

Procurement

We are promoting Green Partnership with suppliers and customers.

In order to reduce the environmental impact of our activities, it is vital to establish Green Partnership among suppliers, the Ricoh Group, and customers for the benefit of all. The Ricoh Group supports environmental management systems (EMS's) for suppliers and, in return, asks them to

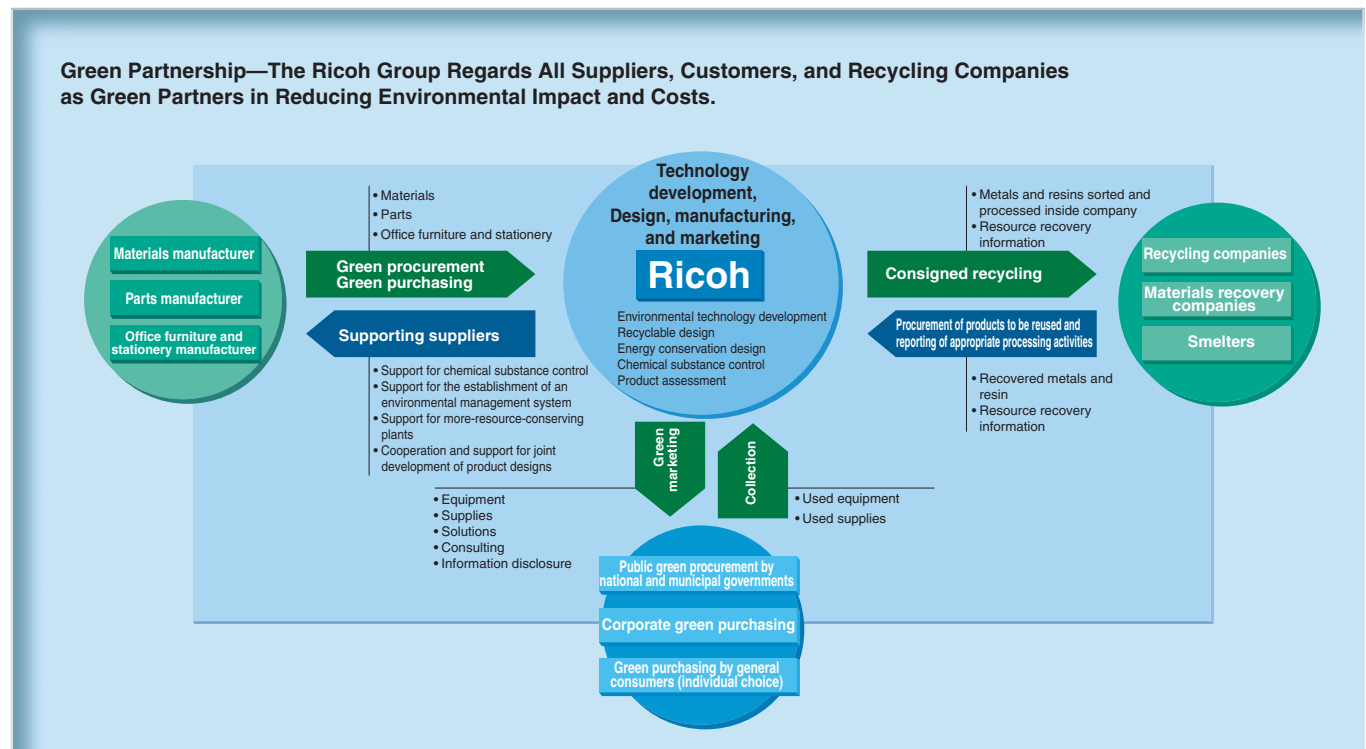
provide the Ricoh Group with raw materials and parts that have less environmental impact. Suppliers are thus able to develop and manufacture parts that have less environmental impact at more environmentally sound plants, while the Ricoh Group is able to manufacture products for customers that have less environmental impact.* The Ricoh Group is continuing its efforts to develop the Green Partnership at production sites in Japan, the Americas, Europe, and

China as a part of our global sustainable management program.

* See page 55 for details on the Green Partnership with customers.
** See page 17 for details on recycling waste from other industries and elimination of specified chemical substances.

Definition of Ricoh Group Green Purchasing

- **Green procurement**
(green purchasing of materials and parts)
- **Green purchasing**
(green purchasing of office furniture and stationery)
- **Green marketing**
(green purchasing by customers)



International

Supporting Suppliers

The Ricoh Group established Green Procurement Guidelines to procure raw materials and parts from more environmentally sound plants, and it is promoting this effort worldwide. The guidelines are aimed at helping small- and medium-size suppliers to efficiently establish EMS's. Under the guidelines, Ricoh's internal auditors visit

suppliers to better understand their operations, thus streamlining the preparation of management materials. Additional efforts include work by the Ricoh Group's highly experienced engineers to improve supplier quality, meetings to share technologies with suppliers and introduce the Ricoh Group's activities, and promotion of awareness of environmental impact through reports on successful green procurement. Although ISO 14001 certification usually takes 10 to 12 months, these efforts have

shortened the time needed for EMS implementation to only four to six months.



The Ricoh Group Green Procurement Guidelines (French)

<http://www.ricoh.co.jp/ecology/guideline>
(available in Japanese, English, and Chinese)

Japan

Green Procurement of Paper

NBS Ricoh Co., Ltd., which provides printing paper as well as recycling services for office paper, encourages paper manufacturers to procure pulp made from trees grown on plantations rather than harvested from virgin forests and use elemental chlorine free (ECF) bleaching. The company also promotes procurement of pulp taken from forests certified by the Forest Stewardship Council (FSC).*

* See page 55.

Green Purchasing

Recognizing green purchasing as a Group-wide effort, the Ricoh Group has developed a green purchasing list to promote efficient green purchasing for fiscal 2001. The list includes office automation (OA) equipment, supplies, stationery, sales promotion giveaways, and gifts. In October 2002, a new online purchasing system was implemented for the ordering of green products that is expected to cut costs by ¥2 billion per year.

Europe

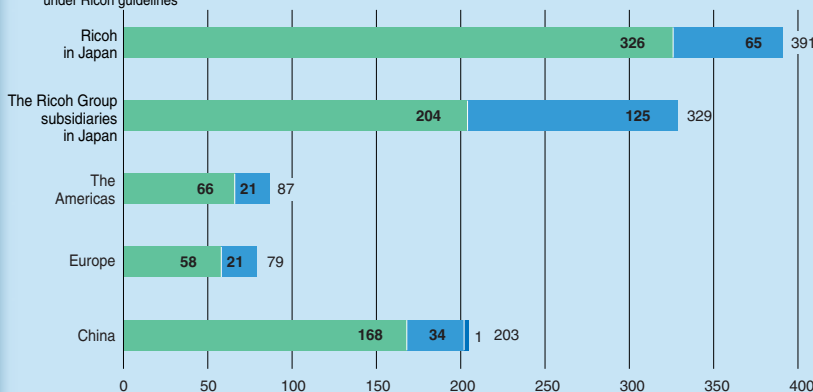
Green Purchasing

Ricoh Europe B.V., the regional sales headquarters for Europe, drew up its own detailed guidelines for the green purchasing of office supplies, paper, and ink used in the making of sales promotion tools such as brochures. The guidelines also cover selection of banks, cleaning companies, and airline companies for business trips, and are to be adopted by Lanier and NRG, which are Ricoh Group sales companies, as well as by all Ricoh European Sales companies.

Results of Global Green Procurement Activities (Status of Environmental Management Certification of Suppliers)

As of end of March 2003

- ISO 14001 certification acquired
- Certification under Ricoh guidelines acquired
- Preparing to acquire ISO 14001 certification or certification under Ricoh guidelines



Promoting Green Procurement

In order to provide customers with products that have less environmental impact from an LCA standpoint, it is important to reduce the environmental impact of both suppliers' manufacturing processes and production of raw materials and parts. With this in mind, the Ricoh Group is developing its business activities in partnership with its suppliers.

● Reducing environmental impact in manufacturing processes

To reduce environmentally sensitive substances at the manufacturing stage, the Ricoh Group has requested leading suppliers to completely eliminate the use of chlorofluorocarbons (CFCs) and chloric organic solvents by the end of fiscal 2004.

● Reducing environmental impact in production of raw materials and parts

To reduce environmentally sensitive substances (e.g., lead and hexavalent chromium) in the production of raw materials and parts, the Ricoh Group requests suppliers to submit certification showing they do not use banned substances; it conducts surveys of the chemical substances contained in parts and materials; and it en-

courages suppliers to switch to the alternative substances wherever possible. Our green procurement standards¹ (in Japanese, English, and Chinese) are available to the public on the Ricoh Web site, and we actively solicit proposals from suppliers in the development of these standards. A briefing was held in Japan on purchasing policies, during which the Ricoh Group presented specific goals, namely, reducing environmentally sensitive substances in products, promoting reuse of parts, and reducing power consumption in products. In fiscal 2002, a supplier submitted a proposal to develop parts² made from PET bottle materials, and this proposal was successfully put into practice. At the 2nd Ricoh Group Green Procurement Meeting held in February 2003, a case study was presented on the significant reduction of environmental impact resulting from the partnership between the Ricoh Group and one of its suppliers. The Group will continue working to strengthen such partnerships.

1. <http://www.ricoh.co.jp/ecology/guideline/02.html>

2. See page 17.