

## The Ricoh Group aims to reduce the environmental impact of all of its business activities to one-eighth in terms of absolute values by 2050.

### Looking at the present from the longest possible distance to create a sustainable society

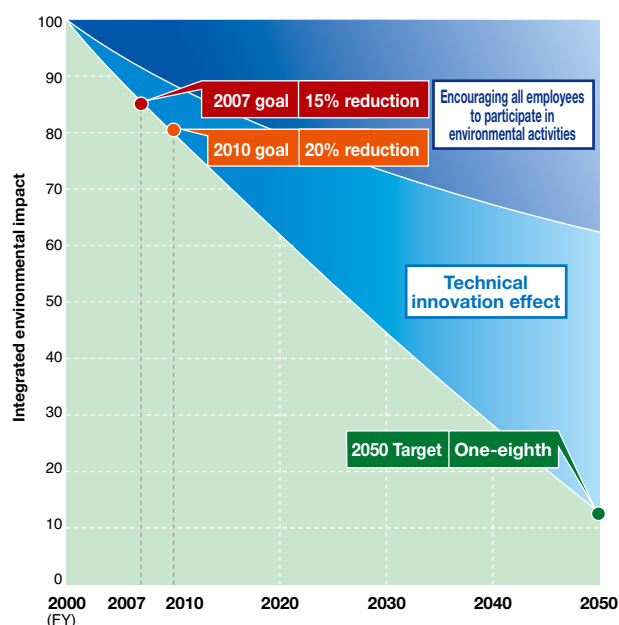
To conserve the global environment and achieve a sustainable society, it is necessary to limit environmental impact to a level that is within the Earth's self-recovery capabilities. The world has now embarked on efforts to achieve a sustainable, recycling-based society. This trend is quite evident in the adoption of the Kyoto Protocol, which came into effect in 2005, and recent developments relating to environmental laws and regulations in nations around the world. However, our goal is not just to comply with these conventions and regulations. Looking ahead as far as we can and reviewing the current situation from a point in the future, we need to share our vision of the ideal society and global environment, set target values to realize our ideals, and aggressively promote environmental conservation activities. The Ricoh Group has described its vision of the ideal society it pursues by its "Three P's Balance"\* and adopted the target of reducing environmental impact in all of its business areas to one-eighth in terms of absolute values by 2050 in the Year 2050 Extra-Long-Term Environmental Vision. \*See page 13.

### Setting targets using the back-casting method to attain final goals

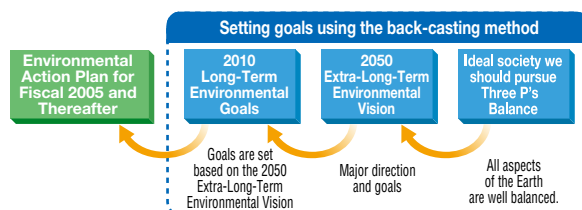
The Ricoh Group uses the back-casting method to set targets. In this approach, we first set final goals and then determine target values as milestones on the journey to those goals. Setting the Three P's Balance as its final goals, the Ricoh Group adopted the Extra-Long-Term Environmental Vision. Based on this vision, we determined the Year 2010 Long-Term Environmental Goals, which aim to reduce environmental impact by 20% by fiscal 2010. Under the Environmental Action Plan, which started in fiscal 2005 according to the Year 2010 Long-Term Environmental Goals, we strive to achieve the target of reducing environmental impact by 15% by fiscal 2007 on the estimation that our business will expand by 8% or more a year. We adopted "integrated environmental impact" as an index for target values and aim to reduce it in terms of absolute values. Integrated environmental impact is obtained by integrating all environmental impact caused by CO<sub>2</sub> emissions, resource use, use of chemical substances, etc.\*

\* Currently, the Ricoh Group is calculating the integrated environmental impact using EPS, which is an integrated analysis method developed in Sweden. We adopted EPS because its calculation concept of coefficient of integration agrees with the Ricoh Group's sustainable environmental management. The unit is ELU. The integrated analysis method used is subject to change as necessary. (EPS is explained on page 53.)

Extra-Long-Term Environmental Vision and Long-Term Environmental Goals



### How to Set Environmental Goals



### Consideration in Preparing an Environmental Action Plan



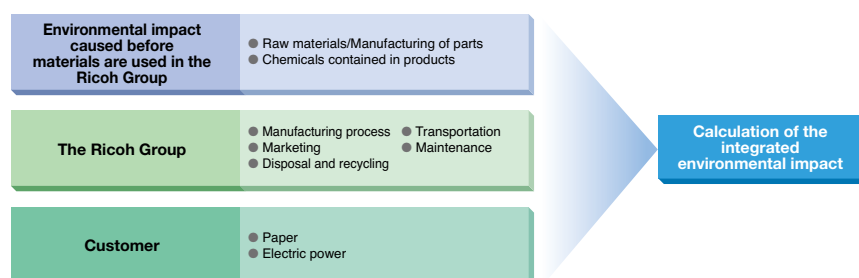
### Reducing the environmental impact of all business activities in terms of absolute values

If reduction of CO<sub>2</sub> and resource conservation is promoted separately, environmental impact reduction goals might be achieved in a defined area, but the environmental impact might increase more than the amount reduced in other areas or processes. To ensure that environmental impact is reduced, we have to first identify the environmental impact of all business activities and then determine, from a comprehensive viewpoint, the kind of initiatives that should be taken at each stage of business. Also, goals set based on units and factors alone, which are efficiency-based relative indices, might not be effective for environmental conservation in practical terms. Therefore, it is important to set goals using “absolute values” for environmental impact as well. Thinking this way, the Ricoh Group aims to reduce the integrated environmental impact of its entire business activities by absolute values.

### Achieving goals on the sustainable environmental management level

To continue its efforts to reduce environmental impact from a long-term perspective on the basis that environmental impact should be reduced to a level that the Earth’s self-recovery capability can deal with, the Ricoh Group needs to continue business and grow as a company by promoting sustainable environmental management that generates economic value through environmental activities. There have been three stages in the Ricoh Group’s environmental conservation efforts thus far. After the Passive Stage and the Proactive Stage, we are now in the Responsible Stage. In the Passive Stage, we coped with social pressures by dealing with laws and regulations and competing with other companies. In the Proactive Stage, however, we began to take voluntary actions to reduce the environmental impact of our business activities and products with a sense of mission as a global citizen. In the current Responsible Stage, the Ricoh Group aims to achieve continuous environmental conservation by pursuing economic value while aggressively reducing the environmental impact of its business activities.

#### Reduction Areas of Environmental Impact (Eco Balance)



#### Three Steps in Environmental Conservation Activities (From Passive Stage to Proactive Stage and Responsible Stage)

	Passive Stage	Proactive Stage	Responsible Stage
<b>Purpose</b>	Coping with social pressures <ul style="list-style-type: none"> <li>Laws and regulations</li> <li>Competition</li> <li>Customers</li> </ul>	Carrying out its mission as a global citizen <ul style="list-style-type: none"> <li>Self-imposed responsibility</li> <li>Voluntary planning</li> <li>Voluntary activities</li> </ul>	Simultaneously achieving environmental conservation and profits
<b>Activities</b>	Passive measures to meet laws and regulations, competing with other companies, and satisfying customer needs	1. High-aiming, aggressive activities to reduce environmental impact <ul style="list-style-type: none"> <li>Energy conservation</li> <li>Resource conservation and recycling</li> <li>Pollution prevention</li> </ul> 2. Improved awareness of all employees	Environmental conservation activities $\approx$ QCD activities* Ex.: Reduced number of parts Reduced number of process steps Improved yield and operation rate
<b>Tools</b>		1. ISO 14001 2. LCA 3. Training program for environmental volunteer leaders	1. Strategic goal management system 2. Environmental accounting 3. Sustainable environmental management information system

\*Activities to improve quality, control costs, and manage delivery times