

CSR Management

Basic Approach

Konica Minolta aims to establish itself as an innovative, constantly evolving company that is vital to society by putting into practice its management philosophy, "The Creation of New Value." This is why the Group strives to contribute to the resolution of societal challenges by creating value that improves the quality of our world through its business endeavors. Konica Minolta's CSR activities are guided by this management philosophy and vision, and they 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 Charter of Corporate Behavior as a basis for understanding and putting the Charter into practice. The Group Guidance articulates Konica Minolta's commitment to acting in compliance with international social norms such as the United Nations Global Compact, in which the company participates, and the Universal Declaration of Human Rights.



The Global Compact's Ten Principles

Human Rights	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.
Labour	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
Environment	Principle 6:	the elimination of discrimination in respect of employment and occupation.
	Principle 7:	Businesses should support a precautionary approach to environmental challenges;
	Principle 8:	undertake initiatives to promote greater environmental responsibility; and
Anti-Corruption	Principle 9:	encourage the development and diffusion of environmentally friendly technologies.
	Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.

Management Philosophy

The Creation of New Value

Konica Minolta Group Charter of Corporate Behavior

Corporations, in addition to being economic 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.

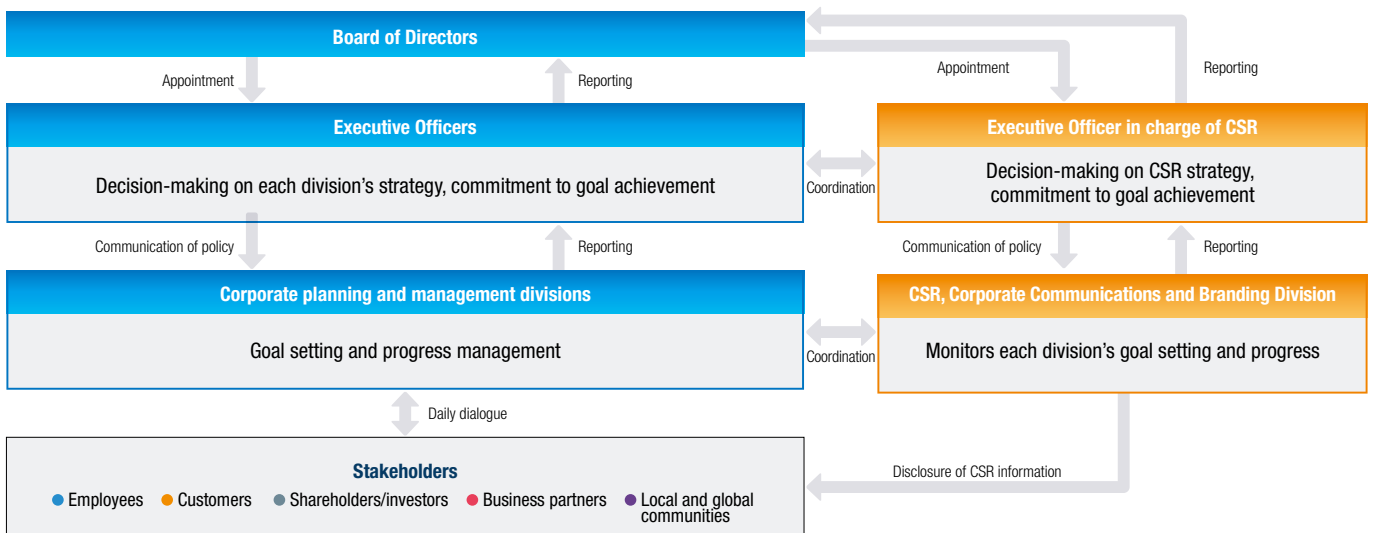
CSR Management System

At Konica Minolta, 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. Directly reporting to him or her is the CSR, Corporate Communications and Branding Division, which sees to the implementation of CSR management for the entire Group.

The manager of the CSR, Corporate Communication and Branding 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 Management Council meets in a timely fashion to deliberate, keeping CSR at the forefront of management decisions.

Regarding environmental management, safety and quality control, the Corporate Social Responsibility Division reports to the executive officer responsible for these issues. The division organizes committees and meetings composed of managers responsible for each of these three areas, and drafts policies, constructs systems, and manages progress on a Group-wide basis.



	Characteristics of Stakeholders	Tools and Opportunities for Communication
Customers	Konica Minolta does business around the world. Major customers of Konica Minolta's main business operations are corporations, government agencies, and hospitals.	<ul style="list-style-type: none"> • Providing customer service via websites and call centers • Providing product information via websites and newsletters • Conducting customer satisfaction surveys • Exchanging information via visits to customers • Exchanging information at showrooms and trade shows • Holding seminars
Business Partners	Konica Minolta procures raw materials, parts and components from different companies depending on the type of business. The majority of these suppliers are located in Japan, China, and elsewhere in Asia.	<ul style="list-style-type: none"> • Holding suppliers' meetings • Procurement Collaboration System • Conducting CSR surveys (self-assessment questionnaires)
Shareholders and Investors	Since Konica Minolta 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"> • Shareholders' meetings • Briefings for investors • Visits to investors • Briefings for business analysts and institutional investors • Annual reports • IR website
Employees	Konica Minolta employs 41,598 people worldwide. Of those, 29% are in Japan, 22% are in Europe, 19% are in North America, and 30% are in China and elsewhere in Asia, and others (Figures are based on total regular employees of consolidated companies, as of March 31, 2015).	<ul style="list-style-type: none"> • Interactive intranet • Group journal • Employee attitude surveys • Dialogue with labor unions • Offering internal help line systems • Exchanging opinions during inspection tours of production sites by senior staff • Holding town meetings attended by senior staff
Local and Global Communities	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"> • Activities that contribute to local communities • Community briefings and invitational events • Sending speakers to lectures and places of education • Industry group activities • Environmental reports and websites • Public relations activities through publishing international publications and websites
Global Environment	As a manufacturer, Konica Minolta engages in various operations that impact the environment. For instance, it generates CO ₂ emissions, which contribute to climate change because of the use of materials derived from petroleum, which is a dwindling natural resource, and this affects ecosystems in various ways.	<ul style="list-style-type: none"> • CSR reports, environmental reports, and websites • Community briefings and explanatory meetings • Collaboration with research institutions

CSR Management

Identify Material CSR Themes and Setting Goals

At Konica Minolta, Inc., the CSR, Corporate Communications & Branding Division coordinates with the corporate planning and management divisions within the Group to identify material themes and set goals for CSR activities and monitor their progress and outcomes.

By identifying material themes and setting priority goals for CSR activities, Konica Minolta aims to address issues that are

most important to stakeholders by analyzing feedback obtained by communicating with them in a variety of ways. In addition, it considers international guidelines related to CSR, including the UN Global Compact and ISO 26000. Further, it summarizes and organizes risks and opportunities considered when formulating business plans in each business field. Based on the results, the Group selects the issues that are most material to society and that have a great impact on business and identifies them as material themes and sets priority goals.

Flow for Identifying Material CSR Themes and Setting Goals



Konica Minolta's Inclusion in Socially Responsible Investment Indexes

Konica Minolta has been included in several international socially responsible investment (SRI) indexes. The company has been included in the World category (three years straight) and Asia Pacific category (six years straight) of the Dow Jones Sustainability Index (DJSI) issued by U.S.-based Dow Jones and Swiss-based RobecoSAM. The company has also been included in the FTSE4Good Global Index for 12 straight years as well as the Morningstar Socially Responsible Investment Index (MS-SRI).

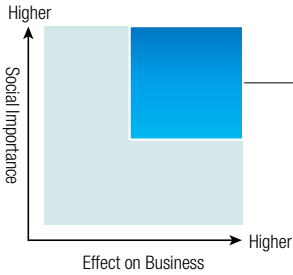
Konica Minolta has received high marks from various other SRI research institutes, such as inclusion in the RobecoSAM Sustainability Yearbook's Gold Class rating (its highest CSR

rating), the Prime rating for CSR by oekom research AG, Forum Ethibel's Ethibel Pioneer and Ethibel Excellence investment universes.

Additionally, Konica Minolta was included in the Climate Performance Leadership Index (CPLI) 2014 and the Japan 500 Climate Disclosure Leadership Index (CDLI) of CDP, an international NGO attempting to create a sustainable economy. Konica Minolta was the only Japanese company to be included in both the CPLI and CDLI in the information technology sector this year.

(As of March 31, 2015).

Konica Minolta's Material CSR Themes



Material CSR Themes	Boundary	GRI G4* Aspects
Assuring product safety and preventing quality-related problems	Group	Customer Health and Safety
Increasing customer satisfaction	Group	
Promoting CSR throughout the supply chain	Suppliers	Supplier Labor Practices / Human Rights / Impact on Society
Enhancing communication with shareholders and investors	Group	
Leveraging and developing diverse human resources	Group	Training and Education
Fostering a culture committed to "Health-First"	Group	Occupational Health and Safety
Promoting occupational health and safety	Group	Occupational Health and Safety
Implementing social contribution activities around the world	Group	Local Communities
Green products	Customers	<ul style="list-style-type: none"> • Materials • Energy
Green factories	<ul style="list-style-type: none"> • Group • Suppliers 	<ul style="list-style-type: none"> • Emissions to Air • Products and Services
Green marketing	<ul style="list-style-type: none"> • Group • Customers 	<ul style="list-style-type: none"> • Transport

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

MEMBER OF
Dow Jones Sustainability Indices
 In Collaboration with RobecoSAM



CSR Management

Targets and Results

Stakeholders	Material Theme	Fiscal 2014 Targets
Customers	Assuring product safety and preventing quality-related problems	<ol style="list-style-type: none"> 1. Number of serious product-related accidents*1: 0 2. Improve the quality of products, sales and service throughout the product lifecycle*2
	Increasing customer satisfaction	
Business Partners	Promoting CSR throughout the supply chain	<ul style="list-style-type: none"> • Audit Konica Minolta group production sites and suppliers • Support suppliers in achieving independent initiatives • Clarify incentives for suppliers
		<ul style="list-style-type: none"> • Establish and promote a conflict minerals compliance policy • Expand scope of initiatives
Shareholders and Investors	Enhancing communication with shareholders and investors	<ul style="list-style-type: none"> • Actively disseminate information and encourage understanding of TRANSFORM 2016, the new medium-term management plan (both institutional and individual investors)
		<ul style="list-style-type: none"> • Expand effective contents and practice PR to encourage individual investors to purchase Konica Minolta stock
		<ul style="list-style-type: none"> • Feed individual investors' opinions back and disseminate information that helps make Konica Minolta a more attractive investment choice
Employees	Leveraging and developing diverse human resources	<ul style="list-style-type: none"> • Promote globally shared HR policies based on a platform for human resources development and deployment • Instill the KM philosophy and promote the development of a system for carrying out worldwide human resources development and deployment
	Fostering a culture committed to "Health-First"	<ol style="list-style-type: none"> 1. Establish Health KM2016 medium-term health plan and start rolling it out • Establish goals for level of health and work toward them following a three-year plan • Minimize the number of employees with health risks • Increase health awareness through visualization of employees' levels of health
	Promoting occupational health and safety	<ol style="list-style-type: none"> 1. Number of serious accidents**4: 0 2. Frequency rate of accidents causing absence from work: 0.1 or less <ul style="list-style-type: none"> • Enhance cultivation of a culture of safety: involvement of senior management in safety, safety management in the workplace, and raising the safety awareness of individuals • Improve global health and safety management • Enhance intrinsic safety of equipment (risk reduction)
Local and Global Communities	Implementing social contribution activities around the world	<ul style="list-style-type: none"> • CSR report 2015 P.44 Typical examples of social contribution activities in fiscal
Global Environment	Green products	
	Green factories	<ul style="list-style-type: none"> • P.21-22 Medium-Term Environmental Plan Progress Report
	Green marketing	

*1 **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

*2 **Product lifecycle:** All processes from product planning through procurement and production to sales and service

Fiscal 2014 Results	Fiscal 2015 Targets
<p>1. Number of accidents: 0</p> <p>2. Improve the quality of products, sales and service throughout the product lifecycle*2</p> <ul style="list-style-type: none"> Conducted risk assessment training with the aim of ensuring product safety In the Business Technologies Business, measured the global NPS Score*3 and implemented measures with development, production, and sales working together based on customer feedback In the Healthcare Business, increased the rate of issues resolved by the Call Center from 60% when it was opened to 80% 	<p>1. Number of serious product-related accidents*1: 0</p> <p>2. Improve quality throughout the product lifecycle*2</p>
<ul style="list-style-type: none"> Conducted EICC audits on Konica Minolta group production sites Considered support programs for suppliers Considered incentive programs for suppliers 	<ul style="list-style-type: none"> Request suppliers to practice CSR Conduct CSR assessments and audits Clarify support programs for suppliers Clarify incentive programs for suppliers
<ul style="list-style-type: none"> Established and published a Konica Minolta Conflict Minerals Policy Statement Expanded scope of conflict minerals voluntary survey in the Business Technologies Business and improved the response rate and response accuracy 	<ul style="list-style-type: none"> Proper information disclosure Further improve the response rate and response accuracy for conflict minerals surveys
<ul style="list-style-type: none"> Held a Management Policy Briefing in April and a Medium Term Business Plan Briefing in May for analysts and institutional investors with top management directly explaining basic policies and growth strategies Held company information sessions for individual investors in Tokyo in December and in Osaka in February 2015 with top management directly explaining the Group's business and growth strategies to a total of about 700 individual investors Held two company information sessions for analysts and institutional investors (in September and October) to explain the growth strategy for the Business Technologies Business 	<ul style="list-style-type: none"> Continue disseminating information to encourage understanding of the Medium Term Business Plan
<ul style="list-style-type: none"> Updated the IR website Won gold prize for the second year in a row in the Gomez IR website ranking Won highest award (first place overall) for Internet excellence from Daiwa IR Selected as best site for the second year in a row in the Nikko IR Evaluation Participated in an event for individual investors in Osaka in February 2015, directly explaining the Group's business and growth strategies through a company information session and booth presentation Held a company information session at a securities company's branch office in March 2015 	<ul style="list-style-type: none"> Maintain high external evaluations of the IR website and improve its usability for visitors Continue to hold briefings and events for individual investors
<ul style="list-style-type: none"> Held a small meeting with analysts in December, and held meetings with institutional investors in and outside Japan at opportune times to maintain two-way communication with top management Conducted questionnaires at each information session and shared the results internally, including with top management, as a reference for future IR activities 	
<ul style="list-style-type: none"> Created common evaluation standards for global senior personnel Revised the evaluation system for managers at Konica Minolta, Inc. and adopted our 6 Values as part of the evaluation axis Held town hall-style meetings between employees and the president at different sites 	<ul style="list-style-type: none"> Conduct a global employee attitude survey Run programs for systematically developing senior personnel in Asia Continue implementing the town hall-style meetings between employees and the president
<p>1. Established the Health KM2016 medium-term health plan and started rolling it out</p> <ul style="list-style-type: none"> Expanded efforts at Group-affiliated companies in Japan to encourage employees with potential health problems to consult a doctor Implemented workplace improvement measures based on results of an organizational analysis of stress checks Started operating KENPOS, a health encouragement website to support better health among employees Held walking events and exercise workshops aimed at establishment of exercise and walking habits among employees <p>2. Selected as a Health & Productivity Stock Selection in March 2015</p>	<p>1. Continue implementing the Health KM2016 medium-term health plan</p> <ul style="list-style-type: none"> Enhance and strengthen support for Group-affiliated companies in Japan Reduce the number of high-stress workplaces by strengthening workplace improvement measures Increase the continuous usage rate of KENPOS
<p>1. Number of serious accidents*4: 0</p> <p>2. Frequency rate of accidents causing absence from work: In Japan: 0.28, Outside Japan: 0.19</p> <ul style="list-style-type: none"> Enhanced cultivation of a culture of safety: Conducted safety training for managers, training to increase sensitivity to dangers, and training to increase the level of personnel with qualifications for dangerous work Global health and safety management: Held meeting of personnel responsible for health and safety in China, and training to experience simulated dangers Intrinsic safety of equipment: Conducted comprehensive risk assessments of new processes 	<p>1. Number of serious accidents*4: 0</p> <p>2. Frequency rate of accidents causing absence from work: 0.1 or less</p> <ul style="list-style-type: none"> Enhance cultivation of a culture of safety: involvement of senior management in safety, safety management in the workplace, and raising the safety awareness of individuals Improve global health and safety management Enhance intrinsic safety of equipment and conduct comprehensive risk assessments in different safety fields

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

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