

ESG Strategy

Aligning ESG and business growth to enhance global sustainability

We became an environmental management pioneer in 1998. We have since endeavored to conserve the environment while ensuring profitability. We built on this foundation by adopting a policy that aligns ESG with business growth, integrating ESG and SDG initiatives into our core management strategies and systems.

Under the 21st Mid-Term Management Strategy, we are striving to become a global ESG leader by driving initiatives across our entire value chain.



Mikako Suzuki
Corporate Officer in charge of ESG and Risk Management

Global leadership strategies

We consider ESG initiatives vital to generating future financial performance, prioritizing the following areas:

- We set seven material issues and 16 ESG targets in response to global ESG trends and to support our transformation into a digital services company¹
- We strengthened the integration of ESG goals into management systems, including by linking ESG targets to executive compensation
- We intensified efforts to resolve social issues through our business activities and enhance customer solutions
- We reinforced advocacy and global communications
- We remain committed to disclosure and ongoing engagement with stakeholders

ESG structure

We have established the ESG Committee for the purpose of continuously discussing environmental, social, and governance issues faced by Ricoh at the management level and leading the discussions on the quality enhancement of the entire Group. The committee is a decision-making organization that meets quarterly chaired by the CEO and consists of Group Management Committee* members, including the Internal Executive Director and business unit presidents.

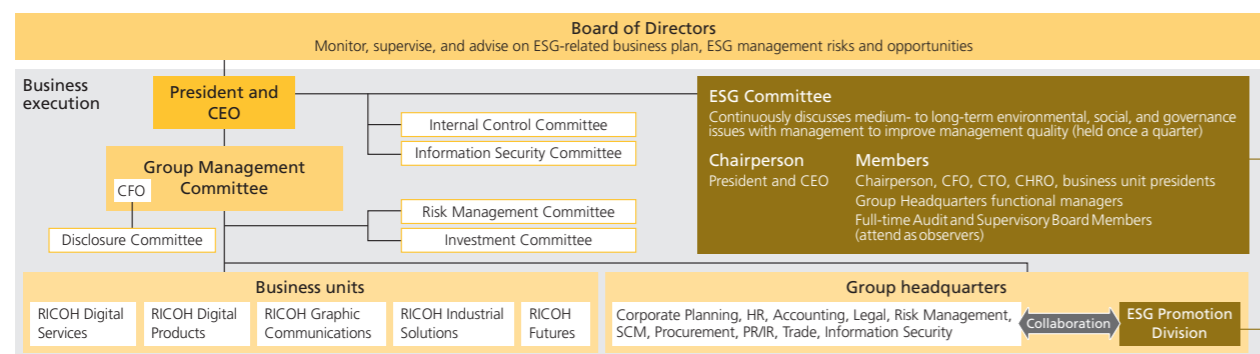
The ESG Committee deliberates on future risks and opportunities for the business in the area of sustainability,

identification of material social issues (materiality), and setting of ESG targets. Important matters are decided on with the approval of the Board of Directors.

We consider it important to embed ESG initiatives into each business unit's activities to integrate them group-wide. We break down and manage ESG targets at the level of business units, which set their own targets. This aligns all ESG efforts with business growth.

* The Board of Directors delegates authority to the Group Management Committee, which comprises executive officers who meet specific qualification requirements.

Group governance structure



Refer to our website ¹ Materiality for the Ricoh Group

21st Mid-Term Management Strategy materiality and ESG goals

To achieve a sustainable society through the Three Ps Balance—prosperity, people, and the planet—we assess the impacts of environmental and social changes, such as climate change and human rights demands, on our operations. We also evaluate how our business affects the environment and society. From a risk and opportunity perspective, we identified seven material issues and set

16 ESG goals as key performance indicators, which are mid-term management strategy priorities.

After deliberations by the ESG Committee, the Board of Directors approves materialities and ESG targets alongside financial goals, disclosing outcomes annually. Despite some lags in reaching our fiscal 2025 targets, we are generally on track.

Resolving social issues through business

Materiality	2030 targets	Focus domains	21st MTS ESG targets (for FY2025-end)		FY2023 achievements	Progress toward FY2025 targets
Creativity from Work	Contribute to "Creativity from Work" for all customers to whom we deliver value	• Office services • Smart Vision, and others	1. Customer survey scores* ¹	29%	Japan: 26% North America: 39% Latin America: 65%* ² Europe: 25% APAC* ³ : 17%	Sharing and deploying best practices across regions
Community and Social Development	Contribute to the enhancement of social infrastructure for 30 million people	• GEMBA* ⁴ • Municipal solutions • Educational solutions, and others	2. Number of people to whom we have contributed by improving social infrastructure	20 million	17.94 million	Progressing as planned
Zero-Carbon Society	Reduce GHG emissions by 63% for Scope 1 and 2 and 40% for Scope 3	• Eco-friendly MFPS • Commercial printing • Silicon-top linerless labels • Label-less thermal, and others	3. GHG Scope 1 and 2 reduction rate (vs. FY2015)	50%	50.6%	
			4. GHG Scope 3 reduction rate (vs. FY2015)	35%	38.5%	
Circular Economy	Switch to 50% renewable electricity		5. Renewable energy usage ratio	40%	33.6%	
			6. Avoided emissions	1.4 million metric tons	1,059,000 metric tons	
	Use resources efficiently across the value chain and reduce the virgin material consumption rate to 60% or less		7. Virgin material usage ratio	80% or less	78.9%	

*1 The percentage of customers who evaluated us as a digital services company *2 A survey targeting solution customers in Latin America *3 APAC: Asia-Pacific *4 GEMBA: Maintenance and services business targeting other than offices (e.g., stores and warehouses)

Robust management infrastructure

Materiality	21st MTS ESG targets (for FY2025-end)		FY2023 achievements	Progress toward FY2025 targets
Responsible Business Processes	8. Corporate Human Rights Benchmark score* ⁵	Information and communication technology sector leader	Self-assessments completed	Improvement initiatives advanced for identified priority issues
	9. Compliance with NIST SP 800 -171 Coverage of Ricoh's core business environment	80% or more	Continued to identify and assess information needing protection	Swiftly identified and assessed information to be protected
Open Innovation	10. Low-compliance risk Group companies	80% or more	Completed pulse survey for high-risk organizations	Progressing as planned
	11. Contracted joint R&D ratio	25%	23%	
	12. Digital services patent application ratio* ⁶	60%	54.7%	
	13. Ricoh Digital Skills Level 2 or above rated employees (Japan)	4,000	2,855	
Diverse and Inclusive Workforce	14. Process DX Silver Stage-certified employee ratio* ⁷	40%	21%	
	15. Engagement score* ⁸	Global: 3.91 Japan: 3.69 North America: 4.18 Latin America: 4.14 Europe: 4.01 APAC: 4.15	Global: 3.79 Japan: 3.57 North America: 4.00 Latin America: 3.90 Europe: 3.92 APAC: 4.03	
	16. Female-held managerial position ratio	20% (Japan: 10%)	16.5% (Japan: 7.7%)	

*5 CHRB (Corporate Human Rights Benchmark) Score: Institutional investors and nongovernment organizations established this initiative, which evaluates around 250 global companies across five sectors: food and agricultural products, apparel, extractives, ICT manufacturing, and automotive manufacturing. *6 Ratio of patent applications related to digital services business to total patent applications *7 Training rate of personnel with process improvement experience based on a Process DX model (the denominator is the total number of personnel in the training target organization of each business unit) *8 Uses Gallup Q12 Mean score

Incorporating ESG targets in executive compensation¹

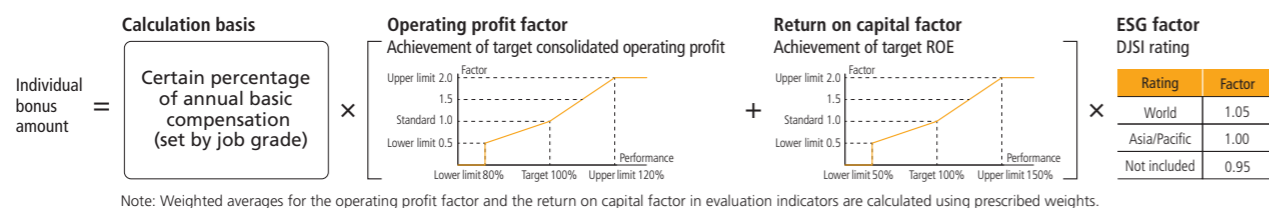
Links with executive bonuses

We have incorporated the DJSI annual rating tool to assess ESG initiatives in the performance-linked bonus calculation formula for directors and executive officers to incentivize ESG efforts. We tie executive officers' compensation to ESG targets in their areas of responsibility, reinforcing their commitment to achieving ESG targets across business units and Group headquarters.

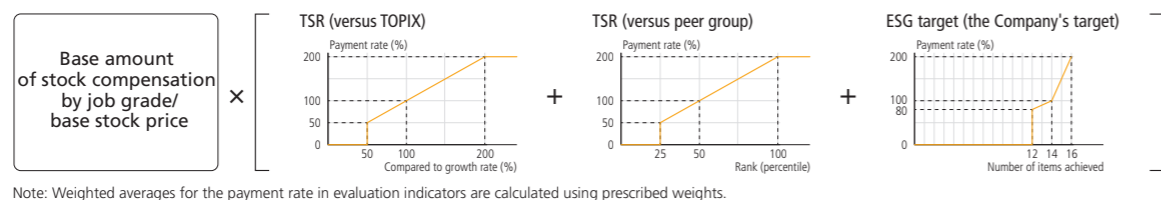
Linkage with directors' stock compensation

From fiscal 2023, when we launched the 21st Mid-Term Management Strategy, we introduced a performance-linked stock compensation program for directors that incorporates ESG goals. The payout rate directly reflects the number of company-wide ESG targets achieved. In fiscal 2024, we extended this program to executive officers.

(Reference) Formula for calculating Directors' bonuses



(Reference) Formula for performance-linked stock-based compensation for Internal Directors



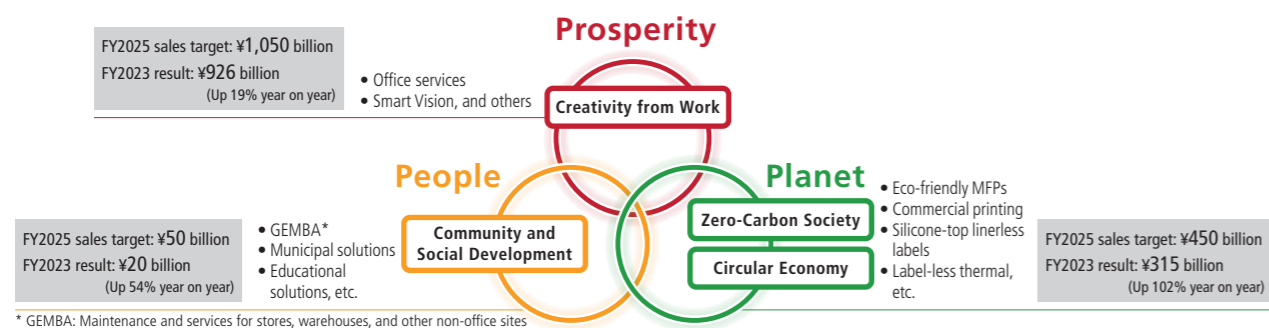
Bolstering efforts to resolve social issues through business^{2,3}

To more specifically show stakeholders our progress in aligning ESG with business growth, we clarified which businesses help resolve social issues and set sales targets for fiscal 2025.

increased 19% from a year earlier to ¥926 billion. Other sales gains were 54%, to ¥20 billion, for Community and Social Development, and 102%, to ¥315 billion, for the Zero-Carbon Society and Circular Economy category.

In fiscal 2023, sales through Creativity from Work

Social issue-resolving businesses and sales targets and FY2023 results



Example of resolving social issues through business

Helping transform the world of work through Scrum series industry and business solutions

Improving productivity is an urgent issue in Japan, where the working population continues to decline. Accelerating digital transformation by using more information and communication technologies is essential. Digital talent and expertise shortages pose a significant challenge, particularly for small and medium-sized enterprises, which still lag in adopting information and communication technologies. Ricoh leverages its understanding of on-site needs, product

development expertise, a solid customer base cultivated through its Office Printing business, and a nationwide sales and service network to offer the Scrum series of solution packages that address industry- and business-specific challenges. By helping customers boost productivity and create more time, we simultaneously drive recurring revenue growth in the expanding Office Services sector.



Responding to ESG requests from customers¹

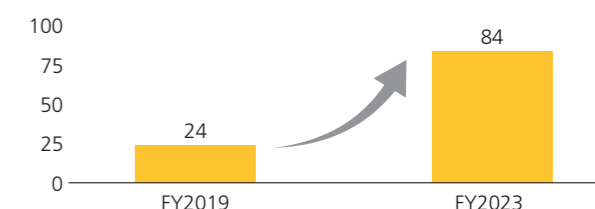
ESG regulations are advancing worldwide, leading to a growing trend, particularly among global companies, that includes ESG-related contract requirements and requests to confirm Ricoh's ESG efforts through questionnaires and surveys. For example, they ask about environmental labeling on products, the rate of recycled material usage, and our human rights initiatives.

ESG has become a fundamental aspect of business. We are committed to enhancing our ESG efforts to meet customer and societal expectations.

More customers now require ESG external evaluation scores or ratings as a prerequisite for negotiating deals. For example, customer requests for EcoVadis* scores climbed from 24 in fiscal 2019 to 84 in fiscal 2023.

* EcoVadis is a French agency that rates sustainability across supply chains

Number of requests to disclose EcoVadis scores



Reinforcing advocacy and global outreach

We actively participate in domestic and international initiatives, demonstrating leadership in advancing key policy implementations and driving corporate actions. In 2023, Ricoh Chairperson Jake Yamashita, as co-chair of the Japan Climate Leaders' Partnership, delivered a policy proposal on accelerating decarbonization through green transformation to Japan's Minister of Economy, Trade and Industry and Minister for Green Transformation. Recognizing these efforts, Influence Map, a British independent climate risk think tank, listed Ricoh as one of 27 global companies exerting significant influence on climate change policy in its Influence Map Report published in September 2023.



Ricoh Chairperson Jake Yamashita spoke at COP28 Japan Pavilion in December 2023