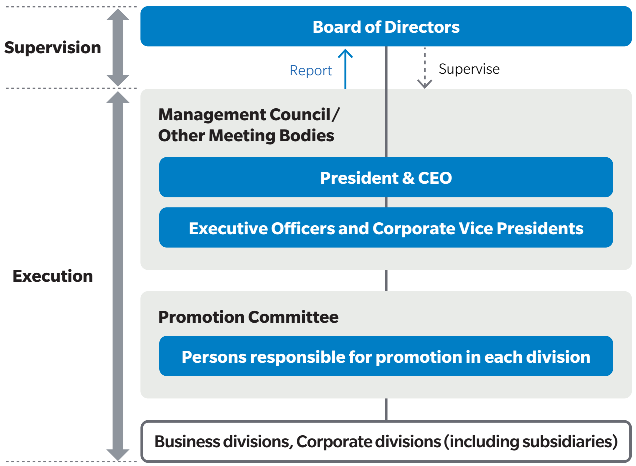
Sustainability Strategy

Management System

The President & CEO, Representative Executive Officer, has the highest responsibility and authority for overall sustainability management and is responsible for its effectiveness. Under the President & CEO, Representative Executive Officer, each executive responsible for sustainability promotes sustainability management for the entire Group. Discussions and decision-making on important sustainability issues are conducted at the Management Council and other meeting bodies, which are decision-making bodies, in the same manner as other important management issues, in order to increase connectivity with management and business strategies.

Promotion committees are set up when needed as a forum to discuss and promote the Medium-term Plan on Sustainability. For example, the Group Environmental Promotion Committee is attended by persons responsible for environmental promotion appointed by the head of each business division, corporate division, and other organizations, and deliberates on medium-term and annual plans related to the environment, checks progress on a quarterly basis, and examines environmental issues facing the Group.

Sustainability Management System



Role of the Group Environmental Promotion Committee

- Promotion of targets and implementation plans (annual plans) related to environmental activities and confirmation of progress
- Communication and review of information on the Group's environmental issues
- Consideration of agenda items required by the Group Environmental Officer

FY2024		Main report and discussion items
1st meeting	Jul.	• Review of environmental targets for fiscal 2023 and activity progress • Discussion on fiscal 2024/2025 plan response policy and review in light of internal and external changes
2nd meeting	Nov.	• Discussion on expansion of renewable energy procurement, taking into account social demands and customer needs • Discussion of measures to consider actions for formulation of the next Medium-term Business Plan • Formulation of strategies and measures for medium- to long-term CO_2 reduction at bases (Scope 1 and 2) • Green marketing strategies in strengthening businesses
3rd meeting	Feb.	• Sharing the current status of global environmental regulatory risks and necessary actions • Discussion on the outlook for fiscal 2024 environmental targets and actions for fiscal 2025

For more information: Environmental targets and results by materiality (see pages 41-42)

Material Issue Identification Process

After gaining insight into social and environmental issues expected to be critical by 2030 by examining the UN Sustainable Development Goals (SDGs), macro trends and various stakeholder requirements, Konica Minolta conducted a materiality analysis from the perspectives of social and environmental issues that must be solved and Konica Minolta's business growth. This led to the identification of five material issues for Konica Minolta to tackle.

In the process of identifying material issues, we refer to various international frameworks and guidelines, as well as requests made through dialogue with investors and other stakeholders.

By addressing these five material issues, Konica Minolta will achieve a high-level balance of supporting people to achieve their own purpose and realizing a sustainable society to enhance its corporate value over the long term. In addition, material issues are periodically verified when a new medium-term business plan is formulated.

Identification Process for Material Issues

Step 1. Issue Compilation

We have compiled an extensive list of environmental, social, and economic issues by referring to international frameworks and guidelines such as the GRI Standards and SDGs, macro trends in each specialized field, as well as requests from various ESG surveys and dialogues with investors and other stakeholders.

Step 2. Issue Identification and Prioritization

From the issues listed, areas of particular relevance to Konica Minolta's business were identified and then rated in terms of importance.

Step 3. Validity Confirmation and Issue Identification

The evaluation process for these material issues and the validity of the analysis results are verified by the Group Promotion Committee, and the material issues that should be prioritized are confirmed. After deliberation by management, the Board of Directors approves the material issues.

For more details: Material Issue Evaluation and Identification Process
https://www.konicaminolta.com/about/csr/process.html

Value Creation through Efforts toward Material Issues

Material issues	Improving fulfillment in work and corporate dynamism	Supporting healthy, high-quality living	Ensuring social safety and security	Addressing climate change	Using limited resources effectively
Industry	Automation and labor-saving of production processes and inspection procedures		Bringing about a safe work environment Quality assurance and market incidents suppression	Reduction of energy and CO_2 burdens of manufacturing and inspection processes	Reduction of losses in manufacturing and inspection processes Promotion of resource recycling
Digital Workplace	Supplying an environment where anyone can work with anyone anywhere and any time		Ensuring information security in the workplace	Realization of energy- and resource-saving workstyles	
Professional Print	Automated, labor-saving printing processes that reduce the need for skills			Reduction of energy loss in the printing supply chain	
Imaging Solutions	Mitigating burden on doctors and nurses	Early detection and diagnosis of diseases	Early detection of accident and work-related injury risks Improving the quality of medical care	Early detection of methane gas leaks and measurement of emission volume	
Vision for 2030	Improving the productivity of the Company, its customers, and all of society, make time for creativity, and encourage people to thrive	Providing the Company, its customers, and all of society with healthy, high-quality living, and let everyone have a prosperous life	Enhancing the safety and security of the jobs and lives of customers and society, while minimizing the risks posed by the Company's products and services	Reducing the Company's CO_2 emissions as well as further reducing CO_2 emissions of customers and society	Promoting efficient use of the Company's resources while creating resources' efficient usage contribution amounts for customers and society
Impact on the Company's Corporate Value	• Higher profitability from providing solutions that increase corporate clients' productivity • Reduced risk of declining autonomy and innovation through the promotion of diversity	• Higher profitability from providing solutions in the fields of healthcare and caregiving	• Higher profitability from providing solutions that contribute to social safety • Reduced risk of damage to companies and society from major incidents resulting from products and services	• Higher profitability from providing solutions that contribute to the decarbonization of corporate clients • Prevention of higher energy costs due to delays in decarbonization measures and lost sales opportunities due to delays in responding to customer requirements	• Higher profitability from providing solutions that contribute to corporate clients' efficient use of resources • Less risk associated with decreased competitiveness and supply instability due to increased resource procurement costs for the Company and delays in switching raw materials

Sustainability Strategy

Targets and Results for Each Material Issue

Material Issues	Themes		Indicators		FY2023 Results	FY2024 Targets	FY2024 Results	FY2025 Targets	FY2030 Targets
Improving Fulfillment in Work and Corporate Dynamism	Increasing Customer Productivity and Making Time for Creativity		To be formulated and released						
	Creating an organization that draws out potential talent so that individuals can thrive		Social and environmental value	GES score*1: Engagement*2	6.8	–	6.8	7.7 (Industry average)	Top 25% in industry
				GES score*1: Equity*3 Note 1	7.6(6.6)	7.8(6.7)	7.6(6.7)	8.0 (7.0) or more	–
				GES score*1: Freedom of opinion*4 Note1	7.3(6.8)	7.7(7.2)	7.4(6.9)	8.0 (7.5) or more	–
				Percentage of management positions held by women (%)*5	10.7	12% or more	11.1	13% or more	18% or more*6
				Percentage of women among new graduate recruits (%)*5	39	30% or more	34	30% or more	–
Supporting Healthy, High-Quality Living	Promoting Healthier and Higher-quality Lives at Customers		To be formulated and released						
	Developing Safe and Comfortable Workplaces Where Employees Feel Motivated	Improving organizational health score	Social and environmental value	Percentage of workplaces where stress levels exceed the appropriate range*7	5.3%	11.3%	5.9%	9.3%	–
				Average score of the organizational health survey results (10-point scale)	6.3	6.9	6.4	7.7	–
		Employee health		Presenteeism: Percentage of employees with moderate or greater impaired work function due to health problems*8	18.2%	16.1%	17.8%	15.1%	–
				Absenteeism*9: Average reduction*10 in the number of days of leave for the person on leave*11	2% increase	9% decrease	12% decrease	17% decrease	–
Ensuring Social Safety and Security	Providing Safety and Security in the Workplaces of Corporate Clients and in Society		To be formulated and released						
	Minimizing Risks Related to the Safety and Security of Konica Minolta Products and Services	Eliminating chemical substances harmful to health	Social and environmental value	Number of serious accidents*12 caused by chemical substances	0	0	0	0	0
		Enhancing user safety for products and services		Number of serious product-related accidents*13	0	0	0	0	0
		Thoroughly preventing major information security accidents		Number of serious product security incidents*14	0	0	0	0	0

Note: Target scope: Konica Minolta, Inc. However, the scope of targets of the GES score (*1) is the Konica Minolta Group (worldwide) and the data for Konica Minolta, Inc. in parentheses in Note 1.

Note. Target scope: Konica Minolta, Inc. (applies to Supporting Healthy, High-Quality Living)

*1 GES score: The average score of answers, on a scale of 0 to 10, to relevant questions in the Global Employee Survey *2 Engagement: Applicable question "How likely is it you would recommend Konica Minolta as a place to work?" (This has been corrected due to an error in the question description. This question has been used consistently since FY2021.) *3 Equity: "People from all backgrounds are treated fairly at my company." *4 Freedom of opinion: "At work, my opinions are valued." *5 Time of compilation: As of April 1 of the following fiscal year. *6 Target value as of April 1, 2030. *7 Workplaces where stress levels exceed the appropriate range: Workplaces with a total health risk of 120 or higher in stress check (A total health risk of 100 is the national average) *8 Presenteeism: A condition in which an employee is present at work, but their performance is declining due to some physical disorder. It is evaluated using the Work Functioning Impairment Scale (WFun), a survey developed at the University of Occupational and Environmental Health, Japan to measure the degree of impaired work function due to health problems. In Japan, a score of 21 or higher on this survey is said to indicate moderate or greater impaired work function. *9 Absenteeism: Condition of not being able to come to work due to illness or poor health *10 Percentage of reduction from FY2022 results *11 Person on leave: Employee on leave of absence (unscheduled absence or leave of absence). The average number of days of leave of absence does not include fixed days off, paid vacations, and absence due to work-related injury. *12 Serious accident: A case that causes serious harm to the product user's life and/or body and cases that cause serious and significant impact on the business of the product user *13 Serious product-related 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. *14 Serious security incidents refer to cases where product security has caused a serious and significant impact on the business of product users.

Sustainability Strategy

Material Issues	Themes		Indicators		FY2023 Results	FY2024		FY2025 Targets	FY2030 Targets	FY2050 Targets
						Targets	Results			
Addressing climate change	Reducing Energy Use and CO_2 Emissions by Transforming Customer Processes		Social and environmental value	Contribution to CO_2 reduction outside the Konica Minolta product lifecycle[*1] (Scope 4) (thousand tons)	631	690	682	800	1,000	2,060
			Economic value	Solution sales (billion yen)	83.6	97.0	88.6	100.0	–	–
	Energy Use and CO_2 Emissions Reduction Related to Konica Minolta Sites, Business Partners, Products and Services	CO_2 emissions over the product lifecycle[*2] (Scope 1, 2, 3)	Social and environmental value	Reduction of CO_2 emissions (thousand tons)	748[*8]	–	784	800	620[*8]	0 (net zero)
				Reduction rate (%) over FY2005	63	–	62	61	70	100
		CO_2 reduction at the Konica Minolta production sites[*3]	Social and environmental value	Reduction of CO_2 emissions through energy conservation (thousand tons)	8[*8]	17	22	21	–	–
			Economic value	Monetary equivalent of energy reduction (million yen)	410	630	720	800	–	–
			Social and environmental value	Amount of CO_2 reduced through procurement of renewable energy (thousand tons)	3	13	14	55	–	–
				Percentage of electricity derived from renewable energy (%)	13.5[*8]	–	20.7	–	50	100
		CO_2 reduction from the use/procurement of Konica Minolta products and services	Social and environmental value	Reduction of CO_2 emissions (thousand tons)	19	30	26	35	–	–
			Economic value	Green Products[*4] sales (billion yen)	773	–	777	735	–	–
		Reduction of environmental impact at business partners using DX[*3]	Social and environmental value	Amount of contribution to CO_2 reduction[*1] (thousand tons)	2.2	4.2[*9]	3.2	4.8[*9]	–	–
			Economic value	Monetary equivalent of energy reduction (million yen)	46	95	71	110	–	–
	Using DX to Strengthen Customer Engagement		Economic value	Number of enhanced customer relations[*5]	424	371	359	371[*9]	–	–
				Number of times participating in business negotiations[*6]	372	258	211	258[*9]	–	–
				Sales contributions[*7] (million yen)	1,100	1,100	915	1,100[*9]	–	–
Using limited resources effectively	Effective Use of Resources by Transforming Customer Business Processes		Social and environmental value	Contribution to reduction of natural resource use outside Konica Minolta products (thousand tons)	360	380	383	400	500	
			Economic value	Solution sales (billion yen)	83.6	97.0	88.6	100.0	–	
	Toward Zero Use of Natural Resources[*10]		Social and environmental value	Natural resource[*10] use in Konica Minolta products (thousand tons)	91	–	104	108	95	
				Reduction rate (%) over FY2019	32	–	23	20[*8]	30	
	Effective Use of Resources Relating to Konica Minolta Sites, Suppliers, Products and Services	Reduction of environmental impact of Konica Minolta production sites[*11]	Social and environmental value	Reduction of waste discharge[*12] (thousand tons)	1.6	1.6	2.1	1.7	–	
			Economic value	Monetary equivalent of waste reductions (million yen)	610	650	760	670	–	
		Reduction of environmental impact through the use of Konica Minolta products and services	Social and environmental value	Amount of resources saved and recycled (thousand tons)	13	14	13	14	–	
				Of which, circulated resources (recycled and bio-materials) utilization rate (thousand tons)	10	11	10	11	–	
			Economic value	Green Products[*13] Sales (billion yen)	772.8	–	777.0	735.0	–	

*1 Contribution to CO_2 reduction: Volume of CO_2 emissions reduced at customers, business partners and the broader society *2 CO_2 emissions over the product lifecycle, from procurement, production, distribution, sales and service to use by the customer *3 Cumulative reductions for each fiscal year from FY2020 to FY2022 and FY2023 to FY2025. The reduction effects of measures implemented from the first fiscal year of each period to the relevant fiscal year are summed up for each fiscal year. *4 Green Products: Name changed from Sustainable Solution in FY2023. Promotes the solving of social and environmental issues by defining and certifying solutions that help to solve social and environmental issues and expand sales *5 Number of enhanced customer relations: Number of business opportunities gained by providing customers with environment-related technologies and know-how. *6 Number of times participating in business negotiations: Number of cases in which a quotation was submitted for proposed products among the enhanced customer relations. *7 Sales contributions: Total amount of sales of products proposed at the above-mentioned business negotiations *8 The figures have been corrected due to errors found in the disclosures for FY2024. *9 Targets for FY2025 have been revised based on FY2024 results. *10 Natural Resources: Resources that require new drilling or mining, such as crude oil or mineral resources, and are generally synonymous with depletable resources.
*11 Cumulative reductions for each fiscal year from FY2020 to FY2022 and FY2023 to FY2025. Total reduction amount for each fiscal year due to the measures implemented from the first fiscal year of each period to the relevant fiscal year. *12 Targets set for activities to reduce and recycle waste from products that use plastic based on the Act on Promotion of Resource Circulation for Plastics enacted in Japan, which include the reduction of plastic waste at major sites in Japan. *13 Green Products: Renamed from Sustainable Solutions in FY2023. The Company will define and certify solutions that contribute to solving social and environmental issues, leading to expansion of sales.

Toward Net Zero CO_2 Emissions and Zero Use of Natural Resources by 2050

Addressing climate change

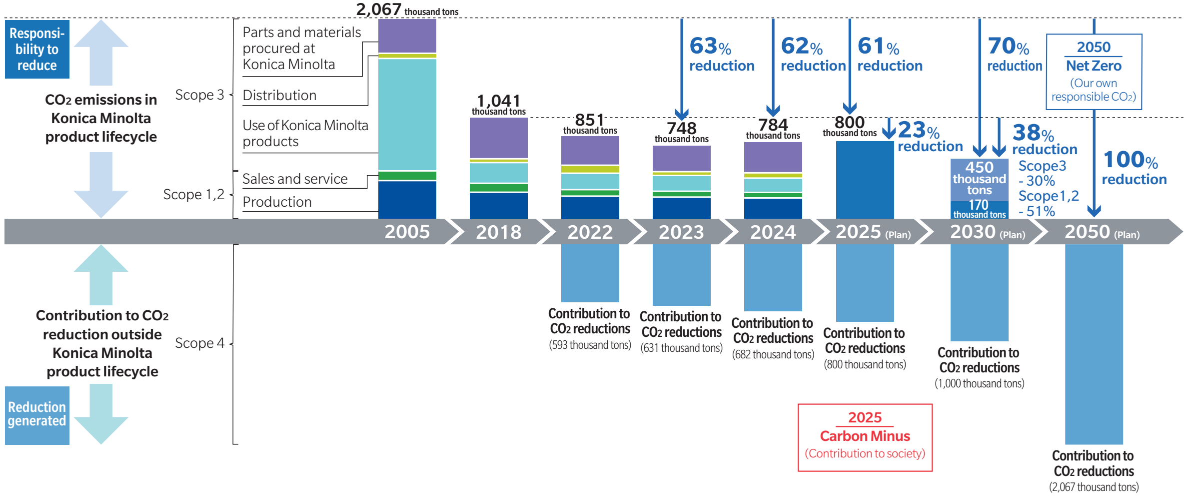
Net Zero CO_2 Emissions and Carbon Minus

Konica Minolta aims to achieve net zero CO_2 emissions (Scope 1, 2, and 3) over the Konica Minolta product lifecycle in 2050.

We have also taken the lead over our competitors in adopting the unique concept of Carbon Minus and have been working to contribute to CO_2 reductions outside of our own scope of responsibility (Scope 4), with the goal that the amount of reduction will exceed the CO_2 emissions that are within our scope of responsibility. We will achieve Carbon Minus in fiscal 2025 by providing our solutions and technologies to increase our contribution to CO_2 reduction for customers and society

In fiscal 2024, we implemented reduction activities as planned, including the introduction of new renewable energy. However, emissions increased due to greater international distribution distances and revisions to the scope of emissions calculations.

CO_2 Reduction Targets



In July 2024, we received certification from the SBT Initiative for our "Net Zero Target" and "Short Term Target". For more details, please visit our website: https://www.konicaminolta.com/global-en/newsroom/2024/0730-02-01.html

For more details: Eco Vision 2050
https://www.konicaminolta.com/about/csr/environment/policy/vision2050.html

Using limited resources effectively

Zero Use of Natural Resources*

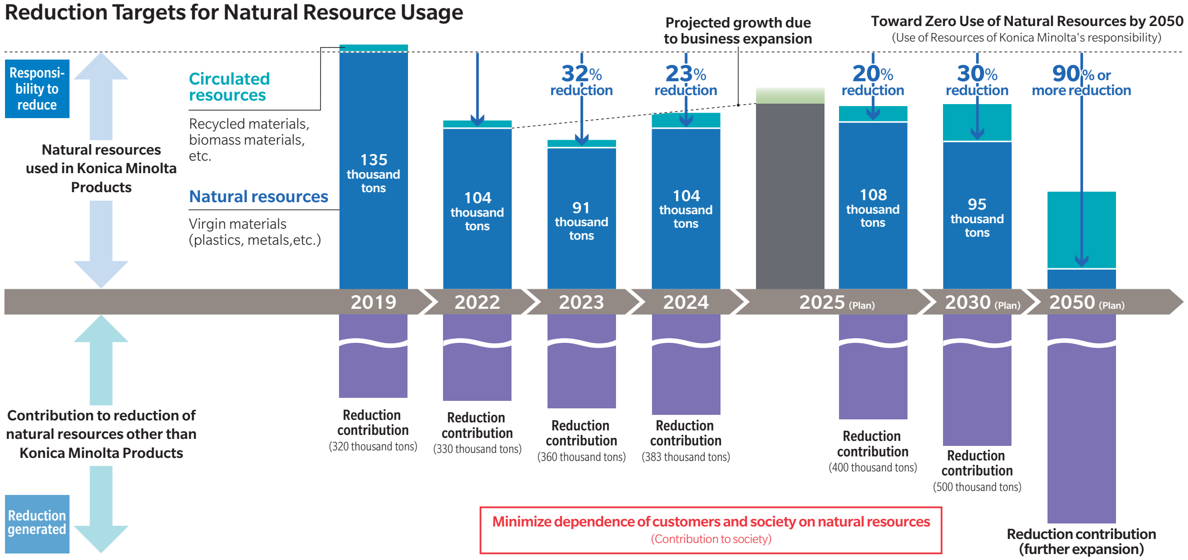
Similar to the reduction of CO_2 emissions mentioned above, we have also set reduction targets for the use of natural resources by 2050 for within and outside of our scope of responsibility, respectively.

Within our scope of responsibility, we have reduced the amount of resources used in our own products to bring the use of natural resources to near zero, and have promoted the use of recycled plastics and other circulated resources in their place. In addition, we will maximize our contribution to the reduction of natural resources outside of the scope of our products.

We will continue to create and grow our business while also contributing to the formation of a decarbonized and recycling-oriented society.

* Natural resources: Resources that involve new mining, such as crude oil and mineral resources, and are generally synonymous with depletable resources

Reduction Targets for Natural Resource Usage



* We are reviewing the scope of our Scope 3 emissions and global resource use for fiscal 2024 to identify activities that we have not previously included.

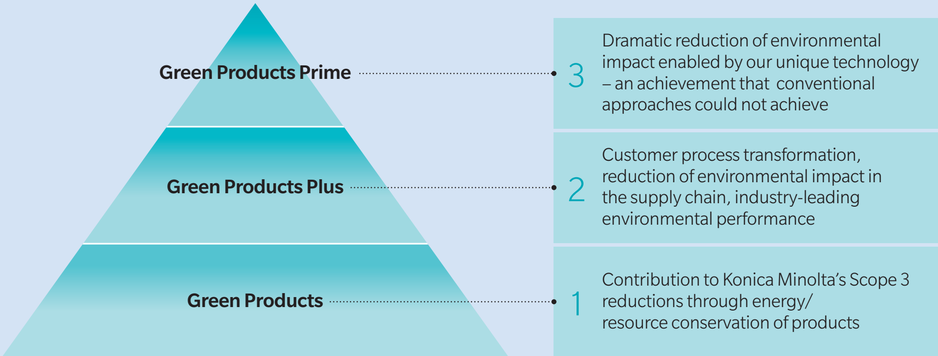
Focus Growing sales of products and services that contribute to solving environmental issues

Konica Minolta operates the Green Products Certification System to create and expand solutions that help solve environmental issues faced by customers and society.

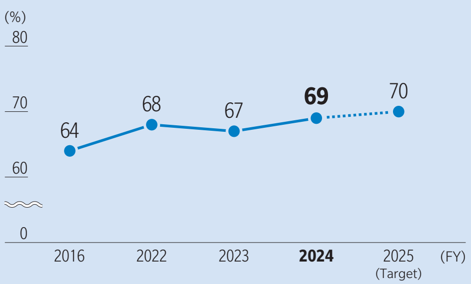
This system defines products that contribute to reducing environmental impact within the customer's value chain and stimulates the creation of products with higher environmental value. It employs a three-tier certification system based on environmental benefits and scope of contribution.

Konica Minolta has set a goal of increasing the sales ratio of certified Green Products and is working to develop and promote sales of certified products and services. As of fiscal 2024, we have successfully increased the sales ratio of Green Products to 69%.

Green Products Certification System



Sales of Green Products



Our bizhub i-Series products have been certified as Green Products due to the use of recycled plastic developed in-house and low power consumption performance equivalent to or better than conventional products.

Case Study Professional Print Contributes to Reducing Environmental Impact

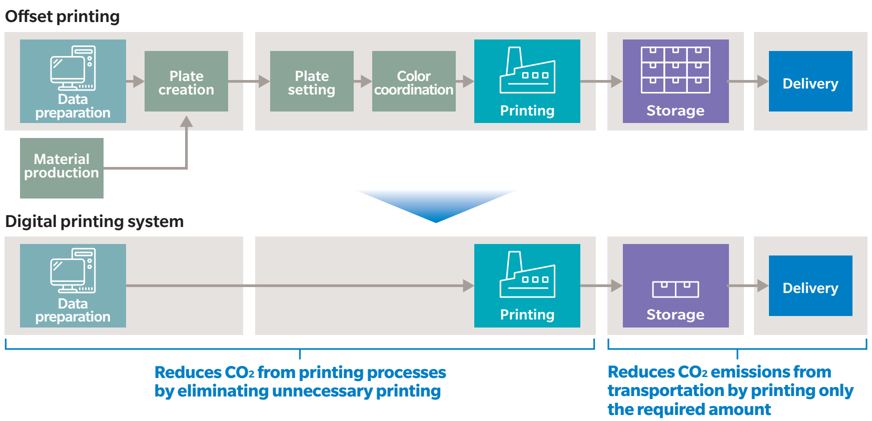
Related material issues

Transforming customers' supply chains and reducing CO_2 emissions in society

Compared to conventional offset printing, Konica Minolta's digital commercial printing system contributes to reducing environmental impact by shortening the customer's processes and supply chain and reducing resources used.

Our digital printers, such as the KM-1e and Accurio Press C14000, can reduce about 30% of CO_2 emissions throughout the entire lifecycle of printed materials by reducing the number of processes required for offset printing, including the production of plates and their materials.

Based on this superior environmental performance, these products are certified as Green Products Plus (see diagram at left) and included in Scope 4 reduction contributions. These initiatives contribute to expanding environmental impact reduction effects across society as a whole.



Disclosure Based on TCFD Recommendations

For more details: Task Force on Climate-related Financial Disclosures (TCFD)
https://www.konicaminolta.com/about/csr/environment/strategy/tcfd/strategy.html

Governance

At Konica Minolta, addressing climate change is positioned as one of the objectives of our sustainability management, and decisions such as setting and changing key targets are made with the approval of the Board of Directors. Specifically, we have set and changed target values after approval by the Board of Directors in fiscal 2008, fiscal 2017, fiscal 2020, and fiscal 2023.

Strategy

To address climate change risks, we set out a vision to achieve Net Zero greenhouse gas emissions across the whole value chain by 2050. We aim to achieve our goals through our business by integrating the risks caused by climate change into business risks and linking the medium-term goals and annual plans related to climate change measures with the Medium-term Business Plan for areas such as product planning, development, production, procurement, and sales.

In terms of opportunities, we are targeting the achievement of "Carbon Minus" by the end of fiscal 2025 to increase the level of contribution to energy and CO_2 reduction in customer companies and society and to achieve business growth. We are strengthening the core technologies that each business has cultivated since our founding as an "evolved core technology group" through the use of AI (data-driven development and production) and the integration of technologies across business areas. In this effort, we will increase the contribution toward reducing energy use and CO_2 emissions through workflow and supply chain reforms.

Climate change scenario analysis and results

Konica Minolta has identified two scenarios by respectively identifying business risks that will impact business performance in 2030 and business opportunities that can be created by proactively addressing the challenges of climate change.

The scenario analysis is carried out based on the following process.

- Identify target business areas for climate change scenario analysis
- Identify key climate-related risks and opportunities
- Consider existing scientific scenarios on climate change
- Consider and clarify risks and opportunities in the scenarios and their expected financial impact
- Consider future response policies and strategies

Scenario 1 **If the average global temperature increase is kept below 2°C (equivalent to 1.5°C) and a low-carbon global society is achieved**

Addressing the "Risks" of Climate Change

Impact on the Konica Minolta Group		Target segment	Classification	Financial impact	Timeline	Handling
Increase in procurement and manufacturing costs	Stakeholders' demand for renewable energy procurement and net-zero greenhouse gas emissions	Industry Digital Workplace	Market Reputation	Medium	Short-term	Introduce renewable-energy-derived electricity at production, R&D, and sales sites
	Replacing fossil resources and fuels in production	Industry	Policies/Laws	Medium	Medium to long term	Examine the introduction of CO_2-free fuels, introduce internal carbon pricing, and optimize procurement strategy
	Response to new emissions regulations and tax laws	Industry Digital Workplace Professional Print Imaging Solutions	Policies/Laws	Strong	Short to medium term	Develop energy-saving production technology
Increase in product development costs	Response to new regulations on product energy efficiency and the market	Digital Workplace Professional Print	Policies/Laws Market	Medium	Short-term	Product energy-saving design in keeping with new environmental labeling standards, compliant with public procurement and bidding requirements
Decrease in sales due to changes in demand for products and services	Decrease in office printing demand	Digital Workplace	Market	Strong	Short to medium term	Transformation to an earnings model not reliant on print charges

"Opportunities" of Climate Change

Impact on the Konica Minolta Group		Target segment	Classification	Financial impact	Timeline
Higher sales due to change in demand for products and services	Digital solutions to transform the printing and apparel industry supply chain	Professional Print	Products/Services	Strong	Short to medium term
	Performance materials with reduced product carbon footprint, material and sensing technologies that contribute to improving the sortability and recycling rate of used plastics, transforming production processes through inkjet technology, and gas leak inspection systems that can contribute to early detection of methane gas leaks and reduction of emissions	Industry Imaging Solutions	Products/Services	Medium	Short to medium term

Scenario 2 If the average global temperature increase exceeds 2°C and the predicted physical effects of climate change materialize

Addressing the "Risks" of Climate Change

Impact on the Konica Minolta Group		Target segment	Classification	Financial impact	Timeline	Handling
Lower profits due to a reduction in production capacity	Insufficient or interrupted supply of natural resources due to changes in climate patterns	Industry	Chronic physical	Strong	Long-term	Product design and development not dependent on particular natural resources
	Supply chain interruptions following large-scale natural disasters	Digital Workplace Professional Pring	Acute physical	Strong	Medium-term	Establish business continuity management (BCM) Decentralize production and supply of consumables by region
Decrease in sales due to changes in demand for products and services	Limited access to forest resources due to abnormal climate and forest fires	Digital Workplace Professional Print	Chronic physical	Strong	Long-term	Transformation to an earnings model not reliant on print charges

"Opportunities" of Climate Change

Impact on the Konica Minolta Group		Target segment	Classification	Financial impact	Timeline
Increase in sales due to changes in demand for products and services	Imaging solutions that contribute to prevention and mitigation of disasters caused by acute abnormal climate and natural disasters	Imaging Solutions	Products/Services	Minimal	Medium-term

Prerequisites for Scenario Analysis

- **Scientific scenarios references**
  IPCC RCP2.6 and RCP8.5, IEA NZE 2050, CPS
- **Classification of risks and opportunities**
  Transition risks: policies and laws, technologies, markets, reputation
  Physical risks: acute physical, chronic physical
  Opportunities: resource efficiency, energy, products/services, markets, resilience
- **Definition and evaluation criteria for "financial impact"**
  Strong: additional cost or profit decrease of 1 billion yen or more
  Medium: additional cost or profit decrease of 100 million yen to less than 1 billion yen
  Minimal: additional cost or profit decrease of less than 100 million yen
- **Definition and evaluation criteria for "financial impact"**
  Strong: Profit creation of 10 billion yen or more
  Medium: Profit creation of 1 to less than 10 billion yen
  Minimal: Profit creation of less than 1 billion yen
- **Definition and evaluation criteria for timeline**
  Long-term: 10 years or more
  Medium-term: 3 to less than 10 years
  Short-term: 1 to less than 3 years

Risk management

Konica Minolta positions risk management as an "activity that seeks to maximize returns while minimizing the negative impact of risk," and evaluates risk from a medium- to long-term perspective. For environmental risks, including climate change, we assess and manage the impact and uncertainty of climate change risks based on two scenarios. Also, this environmental risk is positioned as one of the management risks of the entire Group and is managed by the Risk Management Committee.

In addition to discussing plans and measures related to climate change response at the Environmental Promotion Committee held every quarter, rolling work to review the degree of change in risks is conducted twice a year at the Committee, and risks are re-evaluated. The Group Environmental Officer reports to the President every month on the progress of the plan. In addition, important environmental issues are also reported by the Group Environmental Officer to the Management Council, other meeting bodies, and the Risk Management Committee, etc. The Board of Directors receives regular reports on the progress of the management plan for addressing climate change and oversees its implementation.

Details of Konica Minolta's risk management system and risk management process are described on (see page 68).

Indicators and targets

In addition to "Carbon Minus targets," "Product lifecycle CO_2 emissions (Scopes 1, 2, and 3)", and "Ratio of electricity derived from renewable energy," Konica Minolta has set "CO_2 reduction contributions (Scope 4)" as a management indicator for climate change risks and opportunities.

Carbon Minus targets

We aim to achieve a "Carbon Minus" state where we create more emissions reduction contributions by our customers and society (CO_2 reduction contributions) outside the scope of Konica Minolta's product life cycles than our own CO_2 emissions (product life cycle CO_2 emissions) by the end of fiscal 2025 (see page 42).

Product lifecycle CO_2 emissions

Includes all of Scope 1 and Scope 2 emissions (CO_2 emissions at the production stage, sales and service stage) and Key Scope 3 emissions (CO_2 emissions at the procurement stage, logistics stage, and product use stage).

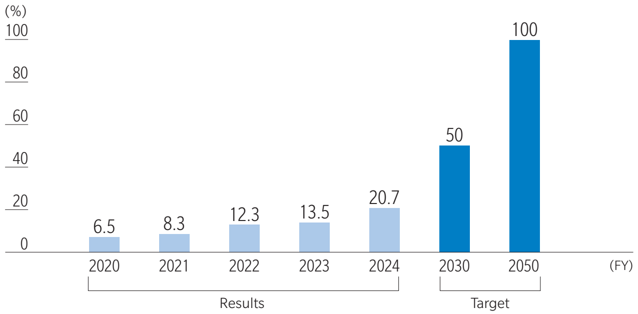
We have set a target of a 61% reduction in CO_2 emissions (800,000 tons) compared to fiscal 2005 by the end of fiscal 2025 and, in the medium term, a 70% reduction (620,000 tons) by 2030. In fiscal 2024, CO_2 emissions were about 780,000 tons (150,000 tons for Scope 1, 120,000 tons for Scope 2, and 510,000 tons for Key Scope 3), achieving a 62% reduction.

In the long term, we have set a goal of Net Zero greenhouse gas emissions across our value chain by 2050 (see page 42).

Disclosure Based on TCFD Recommendations

Renewable energy-derived electricity ratio

Based on our forecast that fossil fuels will no longer be available in the future, we have set a target of increasing the proportion of renewable energy-derived electricity used in our business activities to 50% or more by fiscal 2030 and to 100% by fiscal 2050, contributing to the reduction of Scope 2 emissions over the medium- to long-term.



Amount of contribution to reduction of CO_2 emissions (Scope 4)

Mainly in the Professional Print Business, we are contributing to our customers' CO_2 reduction by expanding sales of digital printing systems that improve productivity by shifting from analog to digital printing. As for progress toward the goal of achieving 800,000 tons of CO_2 reduction contribution by fiscal 2025, we reached 680,000 tons in fiscal 2024 (see page 42).

Green products* sales

We have set a target of sales of green products that contribute to addressing climate change, and we are aiming for its sales ratio to be 70% by fiscal 2025. In fiscal 2024, sales of green products were 777.0 billion yen, representing a sales ratio of 69%.

* Our uniquely defined products and services that solve environmental issues

Internal Carbon Pricing (ICP)

One ton of CO_2 emissions reduction requires different costs, measures, and timeframes between Scope 1 (fuel use) and Scope 2 (electricity purchase). To achieve more effective internal carbon pricing (ICP), we have adopted an approach that identifies the unique characteristics of each environmental value and sets different carbon prices accordingly.

Executive compensation

In order to increase incentives to achieve the goals of the Medium-term Business Plan, we have set a non-financial indicator within CO_2 emissions in the lifecycle of products (Scope 1, 2, and 3), "CO_2 emission reduction by measures*," as one of the evaluation indicators that constitutes medium-term stock bonus (performance-linked). After the completion of the Medium-term Business Plan, executive compensation for the President & CEO and other Executive Officers will be determined in the range of 0 to 200% depending on the degree of achievement of the target, and company shares will be issued.

Disclosure Based on TNFD Recommendations

Konica Minolta has endorsed the principles and recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) to clarify its dependence and impact on natural capital, and its commitment to addressing its assessment, and opportunities and risks. In 2024, we registered as a TNFD Early Adopter and became a TNFD Forum member. We will assess our natural capital dependence and impacts and disclose this information in accordance with the TNFD framework.

We have identified issues from the perspective of the nine global core indicators proposed by TNFD, evaluated dependencies and impacts in our business activities, and identified risks and opportunities. We have begun to establish strategies, indicators, and targets to address these risks and opportunities.

For more details: **Task Force on Nature-related Financial Disclosures (TNFD)**
https://www.konicaminolta.com/about/csr/environment/strategy/tnfd/index.html

Risks and Opportunities for Konica Minolta

TNFD Core Indicators			Impact on the Konica Minolta Group	
Natural Factors of Change		9 Core Indicators	Risks	Opportunities
Dependence	Change in Use of Land/Freshwater/Ocean	1 Total land footprint	–	–
		2 Extent of change in land/freshwater/ocean use	–	–
	Resource use	3 Water withdrawal/consumption from water stressed areas	• Supply chain: lower supply from water-stressed areas (Southeast Asia) due to water intake restrictions, etc.	• Dry textile printing process: anhydrous dyeing systems in regions with high water stress (India, Turkey, Italy)
		4 High-risk natural resources sourced from land/ocean/freshwater	• Natural resources: insufficient supply of high-risk natural resources due to tightened regulations, etc. • Paper: reduced opportunities for paper use and printing due to limited access to forest resources, changing social preferences, etc.	–
Impact	Pollution and Decontamination	5 Soil Contamination	–	• Toxic substance-free technology: provide technologies free of persistent toxic substances, etc.
		6 Wastewater	–	• Digital printing/textile printing, inkjet technology: wastewater reduction technology in areas with severe water pollution (South Asia)
		7 Waste generation and disposal	• End-of-life products: Mandatory recycling of products due to measures for Establishing a Sound Material-Cycle Society, etc. • Plastics: Requirement for using recycled plastics for products due to measures for Establishing a Sound Material-Cycle Society, etc.	• Recycled plastic technology: Increased demand for recycling technology, material technology, and sensing technology due to measures for Establishing a Sound Material-Cycle Society, etc.
		8 Pollution by plastics	–	–
		9 Non-GHG air pollutants	–	–

Respect for Human Rights

Basic Views

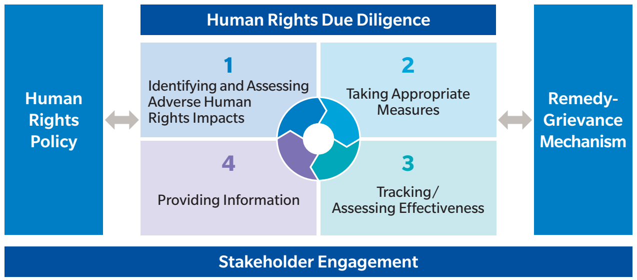
Human rights are universally valued rights that all people are born with. Konica Minolta is a company with global business operations and many component suppliers in Southeast Asia. If human rights are not fully respected throughout the supply chain, negative human rights impacts such as child labor and forced labor may occur. As a result, we believe that there is a risk of social criticism, resulting in lost sales opportunities, damage to our brand image, and a decline in our stock price due to loss of trust from investors and other adverse effects on our business performance.

The Konica Minolta Group Human Rights Policy was established based on the United Nations Guiding Principles on Business and Human Rights. The Konica Minolta Group Charter of Corporate Behavior and Konica Minolta Supply Chain Code of Conduct also specify respect for human rights as one of the most basic requirements in our business activities. Based on these policies, Konica Minolta conducts human rights due diligence and strives to ensure rigorous respect human rights with respect to business partners and other parties connected to the Konica Minolta Group's business.

Human Rights Due Diligence Process

In compliance with the United Nations Guiding Principles on Business and Human Rights, Konica Minolta has created a human rights policy, conducted human rights due diligence, and established a remedy and grievance mechanism to promote its initiatives.

Human Rights Due Diligence Process



Identifying and Assessing Adverse Human Rights Impacts (Impact Assessment)

The Group identified stakeholders who are subject to actual or potential negative impacts and any human rights issues as a result of its business activities and transactions, assessing the level of impact. As a result, 14 high-risk issues were identified, including rights of foreign/migrant workers, overwork and inappropriate work, occupational health and safety, and gender-related human rights issues. Assessments are reviewed on a regular basis, and the departments in charge of human resources, legal affairs, procurement, quality, IT, and sustainability set their own targets and consider and implement measures.

Furthermore, when making new or additional investments, the Group includes human rights-related checks in its due diligence process to assess investment suitability.

Taking Appropriate Measures and Tracking/ Assessing Effectiveness

In addition to fostering awareness of respect for human rights among Group employees through rank-based education and regular compliance education, we conduct an annual engagement survey of employees worldwide to confirm the effectiveness of our measures and identify issues for the next improvements.

We have made all direct material suppliers aware of the Konica Minolta Supply Chain Code of Conduct and requested that they agree to abide by this code. In addition, we conduct risk assessments of key suppliers through questionnaires, and provide corrective support and ongoing follow-up to those suppliers deemed to be high-risk.

Remedy and Grievance Mechanism

Konica Minolta has established a contact point for anonymous reporting of human rights violations from both inside and outside the Group, and has built a system to promptly investigate any allegations of human rights violations and take corrective measures through appropriate internal and external procedures if it is clear that Konica Minolta has directly caused or was involved in any adverse impact on human rights.

Voice

Hirofumi Bito (left)
Hiromi Kiyota (right)
Personnel and General Affairs Department
Konica Minolta Mechatronics Co., Ltd.
(BMME)

Konica Minolta Mechatronics becomes the first Group company in Japan to receive a Platinum rating in the RBA's social responsibility audit

BMME was the first production site in Japan to receive Platinum recognition, the highest level in the Responsible Business Alliance's (RBA) Validated Assessment Program (VAP) audit, an international standard for labor, human rights, health and safety, environment, and ethics. Our work to achieve this recognition comes from BMME's original goal to create a safe and secure work environment for all factory workers, and in addition, from necessary action due to business requirements in the European market. We were able to acquire certification in a short period of six months by combining the knowledge of other sites within the Group and related departments. In particular, we had to ensure that temporary employees and onsite contractors were familiar with the rules, and we persistently engaged each member in dialogue to make sure the right principles were permeating the organization.

As a result of our efforts, human rights awareness, occupational health and safety, and standardization throughout the supply chain have increased, leading to improved business performance. In addition, BMME has improved the working and housing environment for foreign employees, provided educational opportunities and other benefits, and deepened relationships of trust, as evidenced by the appreciation expressed at briefing sessions. Going forward, we will continue to accelerate our efforts to realize a sustainable society.