



KONICA MINOLTA

Konica Minolta, Inc.
2970 Ishikawa-machi, Hachioji-shi,
Tokyo, Japan 192-8505

March 20, 2019

Business & Human Rights Resource Center

RE: Response to concerns raised by Electronics Watch regarding Cal-Comp Electronics (Thailand) Public Company Limited

1. Konica Minolta's initiatives to help solve social issues in the supply chain

Konica Minolta views all of the suppliers that supply and produce materials, such as raw materials and parts, or provide logistics and other services as indispensable partners in its business activities. Konica Minolta is working with suppliers to build relationships of trust by practicing transparent and equitable transactions, in order to achieve the shared goal of providing innovative products and services in a timely manner to customers all over the world.

To solve social issues including human rights, labor conditions, and environmental protection in the supply chain, Konica Minolta has joined the Responsible Business Alliance (RBA*) and uses the RBA framework to carry out programs under policies such as those listed below.

Konica Minolta Procurement Policy

The basic stance of Konica Minolta's Procurement Policy is based on the key words, "open," "fair," "global," "compliance," and "ecology." It requests that suppliers respect the human rights of workers, specifically requesting that they respect "basic human rights, including the prohibition of child labor, forced labor, and discrimination based on ethnicity, gender, and any other grounds."

https://www.konicaminolta.com/about/csr/csr/suppliers/procurement_policy.html

Konica Minolta Supplier Code of Conduct

Konica Minolta established the Konica Minolta Supplier Code of Conduct based on the exact text of the RBA Code of Conduct when Konica Minolta joined the RBA in 2013. Section "A. LABOR 1) Freely Chosen Employment" of the Code establishes the following regarding employees' identity or immigration documents and employers' or agents' recruitment fees:

Employers and agents may not hold or otherwise destroy, conceal, confiscate or deny access by employees to their identity or immigration documents, such as government-issued identification, passports or work permits, unless such holdings are required by law. Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

<https://www.konicaminolta.com/about/csr/csr/suppliers/pdf/suppliers.pdf>

CSR procurement promotion program

Konica Minolta is developing a CSR procurement promotion program that utilizes the RBA framework to help solve social issues such as human rights, working conditions improvement and environmental protection.



KONICA MINOLTA

(1) Requesting CSR activity to suppliers

The Konica Minolta Procurement Policy and the Konica Minolta Supplier Code of Conduct are shared with suppliers all over the world to ensure compliance.

(2) CSR assessments using a self-assessment questionnaire

Konica Minolta examines CSR activities at suppliers using a self-assessment questionnaire in order to determine CSR progress in the areas of labor conditions (human rights), environment, health and safety, and ethics. The Responsible Business Alliance's Self-Assessment Questionnaire (RBA SAQ) is used to assess the level of CSR performance.

(3) CSR audits

Any supplier that fails to achieve targets set by Konica Minolta as the result of a CSR assessment is audited based on RBA auditing standards.

https://www.konicaminolta.com/about/csr/csr/suppliers/csr_procurement.html

CSR procurement efforts undertaken by Konica Minolta involving its supplier, Cal-Comp

Cal-Comp Electronics (Thailand) Public Company Limited (Cal-Comp) is one of Konica Minolta's suppliers. Cal-Comp has been completing the RBA SAQ since 2015. Each year it indicates compliance with measures concerning employee ID cards, immigration documents, employment and recruitment fees. It has also submitted documents confirming that it observes the Konica Minolta Procurement Policy and Supplier Code of Conduct.

2. Issues revealed by Electronics Watch and Cal-Comp response

Electronics Watch, an independent monitoring organization, issued reports in October 2018

http://electronicswatch.org/compliance-report-update-cal-comp-samut-sakorn-and-petchaburi-thailand-october-2018_2555998.pdf) and

in February 2019 (http://electronicswatch.org/cal-comp-statement_2556025.pdf)

stating that migrant workers at Cal-Comp were being charged a recruitment fee.

In response to this, Konica Minolta sent the following questions to Cal-Comp:

- Are the details of the Electronics Watch report true?
- In response to the details of the Electronics Watch report, what actions are you planning to take and what is the timeframe?

The reply from Cal-Comp was as follows.

Cal-Comp response details

Response on March 13, 2019.

Response to the Electronics Watch Recommendations

Refer to Electronic Watch (NGO) report on February 21st 2019 which concerns that Cal-Comp didn't fully pay Myanmar worker for recruitment fee and a video filmed show Cal-Comp recruitment agents inside Cal-Comp factory coaching workers to lie to auditors about the fees they paid.



KONICA MINOLTA

Cal Comp response for Electronic Watch (NGO) as following details,

EW R.1: Cal-Comp didn't fully pay the Myanmar employee for the recruitment fee.

Cal-Comp's response:

Cal Comp has followed RBA (Responsible Business Alliance) regulation related to "Zero" recruitment fee standard. Cal Comp already paid to Myanmar worker by the following items:

NO	Description	REMARK
1	Transportation from worker's hometown to Yangon cost.	Cal Comp will repay for transportation fee to worker on March 15th, 2019
2	New passport process Fee	Cal Comp (Mahachai site) has repayment to workers on 2019-1-Feb, and Cal Comp (Petchaburi site) has repayment to workers on 2019-Feb-16
3	Recruitment Agent Fee (including Agent service, food, accommodation and transportation Yangon to Maywaddee)	Cal Comp (Mahachai site) has repayment to workers on 2018-1-Nov and Cal Comp has (Petchaburi site) repayment to workers on 2019-Feb-01
4	Food /Transportation from Mae Sod to Facility and Facility return to Mae sod Fee	Cal Comp pays directly to Recruitment Agency.
5	Work permit /2 years Fee	Cal Comp pays directly to government
6	Visa /2 years Fee	Cal Comp pays directly to government
7	Medical check /2 years Fee	Cal Comp pays directly to government
8	Staying notification in Thailand 90 Days Fee.	Cal Comp pays directly to government

EW R.2: A video filmed shows Cal-Comp recruitment agents inside Cal-Comp factory coaching workers to lie to auditors about the fees they paid.

Cal-Comp's response:

After Cal comp conducted the investigation, the corrective actions are as:

1. Cal comp will terminate this local recruitment agent.
2. Cal comp limits the recruitment agency staff to enter our factory.
3. Only staffs approved by Plant manager are approved to enter our factory.



KONICA MINOLTA

3. Konica Minolta's approach to the issues revealed

Going forward as an RBA member, Konica Minolta will continue to require not only its own companies, but also its suppliers, to comply with the RBA Code of Conduct. This is based on public expectations as well as laws and regulations. Regarding the response from Cal-Comp concerning the Electronics Watch report, Konica Minolta plans to follow up on the information provided. This includes further inquiries to Cal-Comp, interviews with relevant parties as necessary, and onsite confirmation. If any concerns in the Electronics Watch report are confirmed to be true, Konica Minolta will ask Cal-Comp to correct the issue. Konica Minolta is also committed to cooperating with Cal-Comp as it corrects any issues that may exist.

In its procurement, production and logistics activities, Konica Minolta will continue to work with suppliers to resolve social issues, including the respect for human rights. It will also work to improve corporate value for Konica Minolta and its suppliers. Konica Minolta will continue striving to build a sustainable society by providing customers with credible products and services.

Thank you for giving us the opportunity to respond to the report.