

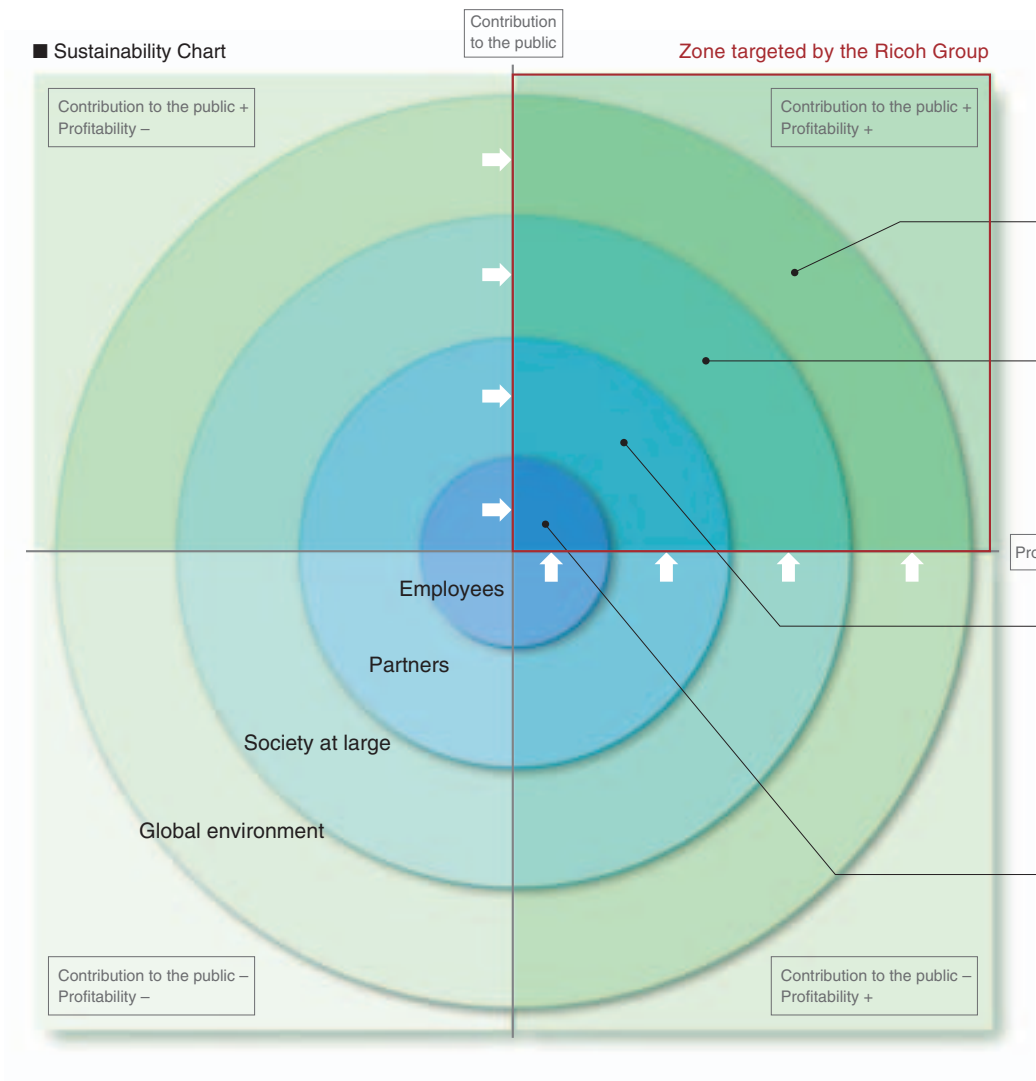
The Ricoh Group Contributes to the Development of a Sustainable Society by Promoting Sustainable Management.

Using a Sustainability Chart

All over the world, people are discussing the roles that companies should play in the development of a sustainable society. The Ricoh Group has created a sustainability chart to evaluate the sustainability of its activities and systematically disclose its goals and achievements. According to the chart, the global environment, society, partners, and

employees are four stakeholders in the Ricoh Group’s activities. To determine whether the Ricoh Group’s socially responsible activities generate profit for the Group, the chart has two axes*: “contribution to the public” (vertical axis) and “profitability” (horizontal axis).

* These axes are used to show in which zones the activities belong and not to show monetary value or magnitude of contribution.



Global Environment and Sustainable Management

The global environment underlies our society. As such, it is represented by the outer rim of the concentric circle in the sustainability chart as something that comprises everything. The Ricoh Group promotes sustainable management, which is the fulfillment of environmental responsibilities while ensuring profitability. The upper right zone is where sustainable management is successfully conducted based on highly sustainable activities. Highly sustainable activities, such as the development and marketing of environment-friendly products equipped with user-friendly energy saving/duplex copying functions*, contribute to reducing environmental impact in general and providing economic benefits (profitability) to the Ricoh Group.

* See pages 38 and 39.

Stakeholder 1—Global environment (see page 33)

Global environmental conservation activities directly conducted by the Ricoh Group

- Reducing environmental impact caused by society at large through the development of environmental technologies (Responsible Stage)
- Reducing the environmental impact caused by the Ricoh Group's business activities and related costs (Responsible Stage)
- Preventing further pollution (Proactive Stage)

Stakeholder 2—Society at large (see page 63)

National and local administrations, local communities, NPOs, and rating agencies engaged in business/environmental contribution activities

Global environmental conservation through social cooperation

- Supporting environmental education
- Supporting forest ecosystem conservation activities
- Partnering with administrations, NPOs, and local communities
- Promoting environmental communication

Stakeholder 3—Partners (see page 72)

Suppliers, customers, shareholders, and recycling companies

Global environmental conservation through cooperation with business partners including customers

- Supporting suppliers in achieving sustainable management
- Partnering with recycling companies
- Partnering with logistics companies

Stakeholder 4—Employees (see page 73)

Global environmental conservation through cooperation with employees

- Providing environmental education and training to employees
- Promoting occupational health and safety

Society at Large, Partners, and Employees

The global environment underlies our society, where business is conducted and sustainable management is promoted in cooperation with partners. Sustainable management is based on activities that contribute to society and are profitable for companies at the same time. Environmental management is not something that can be achieved at the expense of others. In the past, not a few companies conducted activities that were profitable but did not contribute to society. Such activities belong in the lower right zone in the sustainability chart. These days, however, if a company's activity falls within the lower right zone and is made publicly known, it will quickly and definitely shift to the lower left zone (little public contribution and low business profitability), eventually damaging the corporate value of the company. This means that people are beginning to attribute more importance to the corporate process of generating profit.

Tools to Measure an Activity's Effectiveness

To evaluate an environmental conservation activity in terms of both public contribution and profitability and make proper managerial decisions based on the results, companies need to have the tools to measure the effectiveness of their activities. The Ricoh Group is promoting environmental accounting* as a tool to estimate and determine the effectiveness of its environmental conservation activities.

* See page 29.

The Ricoh Group's Goal

The Ricoh Group strives to take innovative measures to achieve better sustainable management as a global citizen. Ideally, all activities fall within the upper right zone of the sustainable chart (great public contribution and high profitability). However, there are times when we need to conduct activities that are in the upper left zone to fulfill our mission or respond to a request from society. We assign great importance to environmental contributions to society under the belief that companies are obligated to do so. Respecting social values, we continue our efforts to become a highly sustainable company whose activities generally fall within the upper right zone.