

Crisis Classification and Prevention

In management activities, crises caused by various internal and external factors may be envisioned. The Ricoh Group considers taking preventive measures for crises to be one of its fundamental responsibilities, and implements these measures in its daily activities together with compliance measures.

Risk Management

The Business Process Risk Management (BPRM) Subcommittee manages risks, which may occur in the business process, excluding risks related to business strategy, natural disasters and fires or financial matters.

The Ricoh Group defines “a crisis” as an event or accident caused by “a risk.” (A sign or precursor of a crisis). We have divided our risk management activities into two parts: preventing crises before they happen, and countermeasures at the initial stages of a crisis, and we carry out those activities according to the rules and regulations we have established.

Risk Management Activities before the end of Fiscal 2003

- The Business Process Risk Management (BPRM) Subcommittee was established.
- The BPRM Basic Regulation was established.
- The countermeasures for the initial stage of a crisis were established.
- The Ricoh Group Standards (RGS) were established in Japan.
- 139 potential crises were identified.
- 25 items were named as important out of the 139 potential crises.
- The risk items were selected.
- The preventive measures for crises were mapped out.

Risk Management Activities in Fiscal 2004

● Establishing a Ricoh Group Standard (RGS)

The BPRM Basic Regulation for overseas affiliates and the RGS – countermeasures for the initial stages of a crisis – were established.

● Mapping out, implementing and evaluating crisis prevention measures

For the crisis identified so far, Ricoh’s head office has mapped out preventive measures and promoted them inside the Group. At the end of the fiscal year, when the status of all items was checked for which preventive measures had been identified, it was discovered that only half of the items had been followed up. This meant that the PDCA cycles were not functioning effectively enough. We plan to improve the use of the PDCA cycles in order to enhance our risk management activities. (Japan)

● Standardizing evaluation items

The assessment by the Internal Control Promotion Office and the assessment of the important crises by the CSR Division were standardized, to lessen the burden and provide for easier use by local companies. (Japan)

Plan for Fiscal 2005

● Mapping out the crisis prevention measures

To start the important crises selection process and the prevention measure development process, working together with the Internal Control Promotion Office.

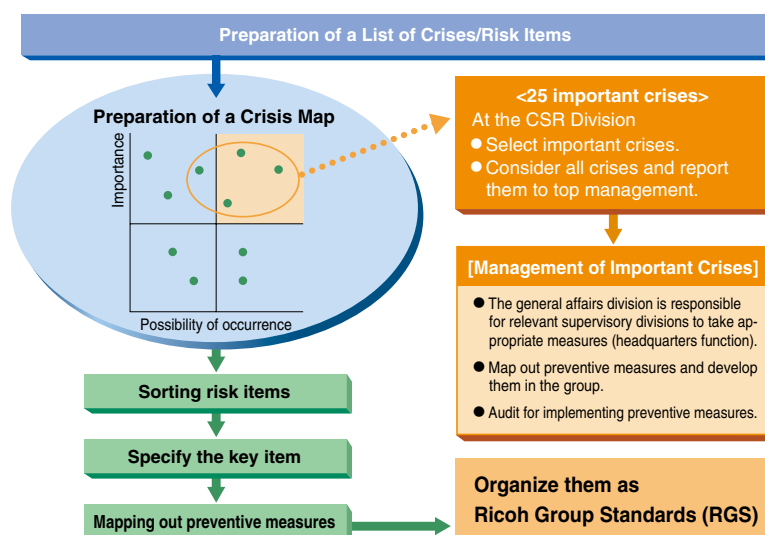
● PDCA Activities for important crises

To execute preventive measures, and improve them by evaluating their effectiveness. To establish preventive measures firmly at each business location by assessing its activities.

● Reviewing 25 crisis items

To review the items labeled as important crises according to changes in society (rules and regulations, values). (Japan)

■ Mapping Out and Developing Measures for Crisis Prevention



Compliance Awareness

To establish compliance with the Code of Conduct among employees, we have used educational videos. At the same time, we have provided compliance education using e-learning courses. In the coming year, we will continue to make improvements by studying the effects, penetration and retention of this education among employees.

Compliance Awareness Activities up to the end of Fiscal 2003

- CSR Charter and Code of Conduct were implemented.
- Booklets were created and distributed.
- Panels were created and distributed.
- Compliance education (both basic and management e-learning courses) was given.

Compliance Awareness Activities in Fiscal 2004

●Overseas versions of the Code of Conduct

At our overseas affiliates, we have begun investigating the possibility of creating a code of conduct based on the Japanese version, and have also started compliance education activities.

●Creation of the explanation database

A database to explain the Code of Conduct was created.

●Educational video for CSR Charter and Code of Conduct

Media such as videos and CD-ROMs were created and used to educate Group employees. In addition, those employees have signed a written oath.

●Measuring the effects of education

We have investigated the status of compliance education. In addition, we have proceeded with preparations for creating a tool to assess the understanding and awareness of each employee regarding compliance.(Japan)

Plan for Fiscal 2005

●Establishing overseas versions of the Code of Conduct

At each overseas affiliate, the code of conduct will be established and employee training will be carried out.

●Checking employee understanding of the Code of Conduct and mapping out an improvement plan

The intranet will be used to check the employees' understanding of the Code of Conduct. The data will be used to set midterm goals and establish an improvement plan. Future Code of Conduct training will be based on these goals.(Japan)

●Management application of compliance education

Management's application of compliance education will be carried out using case studies, in order to establish compliance in daily activities.(Japan)

Overview of CSR, Compliance Measures and the Training System

