### **Environmental Management System**

Enhance the Plan-Do-Check-Action (PDCA) cycle for the entire Group and each business site and division and encourage all employees to participate in the cycle.

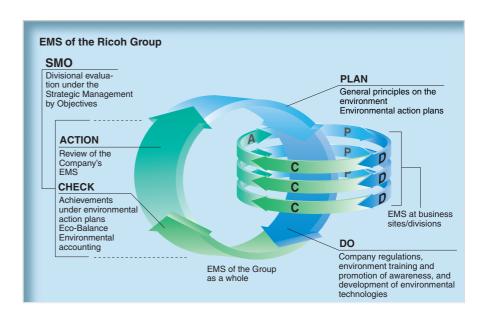
The Ricoh Group's environmental management system (EMS) is an important tool in facilitating sustainable management on a global scale. The Ricoh Group as a whole and each of its business sites and divisions are using the PDCA cycle for EMS, for which management reviews1 are conducted. The achievements of business sites and divisions are checked against their environmental action plans2 in environmental accounting. All employees are encouraged to participate in the cycle. Furthermore, based on the Groupwide Strategic Management by Objectives (SMO), which takes an environmental conservation perspective, the Ricoh Group evaluates the business performance of its divisions3.

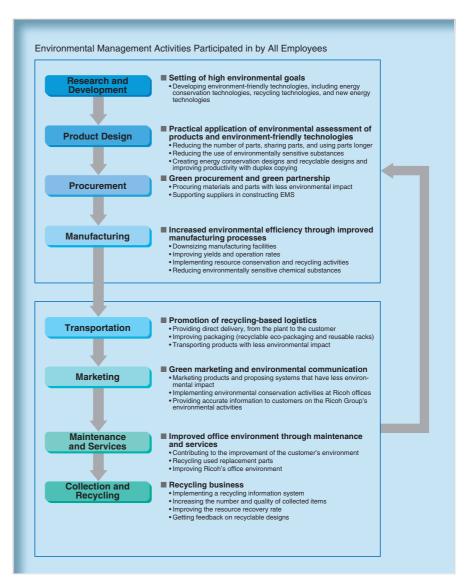
- The review is conducted by the management to ensure the appropriateness and efficiency of EMS.
- 2. See page 33.
- The SMO system, with the additional environmental item, is applied to divisions that are not shown in the figure on page 22.
- \* See page 15 for the award to promote sustainable management, developing a sustainability self-assessment program, and evaluation of environmental management.

### Activities Participated by All Employees

To raise the level of environmental achievement, the Ricoh Group encourages all employees to participate in environmental activities, including those engaged in R&D, product development, materials procurement, manufacturing, transportation, maintenance and other services, and collection and recycling. They are encouraged to conduct environmental activities as if they belonged to an environmental activity planning division, and these activities are regarded to be as important as QCD activities\*. To improve environmental activities, various meetings are held by relevant environmental committees in each region, and internal benchmarks and know-how needed for the activities are shown to employees from time to time to make them more environmentally conscious.

\* QCD activities are activities that control and improve quality, cost, and deliveries.





# **Strategic Management by Objectives** (SMO)

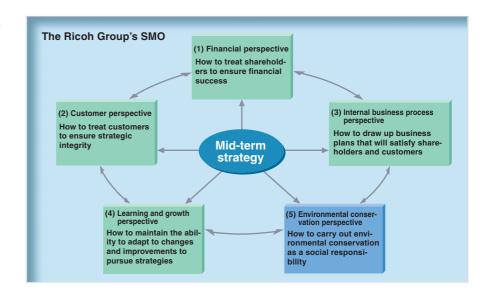
Ricoh introduced SMO in 1999 to clarify evaluation standards for environmental conservation activities that are used in divisional performance evaluations. This system is based on the Balanced Scorecard system, a performance management system developed in the 1990s in the United States and characterized by the use of four perspectives. Ricoh has added a specific environmental conservation perspective to the system and is promoting SMO for global sustainable management.

#### **Environmental Auditing**

The Ricoh Group has internal environmental auditors who carry out the environmental accounting at the Ricoh Group's business sites and report the results to the heads of the sites to help them improve their environmental activities through more effective PDCA cycles.

# EMS at the Ricoh Group's Business Sites

The Ricoh Group, as a global company developing business on an international



scale, places importance on the acquisition of ISO 14001 certification, which is internationally recognized. Accordingly, starting with Ricoh's Gotemba Plant, which was ISO/DIS 14001 certified by a Japanese certifying organization on December 25, 1995, all 49 companies and 410 business sites of the Ricoh Marketing Group and sales companies were ISO 14001 certified on December 14, 2001. As of the end of fiscal 2002, 80 bases and 890 business

sites of the Ricoh Group are 1SO 14001 certified. Also, the Ricoh Group has been successively adopting SMO at its business sites and divisions to promote activities for better sustainable management.

#### ISO 14001 Certified Divisions and Business Sites of the Ricoh Group (April 2002—March 2003)

\* See Ricoh's Web site (http://www.ricoh.co.jp/ecology/e-/system/iso.html) for status as of March 2002 and earlier

Name of Business Site	Location	Assessing/ Registering Organization	Date of Certification	Lanier United Kingdom Ltd	U.K.	LRQA	Jan. 30, 2003
RICOH (SINGAPORE) PTE LTD.	Singapore	BSI	April 18, 2002	Ricoh Corporation (MV Facility)	U.S.A.	UL	Feb. 10, 2003
GESTETNER OFFICE EQUIPMENT (CHINA) CO LTD	China	NQA	May 20, 2002	Ricoh Corporation (WC Facility) (Corp)	U.S.A.	UL	Feb. 10, 2003
REX ROTARY	France	AFAQ	May 22, 2002	Ricoh Corporation (PB Facility)	U.S.A.	UL	Feb. 10, 2003
Ricoh International (Shanghai) Co., Ltd.	China	BVQI	June 6, 2002	Ricoh Corporation (Tustin Facility)	U.S.A.	UL	Feb. 10, 2003
Ricoh (Thailand) Company Limited	Thailand	MASCI	June 28, 2002	Lanier Nederland	The Netherlands	BVQI	Feb. 21, 2003
Lanier Deutschland GmbH & Co. KG	Germany	TUV	Sept. 6, 2002	LANIER GROUP BELGIUM	Belgium	BVQI	Mar. 20, 2003
Ricoh San-Ai Service Co., Ltd.	Japan	JQA	Oct. 18, 2002	Lanier (Switzerland) Ltd	Switzerland	SGS	Mar. 25, 2003
RICOH SOUTH AMERICA DISTRIBUTION CENTER S.A.	Uruguay	LATU	Nov. 27, 2002	Lanier Bürosysteme GmbH & Co. KG	Austria	BVQI	Mar. 27, 2003
LANIER ITALIA SPA	Italy	CISQ	Jan. 24, 2003	Lanier Espãna S. A. U.	Spain	TUV	April 4, 2003*

<sup>\*</sup> Assessment was completed by the end of March 2003 and an informal certification was received, but the issuance date was April 2003.