

ESG Strategy

Aligning ESG with business growth to fulfill our responsibility to help build a sustainable society



Mikako Suzuki
Corporate Officer in charge of ESG and Risk Management

Fiscal 2025 Focuses

- 1 Increase financial contributions by meeting customer ESG requirements
- 2 Solidify Ricoh's position as a global leader in environmental management
- 3 Strengthen ESG risk management across the supply chain
- 4 Disclose information and communicate to advance global leadership

ESG Strategy under the 21st Mid-Term Management Strategy to Advance Global Leadership

We position ESG initiatives as essential to creating future financial value, with a focus on the following:

- Set seven material issues and 16 ESG targets¹ in response to global ESG trends and to support our transformation into a digital services company
- Strengthen integration with management systems, including linking ESG targets to executive compensation²
- Resolve social issues through business and strengthen proposals to customers
- Reinforce advocacy efforts and enhance global communications
- Promote proactive disclosure and continuous two-way stakeholder engagement

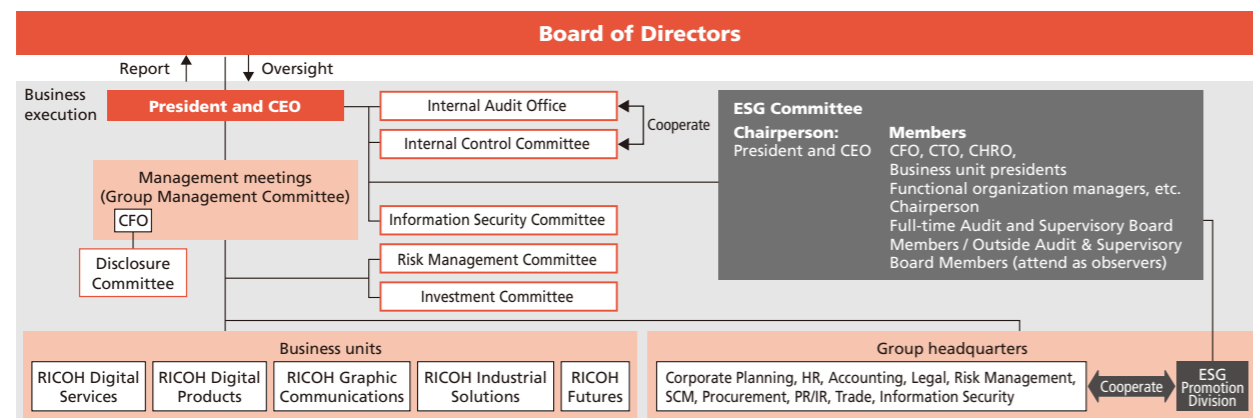
ESG Governance: Framework for Oversight by the Board of Directors and Executive Management

To ensure continuous management-level discussions on ESG issues, we have established an oversight structure through the Board of Directors and an execution framework centered on the ESG Committee as a decision-making body.

The Board of Directors monitors, oversees, and advises on ESG-related policies, the formulation and implementation of business plans—including the determination of material social issues (materiality)—and on managerial risks and opportunities. ESG metrics are incorporated into executive remuneration to incentivize ESG initiatives.²

The CEO chairs the ESG Committee, which meets quarterly and includes such Group Management Committee members such as 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. Key ESG themes, including decisions made by the ESG Committee, are incorporated into specific targets and measures for each functional organization and business unit.

ESG Governance Structure



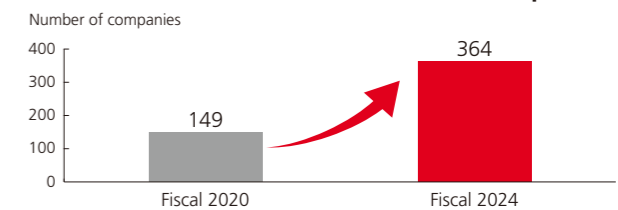
¹ Initiatives on Materiality and ESG Targets ▶PP. 27–28
² Compensation of Directors and Audit and Supervisory Board Members ▶PP. 76–78

Growing ESG Requests from Customers

There is a growing trend, particularly among global company customers, that includes ESG-related contract requirements and requests to confirm Ricoh's ESG efforts through questionnaires and surveys. For example, customers ask about environmental labeling on products, the rate of recycled material usage, and our human rights initiatives. More customers now require ESG external evaluation scores or ratings as a prerequisite for negotiating deals. For example, the cumulative number of EcoVadis score disclosure requests increased from 149

in fiscal 2020 to 364 in fiscal 2024. We are committed to enhancing our ESG efforts to meet customer and societal expectations.¹

Cumulative Number of EcoVadis Score Disclosure Requests



¹ EcoVadis: An international rating agency that evaluates companies on their environmental, social, and governance aspects, with many global companies using its evaluation results for supplier selection

Supporting Customer SDG and ESG Initiatives

At Ricoh Japan, we support customers who want to strengthen their SDGs and ESG initiatives by sharing practical examples from the Ricoh Group. By aligning with our customers' management challenges, we help deepen relationships, expand business opportunities, and build long-term partnerships.²

Support story: Fuso Machine Works, Ltd.¹ From scratch to regional SDG leader in a few years

From "Not Knowing What to Do" to Driving SDGs Initiatives

Fuso Machine Works was initially unsure how to integrate SDGs into its operations and build internal awareness of them. It progressed with Ricoh Japan's assistance.

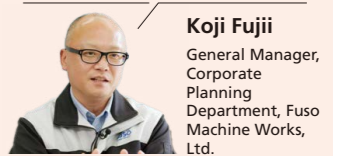
Key support from Ricoh Japan

- Presenting best practices in the Sustainability Report
- Holding internal office tours at ViCreA*
- Assistance with the RICOH Sustainability Visualization Tool
- Conducting SDG study groups and workshop training
- Offering digital solutions for work-style transformation and supplying eco-friendly products

Fuso Machine Works' key actions and achievements

- Defining activity policies and content based on Ricoh's cases
- Using personal commitment sheets to make individual actions concrete
- Establishing roundtable meetings to resolve issues
- Internally and externally communicating SDG activities
- Registering as an SDG partner in Mie Prefecture

"We contact Ricoh Japan whenever we have a concern, and it's been hugely helpful. We're truly grateful for the hints and advice that have put our SDG activities on track."



* Value Innovation Creative Area (ViCreA): Ricoh Japan's office space that immerses customers in work-style transformation experiences

Strengthening Advocacy and Global Outreach

We engage in domestic and international initiatives, leading the way in promoting necessary policy adoption and corporate action. In July 2024, Japan Climate Leaders' Partnership co-chair and Ricoh chairperson Yoshinori Yamashita presented a proposal on Japan's next Greenhouse Gas Reduction Targets and Strategic Energy Plan to the Association for Achieving Carbon Neutrality, a bipartisan parliamentary group. In November 2024, he had a discussion on a policy proposal with the Chief Cabinet Secretary on accelerating greenhouse gas emission reductions and increasing the renewable energy usage ratio to halt the climate crisis and propel Japan's economic growth.

Our climate change advocacy activities have received high international recognition. In September 2024, Ricoh was selected as one of eight companies worldwide for outstanding performance in climate policy in An Influence Map Report published by Influence Map, an independent U.K.-based climate risk think tank.



Japan Climate Leaders' Partnership co-chair Yoshinori Yamashita organizes study sessions for business executives.

¹ Customer Highlight Story 3: Large-scale introduction of eco-friendly MFPS: Supporting customers' sustainability goals ▶P. 33
² Employee Highlight: Sustainability initiatives foster trust with customers and drive business growth ▶P. 38

Environment

Ricoh Group's Environmental Management

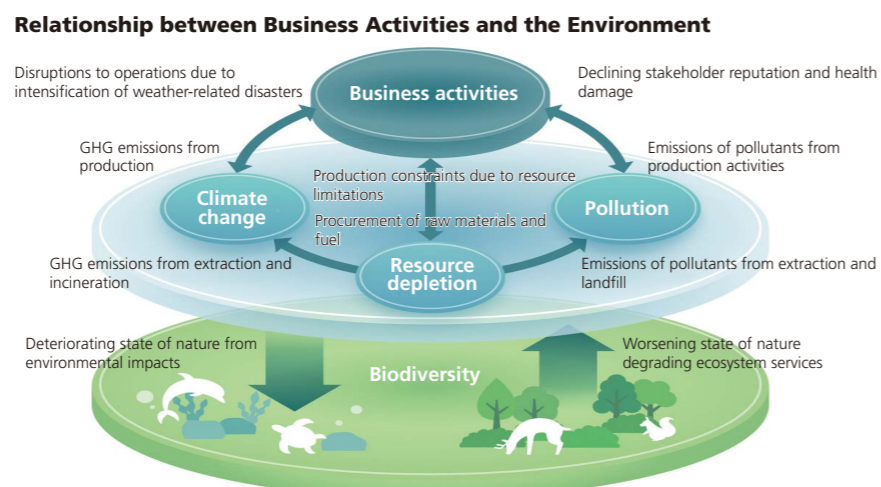
In 1998, we proposed the concept of "Sustainable Environmental Management," which aimed to conserve the environment while generating a profit at the same time. This approach is not a trade-off between environmental conservation and economic growth, but rather it is about linking them to business growth, profit generation, and enhanced corporate value by taking a long-term perspective and responsibility for our own ongoing efforts. At the Ricoh Group, we are committed to this basic concept of ongoing sustainable environmental management, as part of our overall management strategy.

The Ricoh Group Environmental Principles¹

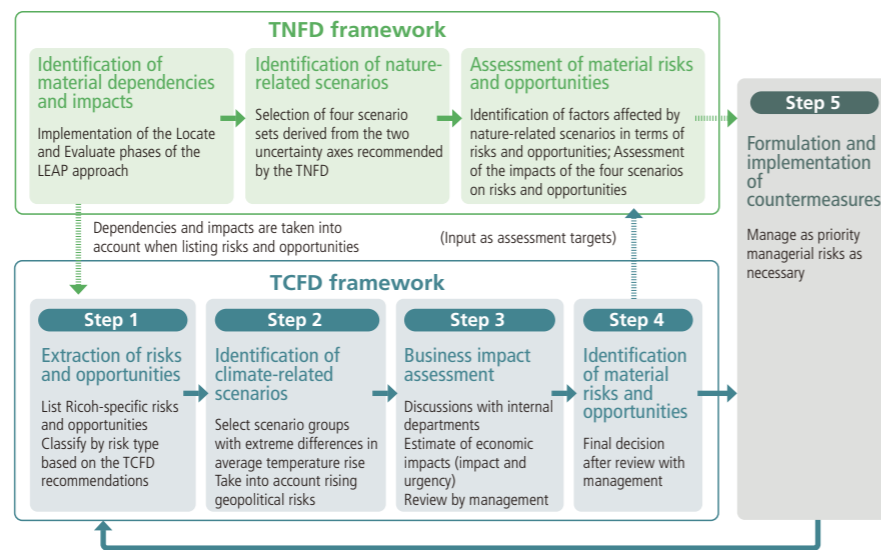
Based on its management philosophy, Ricoh established its Environmental Principles in 1992. The Principles clearly show the basic policy and action guidelines that the Group should follow for environmental conservation and represent the Group's commitment to sustainable environmental management, which makes environmental conservation and the creation of economic value compatible.

Scenario Analysis and Risks and Opportunities²

Business activities cause environmental impacts such as climate change, resource depletion, and pollution, which in turn negatively affect those business activities. In manufacturing industries, in which the Ricoh Group operates, the mutual influence between business activities and the environment can be understood through the relationships illustrated in the graphic on the right. We thus consider it important to conduct integrated scenario analysis and risk/opportunity assessments from the perspectives of climate change, resource depletion, pollution, and biodiversity.



Scenario Analysis Process Based on the TCFD/TNFD Frameworks



In 2024, we endorsed the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), augmenting our efforts to analyze scenarios based on recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). We use TNFD's LEAP (for locate, evaluate, assess, and prepare) approach to map pathways for dependencies and impacts on natural capital and ecosystem services and comprehensively assess risks and opportunities across environmental domains.

Climate Action^{1,2}

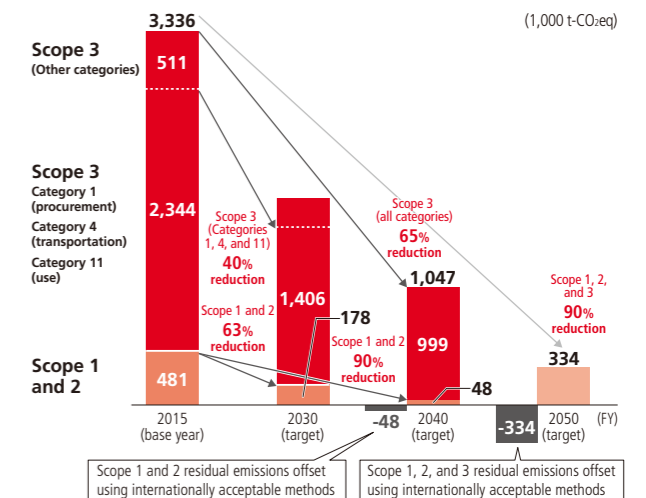
We have set a goal of achieving net zero greenhouse gas (GHG) emissions throughout our entire value chain by 2050, based on the Paris Agreement, the IPCC, and other scientific findings. In line with our decarbonization policy, we have formulated medium- and long-term environmental goals and a decarbonization road map, and are developing specific measures throughout the company.

Decarbonization Targets

We have set 2030 Scope 1*¹ and 2*² (63%) and Scope 3*³ (40%) reduction targets, and were certified for the SBTi*⁴ 1.5°C in 2020.

In March 2024, we set a new 2040 target to achieve net zero GHG emissions*⁵ for Scope 1 and 2, and transition to 100% renewable energy for electricity used in our business activities (RE100 initiative*⁶), brought forward 10 years from our previous target of 2050. Through our own efforts, we will reduce emissions by 90% from the base year and offset the remaining emissions by internationally acceptable methods*⁷ to achieve net zero.

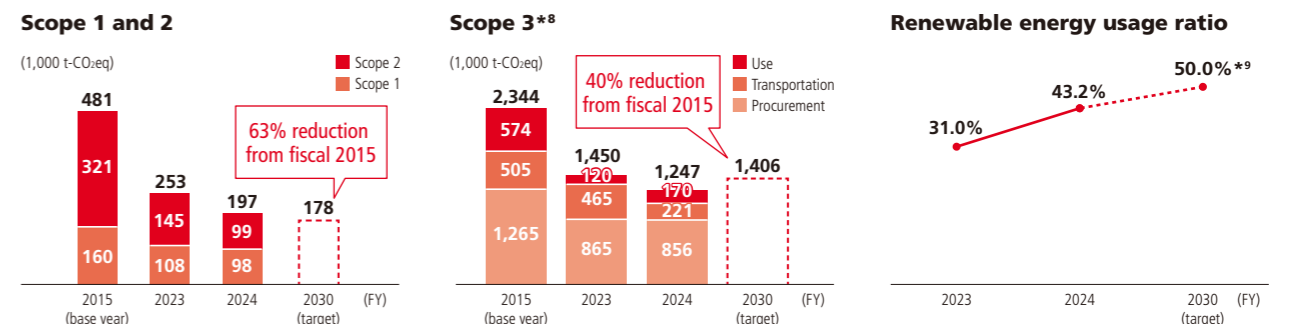
We have expanded the existing Scope 3 category 1 (purchased goods and services), category 4 (upstream transportation and distribution), and category 11 (use of sold products) to all categories, and set a new reduction ratio of 65% from the base year to reinforce our approach. Moreover, we have set an additional quantitative goal to reduce emissions ourselves by 90% compared with the base year (fiscal 2015) for the Scope 1, 2, and 3 net zero targets set currently for 2050.



*1 Scope 1: Direct GHG emissions from our manufacturing plants, offices, and vehicles, etc.
 *2 Scope 2: Indirect GHG emissions from the consumption of heat and electricity that we purchase
 *3 Scope 3: Emissions in the supply chain from business activities (excluding GHG Scope 1 and 2)
 *4 The Science Based Targets initiative (SBTi): Global entity that certifies that corporate GHG reduction goals are in keeping with scientific evidence.
 *5 Net zero GHG emissions: Reduction ratio 90% + Residual emissions offset
 *6 RE100: Global corporate renewable energy initiative bringing together businesses committed to 100% renewable electricity.
 *7 Internationally acceptable methods: In accordance with ISO 14068-1:2023, published in November 2023

Zero-Carbon Initiatives and Results for Fiscal 2024

In fiscal 2024, we reduced Scope 1 and 2 GHG emissions by 59.1% and Scope 3 emissions by 46.8% from the fiscal 2015 base year. For Scope 2, our renewable energy rate was 43.2% overall. The prime driver was switching completely to renewables-based electricity purchases at the Tohoku plants of Ricoh Industry Company and ETRIA.



Note: Past figures have been revised to reflect organizational changes and improved regional data accuracy.

*8 Procurement, transportation, and use categories
 Note: Past figures have been revised to reflect organizational changes and improved regional data accuracy.

*9 Target of renewable energy's additionality 35% or more
 Note: Past figures have been revised to reflect organizational changes and improved regional data accuracy.

Resource Circulation^{1,2,3}

In 1994, we created the Comet Circle⁴ concept to realize a circular economy. We established goals for 2030 and 2050 to foster effective resource use across product life cycles. We aligned these goals with our resource conservation and plastics policies. We focus on using fewer new resources, recycling them, and reducing or replacing fossil-based plastics.

Resource Conservation Targets

Product resource conservation targets

Virgin material usage ratio of products*1

2030: 60% or less **2050: 12% or less**

*1 Ratio of virgin materials usage to total resources inputs
Product scope: MFPs, printers, and digital duplicators

Specific targets for plastic

- 2025** Complete labeling of plastic parts and packaging materials and use single materials
- 2030** Post-consumer recycled plastic for imaging products content ratio of 50% or more
Reduce fossil-derived virgin plastic in packaging materials by at least 50% from the 2020 level

Operational resource conservation targets

Waste generation reduction targets

Reduce waste from the previous fiscal year's level

Scope of data collection: The Ricoh Group's production facilities inside and outside Japan, non-production facilities of Ricoh Company and ETRIA

Water withdrawal reduction target

Reduce withdrawal to less than the previous fiscal year's level

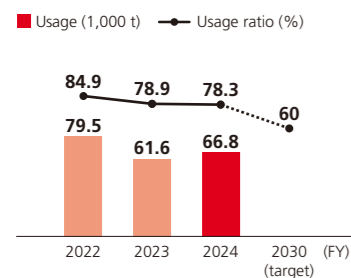
Scope of data collection: The Ricoh Group's facilities inside and outside Japan

Resource Circulation Initiatives and Fiscal 2024 Results

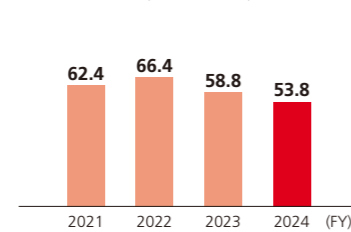
Cross-organizational working groups are striving to reach our resource conservation targets for 2030 and 2050. Fiscal 2024 sales of reused products and recycled materials usage kept us on track to meet these targets.

We are developing production processes and formulations in our operations that minimize resource losses to streamline production while cutting waste. We are also endeavoring to cut water consumption through reuse and recycling. We reached our total waste emissions and water usage targets in fiscal 2024.

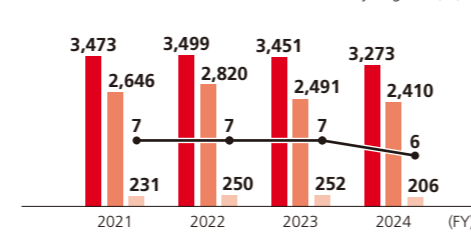
Virgin Materials Usage and Usage Ratio of Products



Waste



Water



Note: We revised waste and water data to reflect organizational changes and more accurate data in some regions.

Pollution Prevention^{1,2}

We manage the chemical substances used in our products and business activities to minimize risks throughout their life cycles. Our preventive efforts take into account not only current laws and regulations but also future risks, enabling us to make the most of the convenience of the chemical substances while controlling risks such as pollution.

Managing Chemicals in Products

We have formulated the Ricoh Green Procurement Standards based on global regulatory trends and major environmental labels. We have established a chemical substance management framework to meet international requirements. We have developed a chemical information

communication system based on chemSHERPA for molded products, along with a chemical substance management system for chemical products. These systems enable us to comply with the laws and regulations of each country throughout the supply chain.

Preventing Pollution at Business Sites

We are centralizing global chemical information management to comply with international regulations, cut emissions, and lower risks. We protect human health by reducing soil pollution risks and banning high-risk

chemicals. We prevent soil contamination and facilitate smooth business transitions by assessing potential environmental risks and taking mitigation measures during M&A and land or building transactions.

Biodiversity Conservation^{3,4}

We established the Ricoh Group Biodiversity Policy to foster coexistence with nature, aiming for nature-positive and zero deforestation to halt and reverse biodiversity loss. In fiscal 2024, we began disclosing biodiversity information in line with the TNFD recommendations.

Initiatives for Procuring Products Made of Wood and Paper

In 2023, we established our Paper Procurement Policy to protect biodiversity and human rights and support local operations, setting sustainable paper procurement targets. By sourcing and selling sustainable paper, we want to ensure that customers can confidently use our products.

Target Sustainable procurement of paper: 100% (FY2026)

Progress Fiscal 2024 progress: 90%

Initiatives Related to Forest Conservation

We have engaged in forest conservation projects since 1999 to preserve biodiversity and tackle the climate crisis. We formulated forest conservation goals in 2020 and are pursuing progress around the world with customers, local communities, governments, and other diverse stakeholders.

Target Planting another one million new trees (FY2020–2030)

Progress Planted 78K trees in fiscal 2024 (531K trees to date)



Social

Respecting Human Rights^{1,2}

“Love your neighbor” is pivotal to the Spirit of Three Loves, the founding principles that epitomize our respect for human rights. As a global company, we respect human rights by complying with national regulatory requirements and international norms.

Human Rights Policy

In April 2021, we introduced the Ricoh Group’s Human Rights Policy in line with the United Nations Guiding Principles on Business and Human Rights. We share this policy in Japanese, English, and eight other languages with all major Group companies worldwide. We encourage suppliers and business partners to adopt and implement this policy.

Human Rights Goals

We aim to step up efforts to respect human rights and reduce human rights risks by supporting the methodology of the Corporate Human Rights Benchmark*. One ESG target is to achieve that initiative’s top score in the information and communication technology sector.

* An international human rights initiative established by institutional investors and NGOs

Human Rights Due Diligence

Management oversees ongoing human rights due diligence efforts across our supply chain.

1. Identification and assessment of adverse human rights impacts

We conduct annual human rights impact assessments Group-wide in view of the importance of risk management. Fiscal 2024 efforts covered 101 key Japan and overseas Group companies. As a general rule, we review salient human rights issues that come to light to drive our ongoing improvements and risk reduction every three years.

Seven salient human rights issues

Forced labor, excessive and unreasonable working hours, occupational health and safety, discrimination and harassment, human rights issues related to technology and AI, right of privacy, and human rights issues in the supply chain

2. Prevention and mitigation of adverse impacts

We issued the Ricoh Group’s Guide to Respecting Human Rights in August 2024 in keeping with our ongoing commitment to prevent and mitigate adverse impacts.

3. Tracking

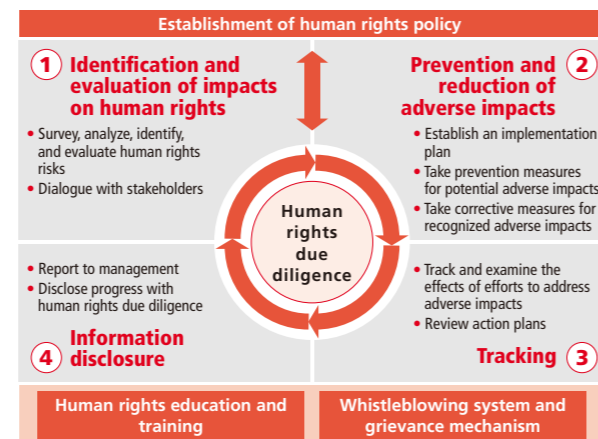
Our human rights impact assessments verify compliance with the guide. We continually assess the effectiveness of corrective actions through ongoing Responsible Business Alliance Validated Assessment Program* audits at our production sites.

* This program is an on-site compliance verification program for the RBA code of conduct by independent, third-party audit firms.

4. Information disclosure

Ricoh executes disclosures on our website in addition to reporting to management through the ESG Committee. In fiscal 2024, we shared our human rights impact assessment and announced a grievance mechanism for external stakeholders.

We will keep focusing on salient human rights issues to prevent and mitigate risks.



Remedies

At the ESG Committee meeting in November 2024, a report was presented to management on the establishment of a grievance mechanism for external stakeholders, and the following reporting desks were established.

- The Engagement and Remedy Platform of the Japan Center for Engagement and Remedy on Business and Human Rights
- The Responsible Business Conduct Hotline

We will promptly investigate complaints while protecting whistleblowers and collaborators and take steps to remedy adverse human rights impacts.

Supply Chain Management¹

Ricoh is a member of the Responsible Business Alliance (RBA), which is dedicated to responsible business conduct in global supply chains. In keeping with international guidelines on human rights, labor, and the environment, Ricoh upholds ethical conduct at its own production sites and among suppliers and business partners, constantly elevating its efforts.

Supply Chain Goals

We set annual internal targets through fiscal 2025 for around 280 suppliers. The metrics are the signature rate for the Ricoh Group Supplier and Partner Code of Conduct, low-risk ratios in ESG risk assessments, ratios of setting decarbonization targets, and collecting conflict minerals surveys. We are striving to ensure these targets are reached.

Ricoh Group Supplier and Partner Code of Conduct

We formulated the Ricoh Group Supplier Code of Conduct in 2006. Through it, we have worked with suppliers to achieve a better global environment and sustainable development. In fiscal 2023, we renamed the code the Ricoh Group Supplier and Partner Code of Conduct, which we expect business partners to adhere to. We ask suppliers and partners to sign implementation agreements. In fiscal 2024, 98% of key suppliers signed the code.

Supplier ESG Risk Assessments

We monitor compliance with the Ricoh Group Supplier and Partner Code of Conduct by asking critical suppliers that have signed the agreement to complete ESG risk self-assessments. The low-risk ratio among critical suppliers was 91% in fiscal 2024. We encourage suppliers to make necessary improvements.

Supply Chain Decarbonization Activities

We survey progress among critical suppliers in setting decarbonization targets to advance their efforts in that respect. In fiscal 2024, 67% of those suppliers had set such targets.

Addressing Conflict Minerals Issues

We survey responsible minerals procurement within our supply chain to prevent mineral mining and trading in conflict zones and high-risk areas from causing human rights violations and labor issues. The fiscal 2024 survey response rate was 95%.

We assess conflict mineral content by component and require suppliers to source minerals from RMAP* conformant smelters to eliminate the use of conflict minerals.

* Responsible Minerals Assurance Process (RMAP): A smelter and refinery accreditation program of the Responsible Minerals Initiative, an American entity that supports responsible mineral production and sourcing globally

Supplier and Partner Hotline

We established this vehicle for suppliers and partners to report Ricoh Group director, officer, or employee violations of laws and regulations, the Ricoh Group Code of Conduct, or contracts.

Production Site ESG Risk Assessments

We use the RBA’s self-assessment questionnaire to conduct annual ESG risk evaluations at major production sites. In 2024 and 2025, five production sites underwent biennial third-party review under the RBA Validated Assessment Program to verify compliance with international ESG requirements. All sites renewed their certifications.