

Materiality and ESG Targets

Review of fiscal 2021

We are broadly on track to reach all of the ESG targets of the 20th Mid-Term Management Plan in fiscal 2022.

We have exceeded fiscal 2022 ESG targets for the number of people benefiting from social infrastructure improvements, which relates to Quality of Life (QOL) enhancement materiality. With relation to zero-carbon society goals, we have surpassed the year's targets for reduction rates in Scopes 1, 2, and 3 greenhouse gas emissions (GHG).

Regarding ESG targets related to stakeholder engagement, we were included in the Dow Jones Sustainability World Index and CDP Climate Change A list for the second consecutive year. Our employee engagement score related to diversity and inclusion exceeded our fiscal 2022 ESG target in Japan.

Ricoh's approach to seven material issues and ESG targets

Resolving social issues through business		
Materiality (Material issues)	2030 targets	Resolution of social issues and business strategies
<p>Creativity from Work</p>	Contribute to Creativity from Work of all customers to whom we deliver value	<p>Social issues For sustainable development, companies need to reform employees' work styles, boost productivity using IT, and increase employee work satisfaction.</p> <p>Business strategies We will help customers achieve Creativity from Work by providing them with digital technologies and services.</p>
<p>QOL Enhancement</p>	Contribute to the enhancement of social infrastructure for 30 million people	<p>Social issues It is necessary to eliminate disparities in medical, educational, and regional services between developed and developing countries, and between urban and rural areas.</p> <p>Business strategies We will help improve medical, educational, and regional services by utilizing the digital technologies and know-how that we have accumulated for office solutions.</p>
<p>Zero-Carbon Society</p>	Reduce GHG emissions by 63% for Scope 1 and 2, and 40% for Scope 3. Switch to 50% renewable electricity	<p>Social issues As the impact of climate change is becoming more severe, it is necessary to enhance and speed up countermeasures.</p> <p>Business strategies Upholding the SBT⁵ of 1.5°C, we will work to reduce GHG emissions substantially and supply products and solutions that contribute to the decarbonization of society as a whole.</p>
<p>Circular Economy</p>	Ensure efficient use of resources throughout the entire value chain and achieve 60% or less of virgin material usage rate	<p>Social issues For sustainable use of natural resources, it is necessary to foster recycling and reduce the use of new resources.</p> <p>Business strategies We will further enhance our 3Rs (reduce, reuse, and recycle) measures, reduce the use and foster the substitution of plastic materials, and provide on-demand printing services, helping customers make efficient use of resources.</p>

Robust management infrastructure	
Materiality (Material issues)	Resolution of social issues and business strategies
<p>Stakeholder Engagement</p>	<p>Requests from society For the sustainable development of society, companies are required to enhance the sustainability of their entire global value chains.</p> <p>Management strategies We will strengthen collaboration with our business partners and build a Win-Win-Win relationship between our company, business partners, and society.</p>
<p>Open Innovation</p>	<p>Requests from society For sustainable development, innovation needs to be promoted across a range of industrial sectors.</p> <p>Management strategies We will attribute importance to open innovation with universities, research institutes, other companies, and business partners and foster collaboration with these partners to resolve social issues through efficient research and technological development and to create new value.</p>
<p>Diversity and Inclusion</p>	<p>Requests from society For sustainable development and innovation, it is necessary to promote decent work, which gives satisfaction and is humane, and respect diversity in society.</p> <p>Management strategies We will respect the diversity of employees, uphold the empowerment of self-motivated employees in our management policy, and strive to create workplaces where employees can work with vigor.</p>

*1 Top score rate: Highest score selecting rate

*2 Scrum package customers rate in Japan

*3 Target revised from 20% owing to shortages of information and communication technology (ICT) products

*4 IPA: Information-technology Promotion Agency, Japan. ITSS is the IT skill standard that this agency defines. There are seven levels, from 0 to 6.

*5 SBT: Science-Based Targets

Fiscal 2022 outlook

Regarding stakeholder engagement, the Ministry of Economy, Trade and Industry (METI) selected us as a Digital Transformation stock in June 2022, thus reaching our fiscal 2022 target.

We are pushing ahead to reach all of our other ESG targets.

On the zero-carbon society front, we expect to reach our Scope 1 and 2 GHG emissions reduction rates in fiscal 2022 despite the possibility of them rising during the year as parts shortages become fewer and economic activity picks up. We will succeed by stepping up our ongoing efforts to conserve energy and deploy renewables.

ESG targets		FY2021 results	Efforts/topics
KPIs	FY2022 targets (Mid-Term Management Plan)		
Top score rate ^{*1} in customer surveys	30% or more	Japan: 33% Europe: 28% APAC: 36% Americas: 82%	Customer surveys were used to calculate overall satisfaction of major customers in each region. The scopes and survey methods varied by region, so these scores are not inter-regional comparative scores. In the U.S., we earned high satisfaction rate by performing detailed follow-up through monthly meetings with all customers surveyed (approximately 650 companies).
Fulfilling value proposition for customers ^{*2}	15% ^{*3}	13%	In FY2021, we sold 76,000 Scrum packages, and cumulative sales surpassed 210,000 packages since their launch in 2017.
Digital specialist development	IPA ITSS L3 ^{*4} 1.5 times	1.28 times	We are visualizing the skills of digital experts to raise the level of expertise through Groupwide deployment of online courses and other programs as part of the improvement of a training platform that allows employees to continue learning to become digital experts proactively.
Number of people to whom we have contributed by improving social infrastructure	10 million people	10.82 million people	We have received orders for Road Surface Inspection System in several prefectures and major cities, contributing to the improvement of infrastructure through more efficient road inspections. In February 2022, we also began slope inspection verification testing. We plan to gradually expand the inspection range to include roads, tunnels, slopes, and more, helping to create safe and secure cities.
GHG Scope 1 and 2 reduction rate (vs. FY2015)	30%	42.6%	Through the active use of renewable energy, such as the introduction of onsite PPA in Japan and overseas, we have reduced our GHG Scope 1 and 2 emissions by 26.4kt year-on-year. For Scope 3, we are reducing emissions through the use of shipping company eco-delivery services and the promotion of ENERGY STAR compliant imaging products.
GHG Scope 3 reduction rate (vs. FY2015)	20%	28.5%	
Renewable energy usage ratio	30%	25.8%	
Virgin material usage ratio	85% or less	88.5%	We significantly increased the percentage of post-consumer recycled plastics used in six of our main models of MFPs and printers.

ESG targets		FY2021 results	Efforts/topics
KPIs	FY2022 targets (Mid-Term Management Plan)		
Production sites with RBA ^{*5} certification	6 sites	3 sites in total	At the sites for which we plan to obtain certification in FY2022, we established systems, held explanatory meetings, formulated plans, conducted internal audits, and carried out other measures, progressing according to our Mid-Term Management Plan.
Suppliers signing on RICOH Group Supplier Code of Conduct	100% signed	86% signed	We established a new purchasing management organization and promoted the signing of codes of conduct by major suppliers of each business unit.
International security standard	Bolstered security based on ISO/IEC ^{*7} , NIST ^{*8}		Undisclosed
Evaluation scores given by each partner ^{*9} (suppliers, distributors/dealers, development partners)			Undisclosed
Attain top levels for primary ESG external evaluations	DJSI, CDP ^{*10} , etc.	DJSI: World CDP: A-List	We were selected by the DJSI World Index for the second consecutive year. We claimed the top score in our sector and, in the S&P Global Sustainability Awards, were selected for the Gold Class, the highest level of distinction.
Selected as Digital Transformation stock by Ministry of Economy, Trade and Industry (METI)	Selected	Not selected	Digital Strategy Meetings were held every other month and attended by the CEO and other senior management. At these meetings, participants discussed how to deal with DX-specific management issues. Every other week, meetings regarding strategies, measures, and implementation were conducted with the DXOs of individual business units and the implementation of strategies was accelerated.
Increase rate of patent ETR ^{*11} score (vs. FY2020)	20%	7%	We were selected for Clarivate Top 100 Global Innovators 2022.
Ricoh Family Group engagement score	50th percentile or above in each region	Japan: 51st percentile Americas: 42nd percentile Europe: 29th percentile APAC: 33rd percentile	We held online classes for managers in all group companies in Japan. At offices worldwide, we held training and took actions to improve employee engagement. (Note: Percentile data is based on different benchmark scopes in different regions, and therefore these scores are not inter-regional comparative scores.)
Woman-held managerial position rate	Global: 16.5% or more (Japan: 7.0% or more)	Global: 15.6% (Japan: 6.3%)	In October 2021, we formulated our Global D&I Policy, and top management made announcements on the occasion of the policy's formulation. We also reinforced our talent management for women and young employees.

*6 RBA: Responsible Business Alliance

*7 ISO/IEC: International Organization for Standardization/International Electrotechnical Commission

*8 NIST: National Institute of Standards and Technology

*9 Evaluation score: These are results of partner assessments of Ricoh.

*10 CDP: Evaluations from international non-government organizations working on climate change and other environmental fields.

*11 ETR: External Technology Relevance. Scores show the number of patents cited by other companies.