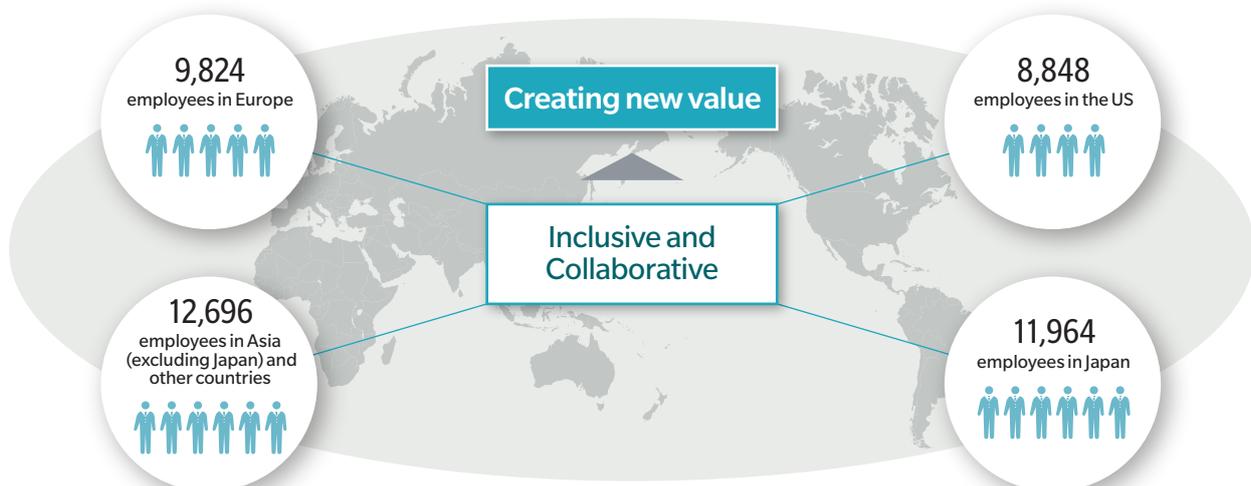
### Making the Most of Employee Diversity to Create New Value

One of Konica Minolta’s strengths as a global company is that employees of different national origins, races, beliefs, cultures, languages, genders, ages and expertise work together in regions all over the world. It is this employee diversity that leads to innovative thinking and original ideas, thus generating new value that helps to resolve issues for customers and society.

This kind of value creation is the very embodiment of “Inclusive and Collaborative,” one of the six values that makes up the Konica Minolta Philosophy. This value refers to the power and teamwork generated by embracing diverse people and ideas. Konica Minolta strives to live up

to this value, respecting diversity and promoting inclusion to create value that leads to progress for customers, society, and individuals.

Konica Minolta not only has a very diverse workforce, but also takes a wide range of measures to create an environment where employees can exercise their own unique skills while supporting each other and performing at a high level. Recently, in support of these measures, Konica Minolta has focused on promoting the performance of its female employees and training global leaders. These efforts are paying off with the generation of new value.



Key Action  
1

# Supporting Women's Career Building

## Background and Issues

Gender equality is an important topic in today's global community. Companies are expected to create workplaces where employees with high potential can perform to the best of their abilities, regardless of gender. In Japan, women's participation in the workplace is still generally inadequate in the industry overall. Konica Minolta recognizes that proactive support is essential and is taking steps to address this.

## Vision

Konica Minolta believes that employee diversity is a source of growth. The company takes measures to create an environment where women can perform to their full potential. In order to support its female employees, Konica Minolta does not limit itself to simply ensuring that they can continue working through various life events, but also aims to expand their access to any career path they want to pursue.

## Key Measures and KPIs

- Establishing and implementing individual development plans based on dialogue with each employee
- Mentoring female employees
- Appointing female managers (Target for fiscal 2017: 5.0% ratio of female managers)
- Actively hiring new female graduates (Target for fiscal 2016: 30% female hiring rate)

## Main Initiatives in Fiscal 2015

### Offering Career Development Programs for Women

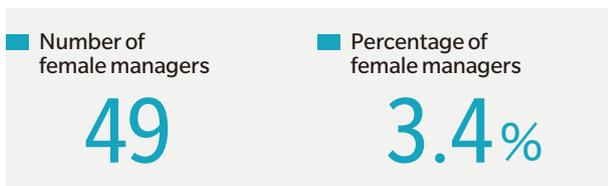
Konica Minolta, Inc. implements various programs to foster the career development of female employees, supporting them in maximizing their level of achievement.

For example, manager candidates are selected among female employees at the senior staff level. A training plan for the next several years is devised for each employee and leadership training is provided. In addition, the supervisors of these candidates attend briefings on measures to promote women's job performance, and the candidates participate in a six-month support program

run by mentors who provide guidance separately from their supervisors.

In fiscal 2016 and beyond, action plans are being established and initiatives pursued to achieve targets in line with Japan's Act on Promotion of Women's Participation and Advancement in the Workplace.

### Number of Female Managers and Ratio at Konica Minolta, Inc. (as of April 2016)



### Action Plan

Plan duration	April 2016 – March 2018
Numerical targets	5% ratio of female managers
Description of initiatives	<ul style="list-style-type: none"> <li>• Selective training of manager candidates in Performance Grade 3</li> <li>• Selection of targets in spring evaluation and rolling</li> <li>• Establishment of training plan (support for each division and staff)</li> <li>• Off-JT programs offered (mentor systems, leadership training)</li> </ul>
Timing of initiatives	Implemented as needed from 2016 spring evaluation



# Globalizing Human Resources

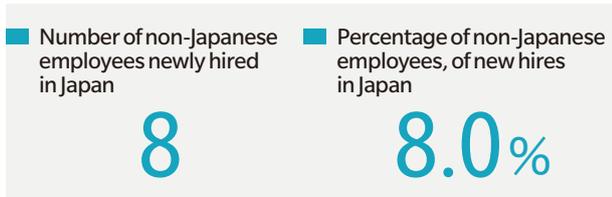


## Main Initiatives in Fiscal 2015

### Hiring of Global Human Resources in Japan

Konica Minolta proactively hires non-Japanese employees and Japanese people with experience living outside Japan, in hiring new graduates in Japan. These global human resources are intended to strengthen the ability of the company's workforce to perform in the international community. Numerical targets are not set, but Konica Minolta is gradually increasing these hires up to a total of 20% of the workforce. The company makes the most of the diverse perspectives and skills that these individuals possess to bring new energy to its business.

#### Hiring of Global Human Resources in Fiscal 2015 (Joining in April 2016)



### Dynamically Deploying Global Human Resources

Konica Minolta is building a platform consisting of a framework, tools, and concepts to train and make the most of its global human resources. Through this platform, a single human resource management system will

be created to include North America, Europe, China and other regions in Asia. Globally standardized evaluation criteria will be used to assess executives and match employees with job opportunities.

Konica Minolta organizes a Global Strategy Council—a collegial body composed of top managers from both in and outside of Japan—to ensure that the knowledge and perspectives of executives from Group companies outside of Japan are incorporated in the management of the Group. In fiscal 2015, Konica Minolta, Inc. management held invigorating discussions on medium- and long-term management issues with three executives from Group companies outside of Japan. In fiscal 2016, the number of participants from outside Japan was increased to six in order to encourage even more lively discussions.

Most recently, Konica Minolta, Inc. appointed one non-Japanese corporate executive in fiscal 2016 to accelerate the globalization of management.



Global Strategy Council



## Business Innovation Centers: Aiming to Leverage Diversity and Create New Business



Konica Minolta established the Business Innovation Centers (BICs) as organizations dedicated to creating new businesses in fiscal 2014. The BICs bring together the experiences and knowledge of diverse employees around the world and translate these into the development of innovative businesses.

The BICs operate in the five major regions around the world —North America, Europe, Asia Pacific, China and Japan, and are made up of employees recruited locally. The directors who are responsible for running

the centers all have impressive specialist experience from outside of the company.

Based on this system, the BICs are developing innovative solutions to help meet customer needs, while collaborating with research institutions such as universities and venture capital companies. Currently, there are approximately 100 projects underway, each tailored to the market characteristics of its region and premised on market changes.

### BIC Managers in the Five Major Regions around the World

#### Europe



**Dennis Curry**  
Professional experience in creating innovation centres  
• Director, Account Strategy & Enterprise Innovation (Hewlett-Packard Development Company, L.P.)  
• CTO (North Atlantic Treaty Organization)

#### Asia Pacific



**Rachel Goh**  
Entrepreneurial corporate leader with 32 years of IT Solutions  
• VP, Business Applications (Singapore Telecommunications Limited)  
• Director, Application Services (Hewlett-Packard Development Company, L.P.)

#### North America



**Ekta Sahasi**  
Professional business incubation experience at e-Commerce  
• Director, R&D & Innovation Products (PayPal Pte. Ltd.)  
• Senior Manager, Research Lab & Innovation Program (eBay Inc.)

#### China



From the left, **Tao Xiong, Yongjun Chen, Yaojing Wang**  
This team has a broad range of expertise in marketing strategy formulation and new business development with diverse experience at Shanghai Galileo Navigation Industry, Komatsu (China) and NS Solutions (Shanghai).

#### Japan



**Takashi Hakii**  
Professional experience in IT business start-ups/Internet entrepreneur  
• Director, Supply Chain Management (PricewaterhouseCoopers Consultants Co., Ltd.)  
• Founder/CEO (TRICORN Corporation)  
• Founder/CEO (JOLLYROGER Corporation)

# Essential Requirements to Fulfill CSR

## Compliance

### Compliance Promotion System

Compliance is the highest priority for Konica Minolta in all of its corporate activities, and as such a compliance promotion structure has been established to supervise the Group overall.

At Konica Minolta, the Chief Compliance Officer determines important matters for the promotion of the Group's compliance and is responsible for promoting and overseeing compliance activities such as anti-corruption measures and personal information protection. The Chief Compliance Officer reports directly to the President and CEO of Konica Minolta, Inc., who has ultimate responsibility for Group compliance. The Chief Compliance Officer convenes the Group Compliance Committee, which is composed of officers responsible for compliance from corporate departments in charge of Group-wide functions.

Moreover, the general manager of each department of Konica Minolta, Inc. and the presidents of Group companies in Japan and overseas promote compliance in their positions as the official responsible for the compliance of their organizations. They regularly report to the Chief Compliance Officer on progress and compliance events. The Chief Compliance Officer reports regularly to the Audit Committee regarding the progress of compliance activities and important compliance issues in the Group.

### Global Group Support System

The Legal Division at Konica Minolta, Inc. drafts policies for the fiscal year and measures regarding the promotion of the Group's compliance, serving as the Group compliance support office assisting the Chief Compliance Officer. The Legal Division also assists with the compliance activities of each department and subsidiary.

In addition, the Chief Compliance Officer appoints regional compliance coordinators in Europe, North America, China, and Southeast Asia, tasking them with implementing activities to promote compliance, considering the circumstances of each region.

In fiscal 2015, the Group compliance support office and regional compliance coordinators worked together to help newly acquired companies inside and outside Japan as well as small Group companies to adopt compliance measures, seeking to instill compliance throughout the entire Konica Minolta Group.

### Internal Hotline Systems (Helpline)

Konica Minolta is working on building and improving internal hotlines. In Japan, the Group-wide helpline is available so that employees can use it to seek consultation and directly contact the President, Chief Compliance Officer, general manager of the Legal Division, or an outside lawyer via various channels such as telephone and email, when they become aware of any conduct that poses a risk of non-compliance. Similar helplines have been made available in North America and Europe, as well. Beginning in fiscal 2015, efforts were made to expand the hotline system by establishing external hotlines in China, set up so that employees can contact outside lawyers.

### Preventing Corruption

The Konica Minolta Group Guidance for the Charter of Corporate Behavior lays out basic policies on the prevention of corruption, such as prohibiting demands for the exchange of gifts and entertainment and prohibiting bribery. The Group compliance support office and regional compliance support officers analyze risks in each country and support the establishment of measures by Group companies and implementation of ongoing education, tailored to laws and customs. The Corruption Perception Index\* and other indicators are used in assessing risks in the respective countries.

There were no incidents related to bribery or corruption in fiscal 2015.

\*The Corruption Perception Index is published by Transparency International (TI), an NPO that works internationally to prevent corruption by surveying countries and ranking them according to their levels of corruption in public sector and private sector relationships.

### Complying with Antitrust Laws

The Group compliance support office and regional compliance support officers assist with the establishment of measures by Group companies and implementation of ongoing education, consistent with the laws and business environment in each region. For example, in China, specific guidelines on gifts and business entertainment are laid out in their own compliance manual, and training is given on avoiding commercial bribery. In Japan, seminars on responding to transparency guidelines in the medical industry are held. These steps reflect Konica Minolta's efforts to promote practical measures consistent with related laws in respective countries.

In fiscal 2015, there were no problems related to anti-trust laws.



[About Konica Minolta > Sustainability > CSR Activities > Compliance](#)



[About Konica Minolta > Sustainability > CSR Activities > Corporate Governance](#)



[About Konica Minolta > Sustainability > CSR Activities > Risk Management](#)



[About Konica Minolta > Sustainability > Contributing to Society](#)

## Corporate Governance

### Corporate Governance System

Konica Minolta, Inc. has established a corporate governance framework from the standpoint of supervision. This is based on the conviction that corporate governance that contributes to medium- and long-term corporate value growth must encourage suitable risk-taking in business operations and have a highly effective supervisory function for business operations. In 2003, the “company with committees” (currently “company with three committees”) structure was selected as the organizational structure in accordance with the Companies Act. In addition, to maintain a governance system devoid of personal characteristics, there have been measures to operate a governance system in a distinctive Konica Minolta style.

The company’s basic views with regard to its governance system are as follows.

- Reinforcement of management oversight for corporate value growth by separating the roles of management oversight and operation of business activities
- Election of independent Outside Directors who can perform supervision from the standpoint of shareholders
- Using these measures for improving the transparency, integrity and efficiency of management

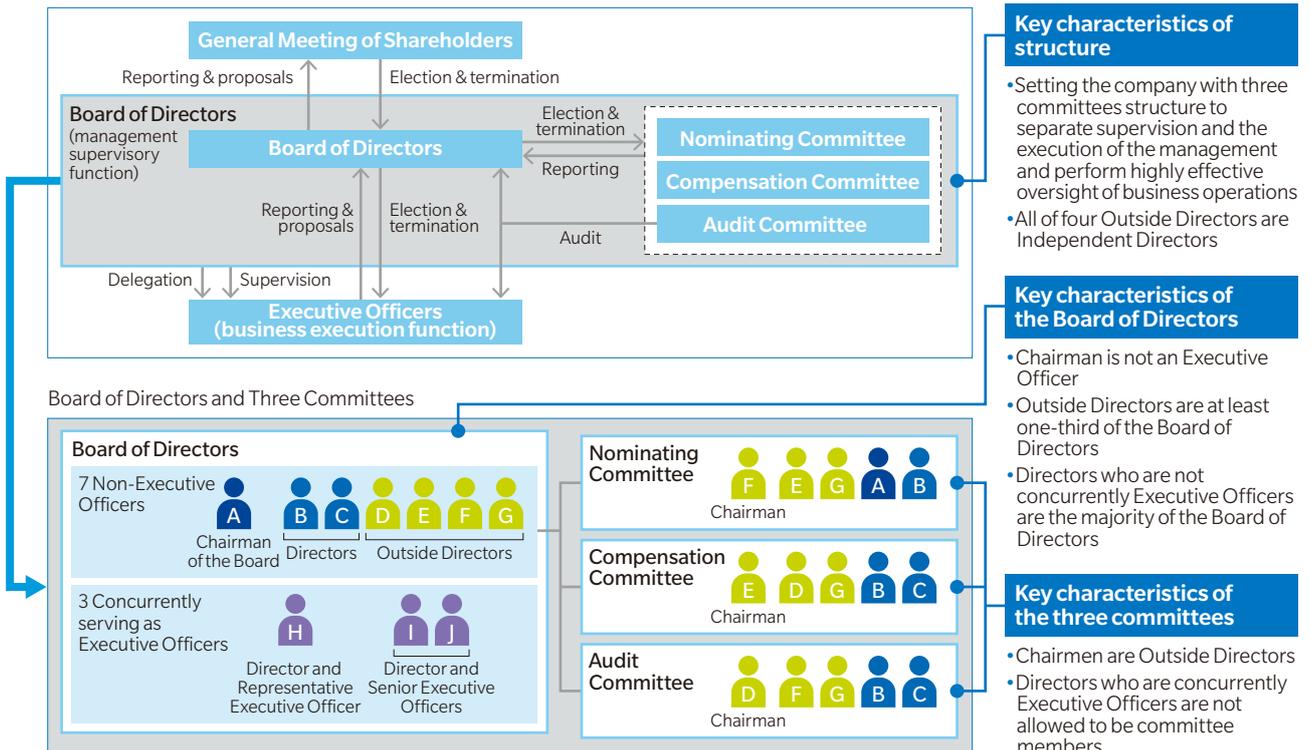
Specifically, the Board of Directors and the three committees are structured as shown in the figure below.

### Building a Risk Management System

The executive officers are responsible for managing various risks including strategic risks, financial risks, risks pertinent to environmental regulations and hazard risks. They identify and evaluate risks and develop and monitor countermeasures in their respective spheres of management.

In addition, the Risk Management Committee, chaired by an executive officer appointed by the Board of Directors, is convened periodically. The Committee examines the risks identified by each executive officer, as well as the countermeasures in place, and checks to ensure that the risk management system is functioning effectively, making revisions where necessary. The Group responds as a whole to risks judged to be particularly important, led by an executive officer appointed by the chairperson. The activities of the Risk Management Committee are periodically reported to the Audit Committee.

### Structure of Corporate Governance Systems (As of June 17, 2016)



# Essential Requirements to Fulfill CSR

## Business Continuity Management

One of the most important responsibilities of an enterprise is to maintain or rapidly resume its essential business operations in the event of a major disaster or accident. Konica Minolta is working toward this goal at Group companies worldwide, as well as across its supply chain.

At Konica Minolta, each business division and subsidiary, including the Business Technologies Business, which is Konica Minolta's core business, and the Healthcare Business, for which there is a high need during disasters, formulates a business continuity plan (BCP), laying out a specific plan of action for such an event. The Group has

also established an initial response system to decide the necessity of putting the BCP into action by gathering information such as the damage situation immediately after a disaster.

Specifically, in the event of a major earthquake in Japan, the basic policy is to keep supplying consumables and products as much as possible so as to not inconvenience customers, while continuing to provide support services to existing customers. The Group also works on preparing responses in case of an infectious disease epidemic, such as new strains of influenza for which there are concerns about a global outbreak.

## Human Rights

Human rights are universally valued rights that all people are born with. In today's world, there is a growing awareness that businesses can have a great impact on human rights.

As a company with a globally growing business, Konica Minolta views respect for human rights as one of the basic conditions for its business activities. This is in line with the company's goal of contributing to a sustainable society in which human rights are respected. The Ten Principles of the United Nations Global Compact (UNGC) include statements that "business should support and respect the protection of internationally proclaimed human rights" and "make sure that they are not complicit in human rights abuses." Konica Minolta is a signatory to the UNGC.

Konica Minolta respects the individuality, human rights and privacy of all of its employees, and strives to eliminate discrimination of all kinds, including that based on race, nationality, gender, religion or level of ability. It

also avoids all child labor and forced labor, and strives to provide safe and healthy work environments. Hotlines to report human rights violations are provided in each country as part of efforts to promote compliance.

Initiatives to ensure respect for human rights extend to the supply chain. The company works with business partners that supply raw materials and parts and carry out consigned production to enhance their human rights activities. In fiscal 2015, CSR Logistics initiatives were also introduced.

Konica Minolta has also expanded its initiatives to address conflict mineral issues by engaging its business partners in activities to prevent human rights violations resulting from conflicts at the upstream end of the supply chain.

Konica Minolta will continue to communicate with stakeholders while actively addressing human rights issues.

## Information Security

### Information Security Management

Information security is one of the most important issues for any company that wants to effectively utilize all the types of information in its possession. Konica Minolta treats information as a valuable asset and is working to ensure information security. It does this by practicing proper information management to address risks such as loss, leakage, or destruction of data, while carrying out continual improvements. Based on the leadership of the President and CEO as well as the executive officer in charge of the IT planning and management organization, Konica Minolta has established a Group-wide information security management system and is promoting a higher level of IT security and continual improvements at Group companies worldwide.

In Japan, in order to ensure information security, including not only of information handled using information technology, but also of information on paper and information about services and personnel, all Group companies in Japan have continuously maintained ISO 27001 certification, which is the international standard for information security management, since fiscal 2009. In addition, once a year risk assessments of information security are conducted and a risk management plan is formulated. At quarterly meetings of information security promoters, incident summaries are reported to the Chief Information Security Officer and instructions for necessary responses are issued. In this way, the PDCA cycle is followed.

Furthermore, measures to prevent unauthorized use and information leakage are implemented through the enactment and operation of rules relating to the management of confidential information and the establishment of systems for restricting and monitoring access to confidential information and its removal off-site. Also, education on the protection of personal information and information security is given at least once a year to all employees, including non-regular employees, of Group companies in Japan. Outside Japan as well, Group companies

have acquired ISO 27001 certification in Europe, North America, China and elsewhere. Also, all Group companies outside Japan are required to provide education on information security at least once a year. With respect to cyber attacks, which have been on the rise in recent years, the Group maintains the necessary systems with awareness of the importance of risks and initiatives, at the management level, based on the Cybersecurity Management Guidelines formulated by Japan's Ministry of Economy, Trade and Industry.

Finally, Konica Minolta is putting in place IT security controls, which are a part of the IT controls required under the Financial Instruments and Exchange Act (Japanese Sarbanes-Oxley Act) while ensuring compatibility within the Group.

### Protecting Personal Information of Customers

Konica Minolta, Inc. has established a privacy policy and rules for the protection of personal information. In accordance with this policy and rules, the company has established a system for protecting personal information and properly manages the personal information in its possession. In addition to internal team training on compliance, the company uses e-learning to keep employees informed of the privacy policy and rules for the protection of personal information.

In the event that a leakage of information, including personal information held by Konica Minolta, Inc., is confirmed or liable to have occurred, an event/incident report would be made under the information security management system. The persons responsible for the protection of personal information and for departmental compliance in each department would immediately check the facts and degree of impact and submit a report to the Personal Information Protection Control Officer and the Group Compliance Committee.

In fiscal 2015, there were no problems with leakage of personal information.

## Social Contribution Activities

### Konica Minolta Basic Policy on Social Contribution Activities

As a responsible, global corporate citizen, Konica Minolta makes Groupwide efforts to address social issues that it can contribute to through its businesses in order to be an entity that is essential to society. It is also committed to contributing to the creation of a sustainable society by continually engaging in activities that meet local challenges in the various countries where it operates.

### Main Initiatives in Fiscal 2015

#### USA

#### Wide-Ranging Support for Disadvantaged People

Konica Minolta Business Solutions U.S.A. is involved in a wide range of community support activities including initiatives to support education, healthcare and environmental sustainability. The company organizes annual food drives for families in need and runs various programs including the Books2BETTER program to put books in the homes of low-income students. In fiscal 2015, employee volunteers worked with a non-profit organization on a hands-on agricultural program to deliver organic farm produce to families in need.



Hands-on agricultural project

#### China

#### Educational Support for Children

Konica Minolta Group companies in China provide support to local schools on an ongoing basis. In fiscal 2015, Konica Minolta Business Technology Development (Wuxi) began a program that donates books to elementary schools in Wuxi. About 200 new books have been donated.



Book presentation ceremony

#### Japan

#### Cooperation with Science Education as Visiting Teachers

Since fiscal 2012, Konica Minolta, Inc. has sent its new employees out to schools to give classes as guest lecturers.

These classes deal with the copying functions of MFPs in an attempt to redress the loss of interest in science. Actual machines are used to help students understand how static electricity is used to make copies.

In fiscal 2015, 112 new employees embraced this teaching role, visiting junior and senior high schools in Tokyo, Aichi and Osaka (8 schools) to give classes to a total of 748 students. Konica Minolta won the Hall Special Prize and the Silver Prize at the Education Support Grand Prix 2015.



Using a manual copier

#### Czech Republic

#### Support for Women's Career Development

Konica Minolta collaborated with the NGO Impact Hub and Czechitas on capacity building to support women's career development and to build up the IT knowledge of women in the Czech Republic.

As a program co-sponsor, Konica Minolta dispatched IT experts to workshops designed to enhance the IT knowledge and entrepreneurial knowhow of women who aspire to find employment in the IT industry, change jobs, or launch their own business. The goal was to promote the career development of women in the IT industry and thereby encourage diversity in this industry.



Workshop

# Evaluation of CSR by External Parties

Konica Minolta, Inc. is included in major international socially responsible investment (SRI) indexes. The company has been included in the World category (since 2012) and Asia Pacific category (since 2009) of the Dow Jones Sustainability Index (DJSI) issued by U.S.-based S&P Dow Jones Indices and Swiss-based RobecoSAM.

The company has also been included in the FTSE4Good Global Index (since 2003).

Konica Minolta has received high marks from

various other SRI research institutes, such as the Silver Class rating from RobecoSAM and the Prime Status in the corporate ratings for CSR from oekom research AG.

Additionally, Konica Minolta was included in the Japan 500 Climate Disclosure Leadership Index (CDLI) 2015 of CDP, an international NGO working to build a sustainable economy.

(As of March 31, 2016)

## Inclusion in SRI Indices

Maintained inclusion in the Dow Jones Sustainability World Index

Maintained inclusion in the FTSE4Good Global Index

Maintained inclusion in the Morningstar Socially Responsible Investment Index (MS-SRI)



## Evaluations by International CSR Rating Agencies

Ranked Silver Class 2016 by RobecoSAM, an investment specialist group focused on sustainability investing

Selected for CDP's Japan 500 Climate Disclosure Leadership Index 2015 (CDLI)

Selected for Prime Status in the corporate ratings for CSR by oekom research AG, one of the leading rating agencies worldwide in the field of sustainable investment



## Corporate Evaluation in Japan

Ranked first place for the second straight year in the overall manufacturing sector in the 19th Environmental Management Survey conducted by Nikkei Inc.

Chosen for the second straight year for inclusion in the Health and Productivity Stock Selection, a joint project of Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange

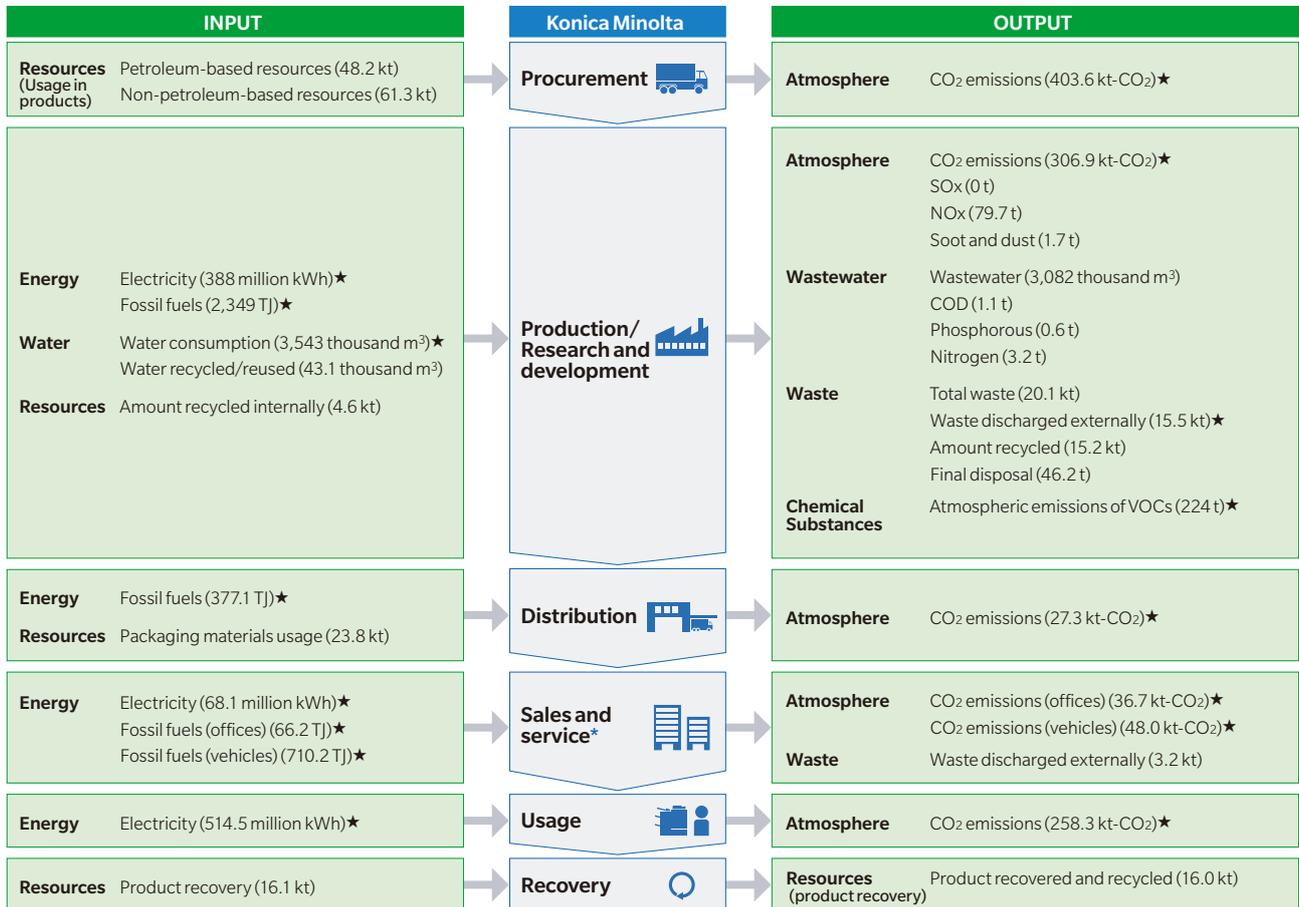
Recognized as the company with the best long-term goal at the 2016 Low-Carbon Cup



[About Konica Minolta](#) > [Sustainability](#) > [CSR Activities](#) > [Evaluation of CSR by External Parties](#)

# Environmental Data Summary

## Overall View of Environmental Impacts Resulting from Business Activities



\* Boundary: All consolidated sales companies worldwide

## Product Lifecycle CO<sub>2</sub> Emissions★

■ Product use ■ Sales and service (offices and vehicles) ■ Distribution ■ Production ■ Procurement stage (kt-CO<sub>2</sub>)



**Notes 1.** The method used to calculate CO<sub>2</sub> emissions at the procurement stage for business technology products was revised in fiscal 2015 to raise the accuracy of data. The effect of this change in the method was a 19.8 thousand tons increase in CO<sub>2</sub> emissions at the procurement stage.

**2.** Figures do not necessarily add precisely to the total due to rounding.

★: Indicators assured by KPMG AZSA Sustainability Co., Ltd.

## Calculating CO<sub>2</sub> Emissions across the Entire Supply Chain

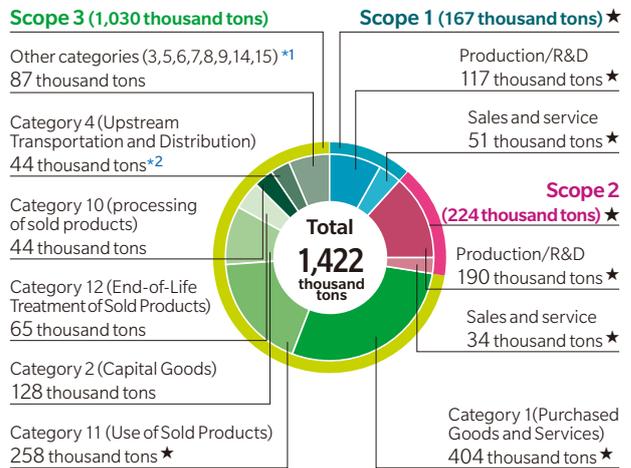
Konica Minolta has calculated the CO<sub>2</sub> emissions associated with the Group's activities across its entire supply chain, from the upstream to the downstream aspects of its operations, based generally on the standards of the GHG Protocol,\* the international standard. In fiscal 2015, the calculation showed that CO<sub>2</sub> emissions throughout the supply chain were approximately 1.42 million tons, which represents an increase of approximately 4% over fiscal 2014. In fiscal 2015, category 9 (downstream transportation and distribution) and category 10 (processing of sold products) were added to calculations. When excluding this impact, CO<sub>2</sub> emissions fell slightly overall compared to the previous fiscal year. Emissions from the Group's activities—including direct emissions from fuel use (Scope 1) plus indirect emissions from the consumption of purchased electricity, heat or steam (Scope 2)—totaled approximately 0.39 million tons, or approximately 28% of all emissions. Other indirect emissions (Scope 3) associated with the Group's activities totaled approximately 1.03 million tons, accounting for approximately 72% of all emissions.

CO<sub>2</sub> emissions for "purchased goods and services," accounted for 28.4% of emissions across the entire supply chain. The Group is continuing its work to reduce emissions by setting targets in cooperation with suppliers. It is providing technical assistance and making suggestions for the improvement of suppliers' production processes in an effort to reduce material and energy use. In product development, the company is working to develop recycled plastics and design smaller and lighter products, which reduces the input of resources. In terms of the "use of sold products," which

accounts for 18.2% of emissions, the Group is working to develop features that encourage customers to save energy, in addition to reducing the power consumption of the products themselves. Konica Minolta will share information with relevant stakeholders in the future based on the results of these calculations and move forward with CO<sub>2</sub> emissions management and reduction activities throughout the supply chain.

\*GHG Protocol: Guidelines for calculating and reporting greenhouse gas (GHG) emissions

### Overall View of CO<sub>2</sub> Emissions Across the Entire Supply Chain of Konica Minolta



\*1 Categories 3 (Fuel- and energy-related activities), 5 (Waste generated in operations), 6 (Business travel), 7 (Employee commuting), 8 (Upstream leased assets), 9 (Transportation and distribution), 14 (Franchises), and 15 (Investments)

\*2 CO<sub>2</sub> emissions attributed to product distribution: 27 thousand tons ★

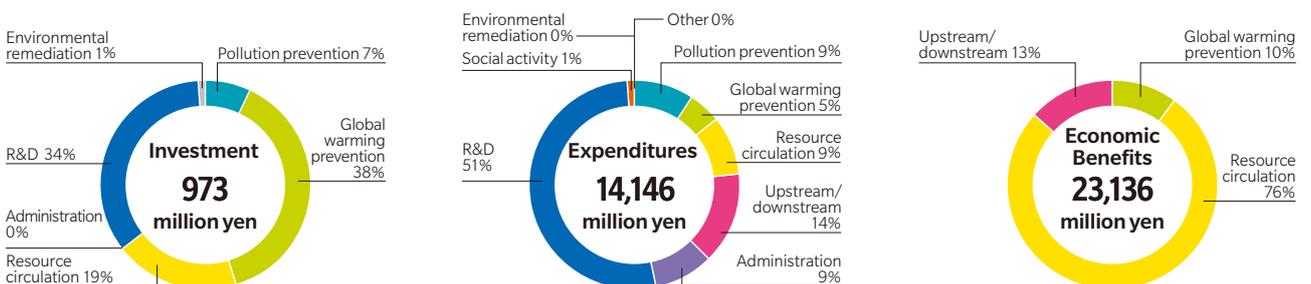
Note: Figures do not necessarily add precisely to the total due to rounding.

## Environmental Accounting

Konica Minolta has implemented global-scale, consolidated environmental accounting in order to quantitatively assess the costs of environmental preservation in business operations and the benefits obtained from those activities.

Expenses in fiscal 2015 were approximately 14.1 billion yen, about the same as in fiscal 2014. Expenses were pri-

marily incurred for the development of environmentally friendly products in the areas of business technologies and functional products. Investments were about 1.0 billion yen and consisted primarily of investments related to next-generation products in functional materials and regular facility updates.



Note: Percentages do not necessarily total to 100 because of rounding.

# Human Resources Data Summary

## Employee Composition by Employment Status

(As of March 2016)

	Regular employees	Non-regular employees*	Total
Konica Minolta, Inc.	6,198	2,152	8,350
Group companies in Japan	5,766	1,818	7,584
Group companies outside Japan	31,368	2,148	33,516
Konica Minolta Group (worldwide)	43,332	6,118	49,450

\*Non-regular employees: Contract or temporary employees

## Number of Employees, by Gender

(As of March 2016)

	Fiscal 2015	
	Women	Men
Konica Minolta Group (worldwide)	12,833	30,499

## Percentage of Management Positions Held by Women

(As of April of the following fiscal year)

	Fiscal 2013	Fiscal 2014	Fiscal 2015
Konica Minolta, Inc.*1	2.1%	2.7%	3.4%
Konica Minolta Group (worldwide)*2		15.1%	15.3%

\*1 Includes employees seconded to Group companies

\*2 Covers at least 89% of the consolidated Group on a number of personnel basis

## Percentage of Employees with Disabilities

(As of June of each fiscal year)

	Fiscal 2013	Fiscal 2014	Fiscal 2015
Employment rate	1.94%	2.02%	2.03%

**Coverage:** Konica Minolta, Inc. in fiscal 2013. In fiscal 2014, Konica Minolta, Inc., Konica Minolta With You, Inc., and Konica Minolta Electronics Co., Ltd. In fiscal 2015, Konica Minolta, Inc., Konica Minolta With You, Inc., Konica Minolta Japan, Inc., Kinko's Japan Co., Ltd. and Konica Minolta Mechatronics Co., Ltd.

## Percentage of Local Hires at Subsidiaries Outside Japan

(As of March of each fiscal year)

	Fiscal 2014	Fiscal 2015
President	59%	61%
Senior staff	53%	53%



## Indicators Related to Work-Life Balance

	Fiscal 2014	Fiscal 2015
Percentage of paid leave taken	55.8%	57.5%
Annual overtime hours worked per employee	58 hours	58 hours
Annual total hours worked per employee	1,792 hours	1,787 hours

**Note:** Figures are for regular employees of Konica Minolta, Inc.

## Work-Life Balance Support Program Use

(persons)

	Fiscal 2013		Fiscal 2014		Fiscal 2015	
	Women	Men	Women	Men	Women	Men
Maternal health management leave	1		2		4	
Maternity leave	30		19		32	
Spousal maternity leave		129		115		144
Parental leave	61	2	61	5	53	14
Shorter working hours for childcare	156	3	159	3	158	3
Work-at-home during child-rearing	16	2	18	2	20	3
Nursing care leave	1	0	0	3	0	1
Shorter working hours for nursing care	0	0	0	0	0	0

**Note:** Figures are for regular employees of Konica Minolta, Inc.

## Percentage of Employees Who Return to Work after Childcare Leave

	Fiscal 2013	Fiscal 2014	Fiscal 2015
Work resumption rate	100%	100%	100%

**Note:** Figures are for regular employees of Konica Minolta, Inc.

## Percentage of Unionization

(As of March of each fiscal year)

	Fiscal 2014	Fiscal 2015
Konica Minolta Group (worldwide)	72%	86%

**Note:** Figures are for non-managerial employees.

## Retention Status of Employees

	Fiscal 2013	Fiscal 2014	Fiscal 2015
Turnover rate	0.4%	0.7%	0.7%
Percentage of new employees leaving within three years	2.0%	1.8%	6.3%

**Note:** Figures are for regular employees of Konica Minolta Inc. The percentage of new employees leaving within three years is defined as the percentage of employees who leave their job within three years of joining the company (as of April 1 each year).

# Expert Opinion of Konica Minolta's CSR Report

We asked Yoshinao Kozuma, Professor of Economics at Sophia University, to give us feedback on this report. His comments are presented below. We will use this feedback to improve our future CSR activities and our 2017 CSR Report.



**Yoshinao Kozuma**  
Professor, Faculty of Economics,  
Sophia University

## 1. Review of Materiality Analysis Method

In my opinion, the extensive overhaul using the materiality analysis method is the most important result of Konica Minolta's fiscal 2015 efforts. Konica Minolta's CSR management has strengthened the CSV aspects in recent years. The lineup of the newly identified six material issues reflects the integration of environmental and social considerations into business activities. One can easily understand the way the company's management philosophy, "The Creation of New Value," simultaneously "generates value for society" and "improves corporate value."

Focusing on the material issue of "social innovation," Konica Minolta aspires to become a problem-solving digital company by creating products and services that are effective in solving social issues with its highly sophisticated and unique technologies. I have great hopes that this focus will propel Konica Minolta's shift to a business model that will help to realize a sustainable society.

## 2. Further Augmentation of Information Disclosure

I also saw improvements in information disclosure. For example, the number of pages dedicated to summarizing data on human resources was doubled, and new indicators were added, including the percentage of employees returning from childcare leave, the union membership ratio, and employee retention rates. In the area of "human capital," one of the new material issues, Konica Minolta has pursued work-style reform since April 2015, and has added indicators related to work-life balance that gauge the effect of measures prohibiting overtime past 8 pm, as well as other initiatives.

In fiscal 2013, regulations on conflict minerals were added to the CSR procurement guidelines, followed in fiscal 2014 by the establishment of guidelines on conflict minerals. In fiscal 2015, configuration data on conflict-free smelters accredited by the CFSI began to be disclosed. These improvements were very impressive as evidence that the PDCA process is functioning well.

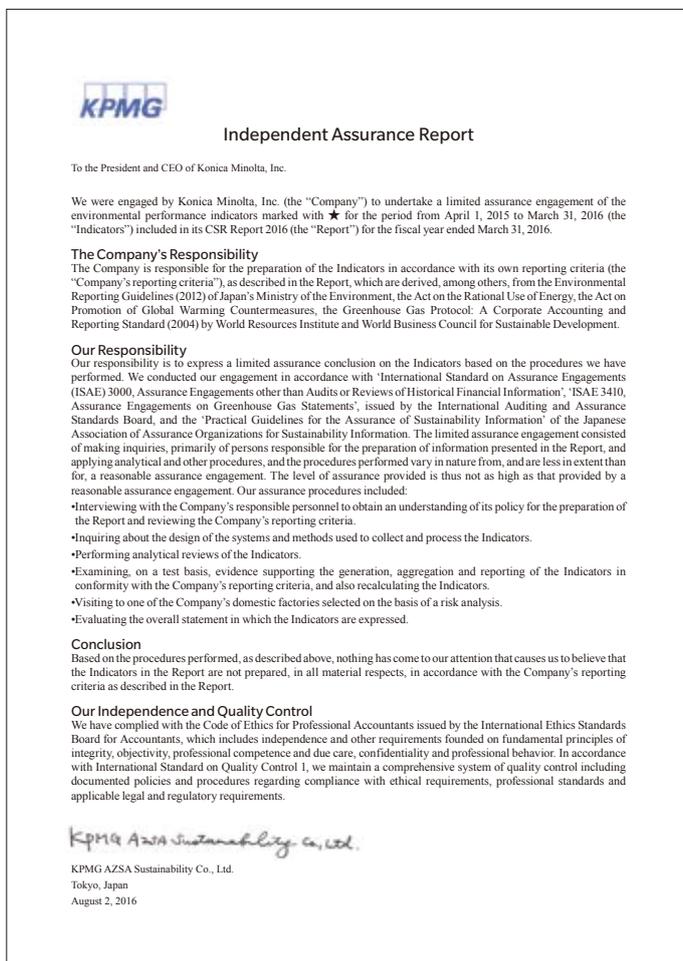
## 3. Assessment of Results of CSR Management

Konica Minolta has released greenhouse gas emission data on a value chain basis since fiscal 2013. This shows that about 70% of all emissions fall into the scope 3 category. Much of this consists of "purchased goods and services" (category 1) and "use of sold products" (category 11). The trend over the past four years shows that the actual emissions and percentage of total emissions have been declining for category 11, but there has not been much improvement in category 1. CO<sub>2</sub> emissions over the product lifecycle are decreasing over time, but given that Konica Minolta is reinforcing CSR procurement by carrying out assessments and audits based on the EICC Code of Conduct, category 1 management should be explained in greater detail.

I would also like to see additional information, including causal analysis, that explains why the targets for the frequency rate for accidents causing absence from work have not been achieved either in or outside of Japan since fiscal 2007.

# External Assurance

Konica Minolta engaged KPMG AZSA Sustainability Co., Ltd. to provide assurance on whether its CO<sub>2</sub> emissions from procurement, production/research and development, product distribution, sales and service, and product usage; energy use; waste discharged externally from manufacturing; 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. Indicators that have been assured by KPMG AZSA Sustainability Co., Ltd. are marked with ★.



Period: March to June 2016  
On-site audit of the Osakasayama site of  
Konica Minolta, Inc.



## Comments from the Assurance Provider

Naomi Sugo, KPMG AZSA Sustainability Co., Ltd.

The context of this CSR report is a reevaluation of materiality and a reorganized system for CSR initiatives that focus on the material issues the company has identified.

The report is organized by material issues, with each section introducing the "Background and Issues," "Vision," and "Key Measures and KPIs" for each material issue. These sections clearly explain why Konica Minolta has chosen to address these issues and the courses of action it has set. There has been progress in the disclosure of quantitative information. For example, the report discloses the company's specific action plan for supporting its female employees, such as promoting women to managerial positions and aggressively hiring new female graduates, thereby communicating Konica Minolta's approach to readers in a succinct manner.

This report also introduces a new material issue, "social innovation," which reflects Konica Minolta's aspiration to become a solutions-oriented digital company that resolves social issues. Going forward, it is important that the company provide more specific explanations concerning the ways in which the Konica Minolta Group's technologies and resources can be used to resolve social issues, which issues it will address, and how this will improve corporate value.

With companies expected to make a contribution to the realization of the Sustainable Development Goals (SDGs), Konica Minolta's contributions to resolving social issues will be weighed heavily. I believe that Konica Minolta's innovation initiatives will play a major role as one of the ways of achieving this.

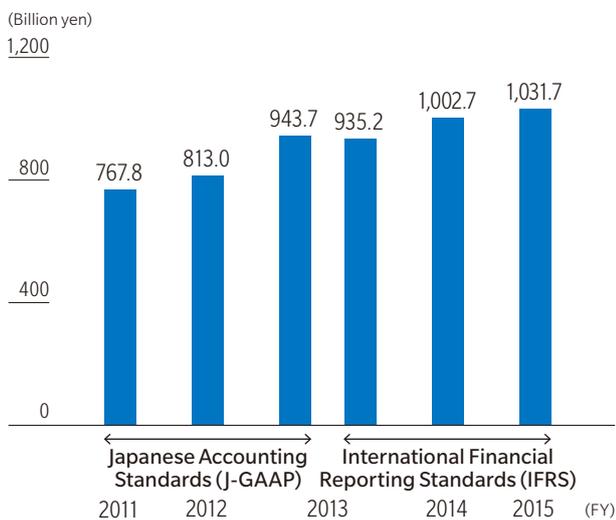
# Overview of the Konica Minolta Group

## Corporate Data

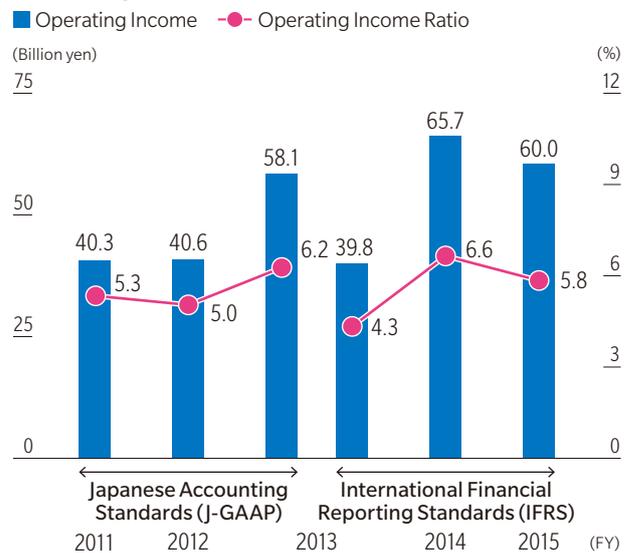
**Company name** Konica Minolta, Inc.  
**Head office** 2-7-2 Marunouchi, Chiyoda-ku, Tokyo, Japan  
**President and CEO** Shoei Yamana  
**Established** December 22, 1936  
**Paid-in capital** 37,519 million yen (as of March 31, 2016)

**Fiscal year-end** March 31  
**Number of employees**  
 Non-consolidated: 6,198 (as of March 31, 2016)  
 Consolidated: 43,332 (as of March 31, 2016)

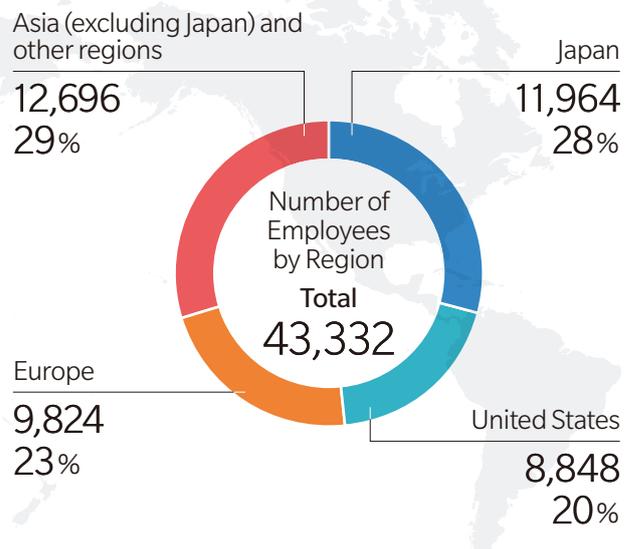
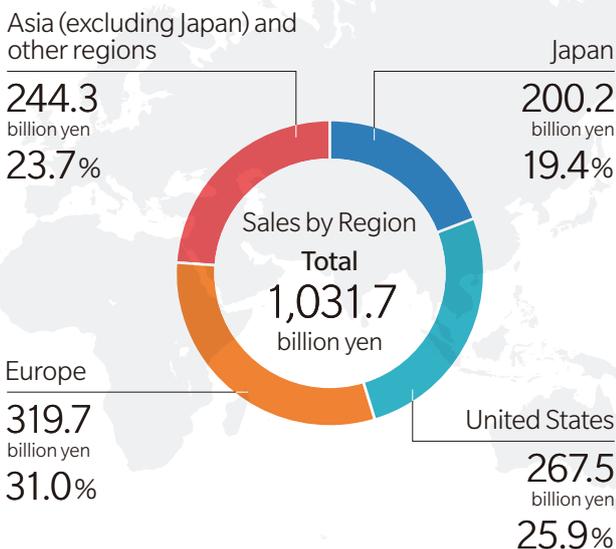
## Consolidated Net Sales



## Consolidated Operating Income / Operating Income Ratio



## Global Network



## Business Domains

Business Segments	Applications	Principal Products and Services
<p>Business Technologies Business</p>  <p>80.7% of sales</p>	Office Services	<ul style="list-style-type: none"> <li>• MFPs (Multi-functional peripherals)</li> <li>• Laser printers</li> <li>• Facsimile machines</li> <li>• Software and peripheral devices</li> <li>• Cloud services</li> <li>• OPS (Optimized Print Services)</li> <li>• MCS (Managed Content Services)</li> </ul> 
	Commercial and Industrial Printing	<ul style="list-style-type: none"> <li>• Digital color printing systems</li> <li>• Digital monochrome printing systems</li> <li>• Digital color-proofing systems</li> <li>• Prepress production systems</li> <li>• Inkjet print heads</li> <li>• Inkjet inks</li> <li>• Inkjet textile printers</li> <li>• Sheet-fed inkjet printers</li> </ul> <ul style="list-style-type: none"> <li>• Marketing Print Management (MPM)</li> <li>• Marketing Management Service (MMS)</li> <li>• Digital marketing</li> </ul> 
<p>Industrial Business</p>  <p>10.3% of sales</p>	Performance Materials	<ul style="list-style-type: none"> <li>• TAC film for LCD polarizers</li> <li>• VA-TAC film for increasing viewing angle</li> <li>• High-precision photo plates</li> <li>• Barrier film</li> <li>• Mirror film</li> <li>• Functional film for windows</li> <li>• Organic light emitting diode (OLED) lighting</li> </ul>  
	Optical Systems for Industrial Use	<ul style="list-style-type: none"> <li>• Lens units</li> <li>• Pickup lenses for optical disks</li> <li>• Spectrophotometers</li> <li>• Illuminance meters</li> <li>• Spectroradiometers</li> <li>• Spectrometers</li> <li>• Digital manufacturing</li> </ul>  
<p>Healthcare Business</p>  <p>8.7% of sales</p>	Healthcare Business	<ul style="list-style-type: none"> <li>• Digital X-ray diagnostic imaging systems (CR, DR)</li> <li>• Digital mammography</li> <li>• Diagnostic ultrasound systems</li> <li>• Medical imaging filing systems</li> <li>• All-in-one medical imaging information workstations</li> <li>• Pulse oximeters</li> <li>• Jaundice meters</li> <li>• Diagnosis medicine</li> <li>• Medical ICT services</li> <li>• Nursing care support services</li> </ul>  



**KONICA MINOLTA**

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