

Advanced nations need to reduce their environmental impact to one-eighth the fiscal 2000 levels by 2050.

Based on this perception, the Ricoh Group has established environmental goals and an action plan, and is promoting sustainable environmental management.

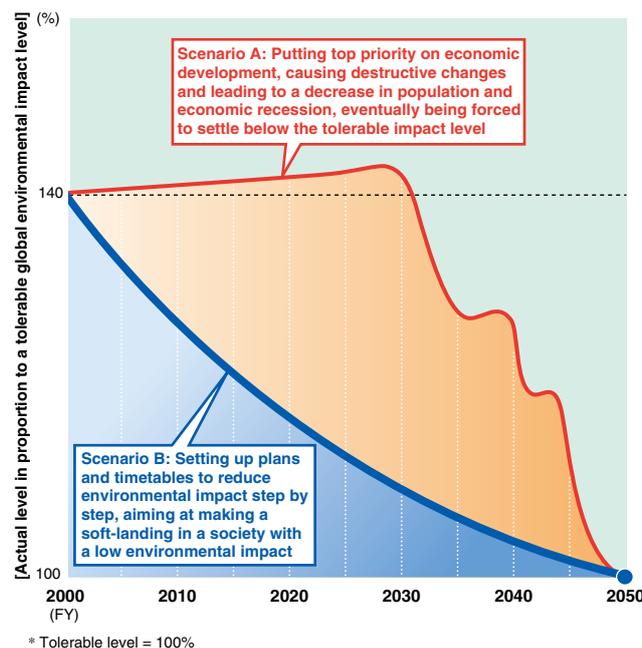
Importance of actions that are based on a long-term vision

To conserve the global environment and achieve a sustainable society, it is necessary to limit environmental impact created by human activities to a level that is within the Earth's self-recovery capabilities. To meet this requirement, we must first envision the ideal society and global environment; then we must create a long-term vision to realize our ideals and aggressively promote environmental conservation activities. Global environmental conservation is a challenge for which there is no second chance, and it is highly probable that we will never be able to build our vision if we act on short-term goals. With this perception in mind, in developing the Environmental Action Plan that was implemented in fiscal 2005, we gathered and analyzed a variety of information to allow us to envision human society in 2050 and assessed its impact on our businesses. In light of the results, we formulated the Year 2050 Extra-Long-Term Environmental Vision, a perception that advanced nations need to reduce their environmental impact to one-eighth of the fiscal 2000 levels by 2050, and concluded that it was necessary to set up specific action plans under this vision.

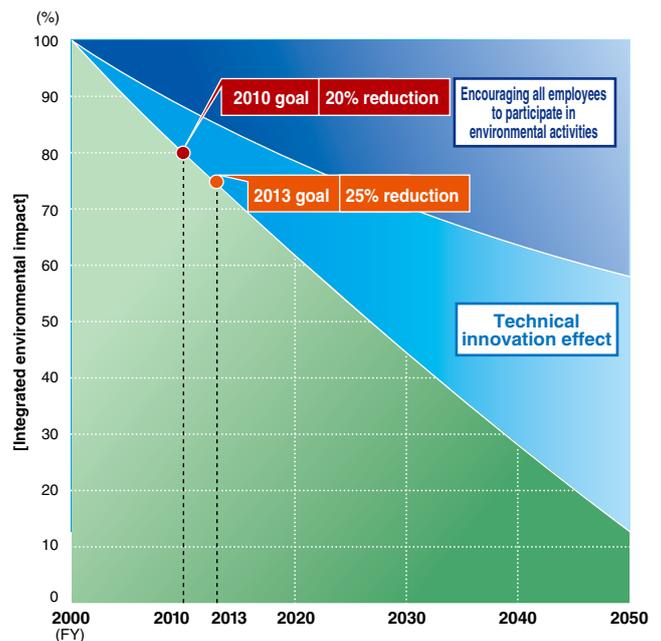
Social changes towards 2050 and how the Ricoh Group intends to cope with the changes

What will our society be like in 2050? The world's population will have reached nine billion. Mineral resources may have run out. Restrictions may be imposed on the use of land. On the other hand, energy sources may have shifted from oil to alternative energies in the hope of preventing global warming. These might lead to substantial changes in social and business models. To prepare for a new era in which we may no longer be able to use the abundant virgin materials and fossil fuels that we have used to date, the Ricoh Group is trying to develop environmental technologies that require fewer resources and new product materials that are alternatives to oil. Based on the perception of future social changes and the prospect of the impact such changes are likely to have on our businesses, we have set up an Environmental Action Plan depicting measures we should take today to prepare for the future. We believe that a quick response to a drastically changing society will strengthen our business competitiveness.

Two Scenarios for Reducing Global Environmental Impact



Integrated Environmental Impact Reduction Goals



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 Ps Balance as its final goals, the Ricoh Group created the Year 2050 Extra-Long-Term Environmental Vision. Based on this vision, we determined the Year 2013 Long-Term Environmental Goals, which aim to reduce environmental impact by 25% by fiscal 2013. Under the Environmental Action Plan, which will start in fiscal 2008 according to the Year 2013 Long-Term Environmental Goals, we will strive to achieve the target of reducing environmental impact by 20% from fiscal 2000 levels by fiscal 2010 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 CO₂ emissions, resource use, use of chemical substances, etc. ^{* See Page 56.}

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

If reduction of CO₂ 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.

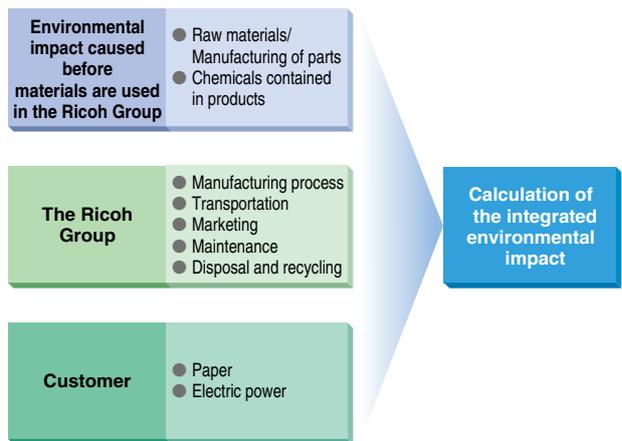
How to Set Environmental Goals



Consideration in Preparing an Environmental Action Plan



Reduction Areas of Environmental Impact (Eco Balance)



For more information, please visit <http://www.ricoh.com/environment/management/vision.html>