

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.

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.

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	ESG targets		FY2021 results	Efforts/topics
			KPIs	FY2022 targets (Mid-Term Management Plan)		
Creativity from Work 	Contribute to Creativity from Work of all customers to whom we deliver value	Social issues For sustainable development, companies need to reform employees' work styles, boost productivity using IT, and increase employee work satisfaction. Business strategies We will help customers achieve Creativity from Work by providing them with digital technologies and services.	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).
QOL Enhancement 	Contribute to the enhancement of social infrastructure for 30 million people	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. 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.	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.
Zero-Carbon Society 	Reduce GHG emissions by 63% for Scope 1 and 2, and 40% for Scope 3 Switch to 50% renewable electricity	Social issues As the impact of climate change is becoming more severe, it is necessary to enhance and speed up countermeasures. Business strategies Upholding the SBT ^{*5} 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.	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.
QOL Enhancement 	Contribute to the enhancement of social infrastructure for 30 million people	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. 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.	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.
Zero-Carbon Society 	Reduce GHG emissions by 63% for Scope 1 and 2, and 40% for Scope 3 Switch to 50% renewable electricity	Social issues As the impact of climate change is becoming more severe, it is necessary to enhance and speed up countermeasures. Business strategies Upholding the SBT ^{*5} 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.	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%	
Circular Economy 	Ensure efficient use of resources throughout the entire value chain and achieve 60% or less of virgin material usage rate	Social issues For sustainable use of natural resources, it is necessary to foster recycling and reduce the use of new resources. 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.	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.

*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
 *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.