

ESG
Initiatives
to Enhance
Corporate
Value

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November 26, 2020

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ESG within Management Strategies

Our Initiatives

Governance

Environment

Social

Future Efforts

ESG within Management Strategies



ESG Demands of Investors and Customers

Specific examples of ESG disclosure demands

Environment

- Business growth opportunities from environmental management
- Basic stance on climate change initiatives
- Validity and bases of environmental goals and issues
- Stance on Ricoh-specific risks
- Competitive edge over rivals in same industries
- Resource-related initiatives
- Plastic recycling rates for products
- Cartridge collection rules and setups

Social

- Value chain management initiatives in procurement, human rights, and other areas
- Diversity initiatives
- Initiatives and achievements for women participating in work and goals (suitability)
- Work practice reform efforts
- Stance and initiatives relating to Ricoh-specific risks

Governance

- Capital efficiency approach, particularly regarding returns on invested capital and weighted average cost of capital
- Shareholder returns sustainability
- Connections between executive remuneration and ESG initiatives
- Effectiveness of Board of Directors (oversight effectiveness of outside directors and examples)

Increasingly Complex ESG Demands of Customers **RICOH** imagine. change.

Rising and more complex ESG demands of suppliers by European global enterprises and national and local governments

- ESG accounts for 10% of supplier scores in business deal negotiations, while ESG initiatives are inevitably spelled out in agreements and required
- Responses to ESG questionnaires, evidence submissions, ESG audits, and enhancements at production sites specifically required

Case study: Participation in Deutsche Telekom's Sustainable Development Programme

- Deutsche Telekom developed this two-year program to encourage supplier sustainability improvements
- Answered 147 questions and submitted evidence for 10 categories, including environmental management, working climate, human rights, and supplier management
- Provided monthly reports on plant ESG audits and progress in highlighted areas

<Examples of improvement proposals and monitoring items for Ricoh based on audits>

- Establishment of women's committee (to foster diversity)
- Carbon dioxide emissions cuts (reduction efforts based on Science Based Targets standards)
- Proper management of chemical substances
- Supplier management (environmental management approach and audits)
- CSR management in keeping with Sustainable Development Goals (SDGs)

Received Gold Award under program in September 2020



Participation in Domestic and Global Initiatives

Have readily taken part in major initiatives in Japan and around world

- April 2017 **First** Japanese company to join RE100
- August 2018 **Swift** among Japanese companies to commit to recommendations of Task Force on Climate-Related Financial Disclosures (TCFD)
- October Signs Japan Climate Action Summit declaration
- August 2019 **First** Japanese company to participate in Business for Inclusive Growth
- November **Early** among Japanese entity to join Responsible Business Alliance, which promotes social responsibility in global supply chains
- January 2020 **Only** Asian company to join RE100 Advisory Committee
- March **Early** in Japan certified by Science Based Targets for setting emissions reduction goals that help limit global temperature rise to 1.5°C above pre-industrial levels
- June Commits to Uniting Business and Governments to Recover Better
- August Commits to Business for Nature's Call to Action
- September Commits to Business Ambition for 1.5°C campaign
- November Joins 30% Club Japan

Materialize sustainable society

Sustainably enhance corporate value

 Contribute to SDGs and Paris Agreement

Key ESG activity themes and disclosure items

Environment

- Climate change
- Circular economy
- Chemical substance management
- Biodiversity preservation

Social

- Human rights protection
- Diversity and inclusion
- Customer satisfaction enhancement
- Supply chain management
- Social and regional contributions

Governance

- Corporate governance
- Risk management
- Compliance
- Information security

Note: We will overview areas highlighted in red in this presentation

The Spirit of Three Loves, Our Founding Principles

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愛をこめず
勤めをす
愛をこめず
愛をこめず
愛をこめず

“Love your neighbor”
“Love your country”
“Love your work”



Ricoh founder Kiyoshi Ichimura

Value
proposition
delivery

Value
proposition

Value
proposition
goal

Corporate
philosophy

Digital services company

EMPOWERING DIGITAL WORKPLACES

2036 vision

Fulfillment through Work

Ricoh Way

- The Spirit of Three Loves
- **Mission**
- Vision
- Values

We are committed to providing excellence to improve the quality of life and drive sustainability

20th MTP Basic Principles

Focus on sustainable corporate value

<Basic Principle>

**Sustainably enhance corporate value
by delivering solutions to address social challenges**

**Harness self-motivated
employees**

**Strengthen
competitiveness**

- ✓ For office customers, build recurring revenues from office services
- ✓ Generate solutions from our in-house digital revolution practices

**Enhance capital returns
(Strengthen operating infrastructure)**

- ✓ Monitor profitability in each business using ROIC (Optimize corporate structure)
- ✓ Capital policies to optimize capital structure

20th MTP Targets

Set an ROE target to enhance corporate value

Ricoh Lift
Off Target

ROE above **9%** in FY22

Above 10% from
FY23 (21st MTP)

Financial KPIs to achieve ROE target

Profit attributable to owners
of the parent

Adjusted operating profit

(Operating profit + equity in earnings of affiliates)

ROIC : Above 7%

Stakeholder targets*

Customers	Customer survey scores
Partners	Partner scores (Suppliers, dealers, and development partners)
Employees	Employee engagement scores
Society	Decarbonization: GHG scopes 1 and 2** Circular economy: Product resource conservation rate
Shareholders	ROE: Above 9%

* From ESG targets

** Greenhouse gas emission reductions for scopes 1 and 2

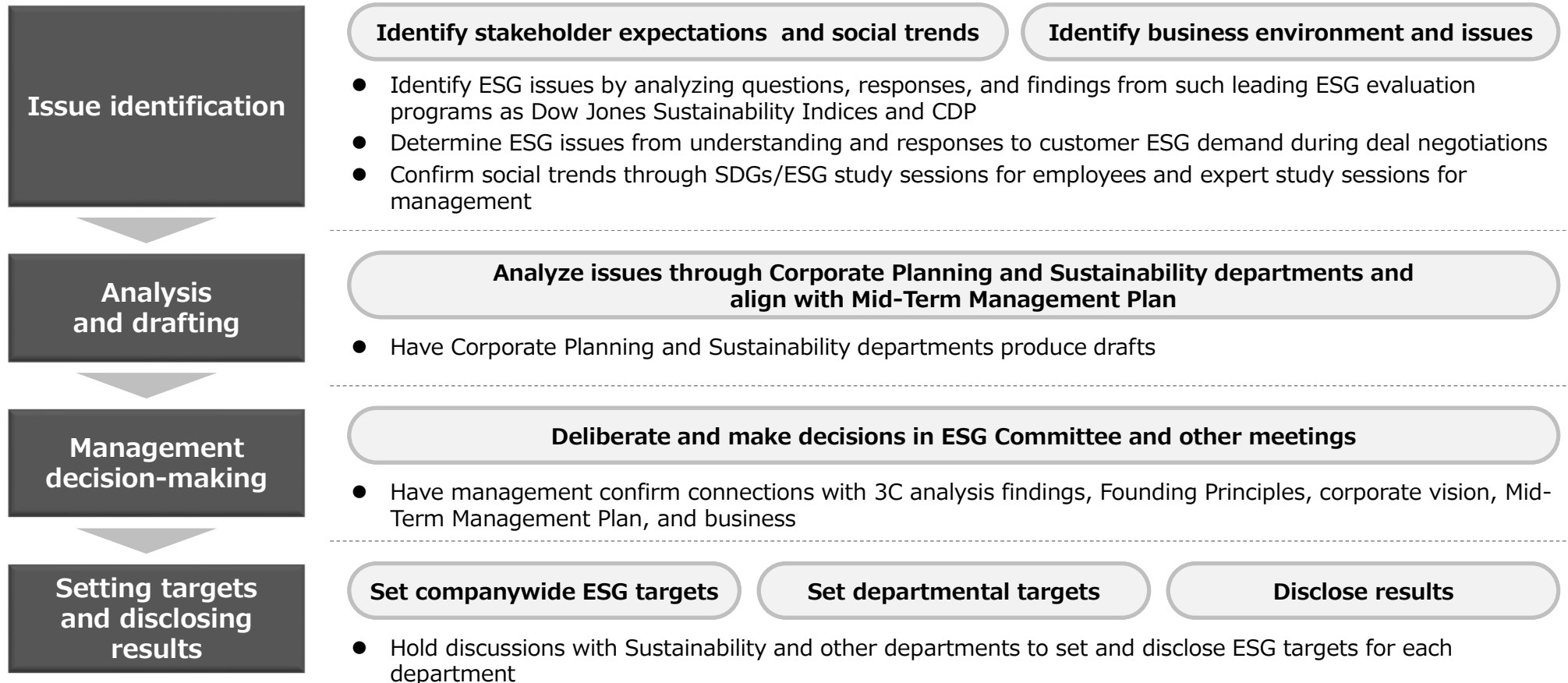
Companywide management targets

**Financial
targets**

**ESG
targets**
(Future finances)

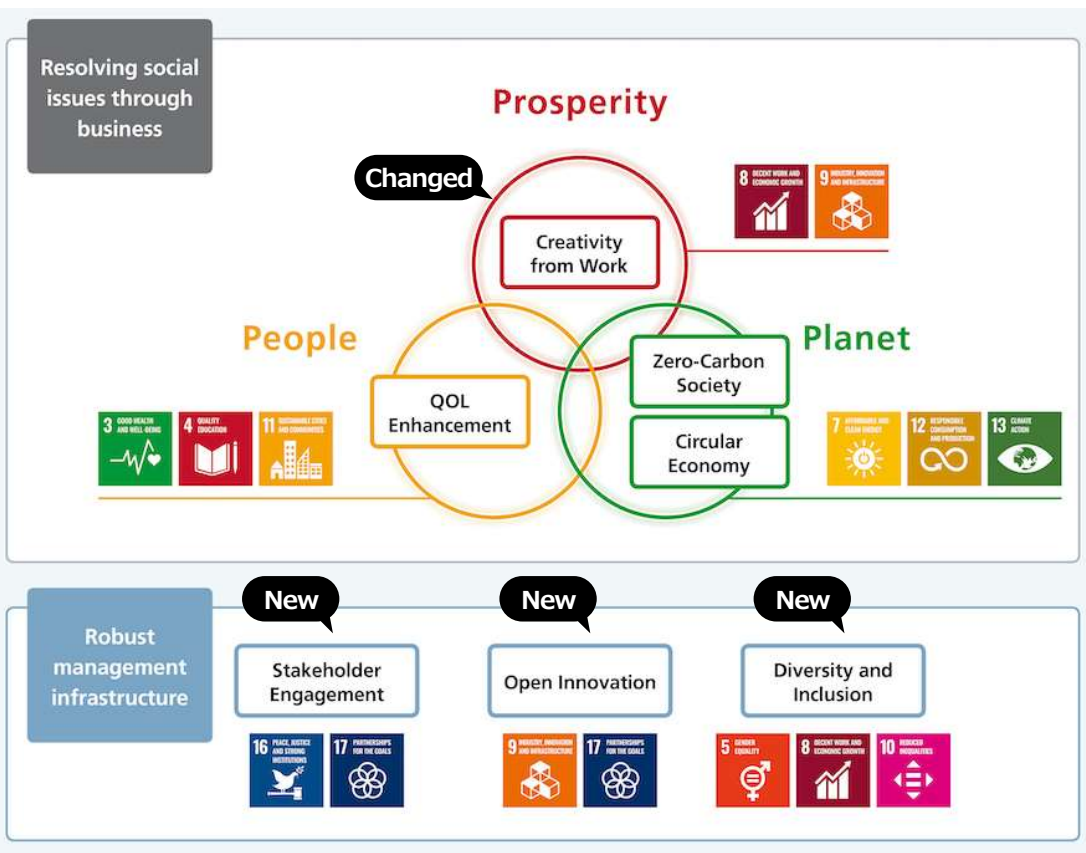
Materiality Analysis Process

All managers and employees participating based on 3C analysis



Seven Material Issues

Have identified materialities and set 14 ESG targets in light of management philosophy, business strategies, and stakeholder demands



Four materialities for resolving social issues through business

- Transforming work in keeping with 2036 vision and business strategies
- Improving quality of life through management philosophy and delivering more value
- Decarbonizing economies in view of climate crisis
- Materializing circular economy

Three new materialities relating to reinforcing management infrastructure

Stakeholder engagement	Make stakeholder assessments a management benchmark
Open innovation	Drive innovation through co-creation
Diversity and inclusion	Secure diversity so employees can reach their potential

Material Issues and 14 ESG Targets

Resolving social issues through business

Materiality	ESG targets		
	2030 targets	KPIs	Targets
Creativity from work	Contribute to “Creativity from work” of all customers to whom we deliver value	Evaluation scores in customer surveys	Top score rate* : 30%
		Enhancement level of the value delivered to customers	
QOL Enhancement	Contribute to the enhancement of social infrastructure for 30 million people	No. of people to whom we have contributed by improving social infrastructure	10 million people
Zero-carbon Society	Reduce GHG emissions by 63% for scope 1 and 2, and 20% for scope 3	GHG emissions reduction rate for scope 1 and 2	30% (Relative to 2015)
		GHG emissions reduction rate for scope 3	10% (Relative to 2015)
Circular Economy	Ensure efficient use of resources throughout the entire value chain and achieve 50% of product resource conservation	Resource conservation rate of products	30%

Robust management infrastructure

Stakeholder Engagement	Materialize win-win-win relationships in-house and with partners and society by engaging in equitable corporate activities with stakeholders	Acquisition of RBA* certification at our production bases	Acquire certification at all the six major production bases
		Percentage of suppliers who have signed the Ricoh Group Supplier Code of Conduct	Have all the important suppliers sign the Code of Conduct
		International security standards	Enhance security based on the standards set by ISO/IEC and NIST
		Evaluation scores given by each partner (suppliers, distributors/dealers, development partners)	
		Receive highest- level evaluation in major ESG indexes	DJSI, CDP and others
Open innovation	Collaborate with partners to create new value that benefits the world	Create new value through open innovation	
Diversity and Inclusion	Benefit from diverse, dedicated workers	RFG engagement score	At least 50 percentile in each region
		Percentage of female managers	At least 15% (At least 7% in Japan)

Key External Assessments of ESG Efforts



Sustainability

Awards



External assessments

The Nikkei SDGs
Management Grand Prix
2020 The Grand Prix Award



2020 Index Inclusion

MSCI



2019 Constituent
MSCI日本株
女性活躍指数 (WIN)

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

World Index



FTSE Blossom
Japan



FTSE4Good



2019 CDP A- for Climate Action



Our Initiatives: **Governance**



Corporate Governance Overview

Governance effectiveness

- **Board of Directors composition**
Outside directors: 50%
Female directors: 12%
- **Creation of Nomination Committee and Compensation Committee**
- Evaluation of Board of Directors effectiveness (initiated third review in 2020)
- Invigorated deliberations through governance and board review committees
- Disclosed audit results in 2019

Appointments and remuneration

- Shortened director terms to one year in 2017
- Rolled out share price-linked remuneration in 2019
- **ESG benchmarks reflected in director bonuses formula from 2020**
- Two-stage director assessments deployed from 2018
- CEO succession planning summary disclosed in 2018
- Enhanced independence of auditor selection process in 2019

Compliance and risk management

- Strengthened pre-assessments of M&A deals by setting up Investment Committee in 2018
- Stimulated deliberations about ESG challenges for medium and long terms by setting up **ESG Committee** in 2018
- Clarified key management risks and enhanced effectiveness by creating Risk Management Committee in 2019
- Reviewed and strengthened performance management structure for overseas subsidiaries in 2017
 - Reviewing balance sheets of overseas subsidiaries
 - Strengthening the global auditing structure
- Improving compliance by broadening adoption of Ricoh Group Code of Conduct

Note: Subsequent slides cover parts highlighted in blue

Reinforcing Corporate Governance

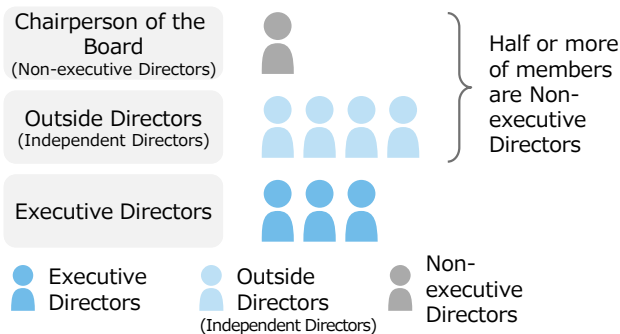
Have accelerated drive to reinforce corporate governance since rolling out RICOH Resurgent in 2017

- **Outside director composition: 50% (4 people)**
→ Securing independence before social demands might arise
- **Half of Board members are outside directors, and non-executive directors constitute majority**
→ Lively deliberations from diverse perspectives
- **Outside directors head Nomination and Compensation Committees**
→ Securing transparency, objectivity, and independence

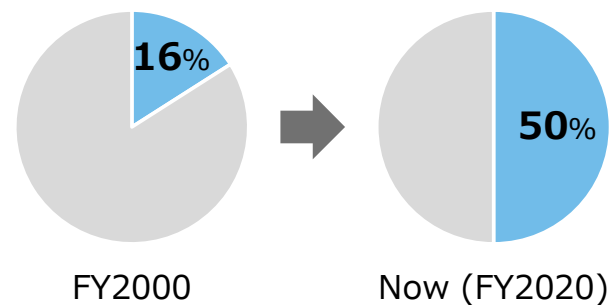
Governance reforms

- 2000 Appointed outside directors
Instituted executive office structure
- 2005 Set up Nomination and Compensation Committee
- 2016 Split Nomination and Compensation Committee
- 2017 **Made committees more independent**
Launched Governance Review Committee
- 2018 **Outside Directors accounted for more than half of committee compositions**

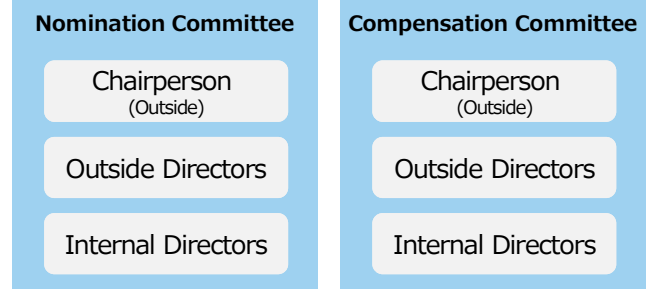
Board of Directors composition (as of November 2020)



Percentage of Board members who are outside directors



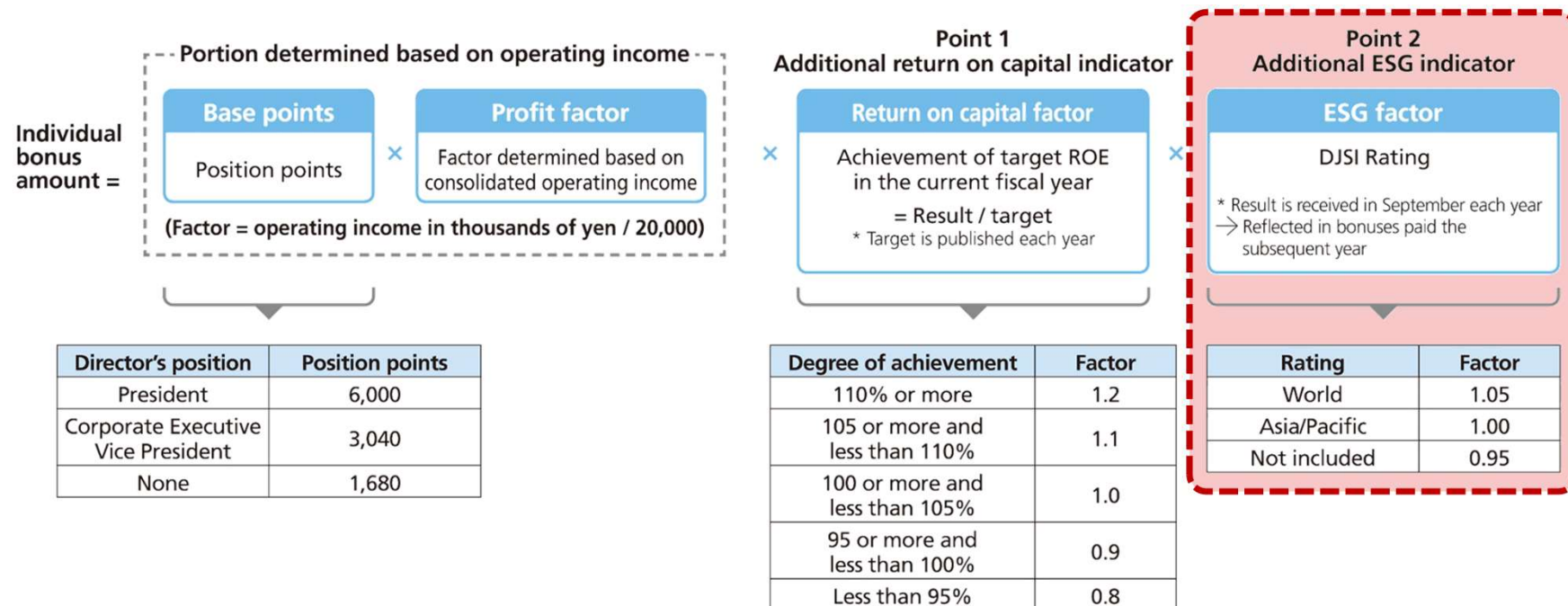
Committees



Connections between bonuses of Directors and Executives and ESG indicators

Formula for calculating Director's bonuses from 2020

- I. Establish a performance indicator using ROE results for each fiscal year, as an incentive to enhance return on capital
 - II. Establish the annual DJSI* Rating, which the Company as a whole is pursuing, as a performance indicator, as an incentive to enhance ESG indicators
- * Indicators related to return on capital and ESG will also be added to the formula for Executive Officers.



ESG Committee Deliberations and Swift Decisions

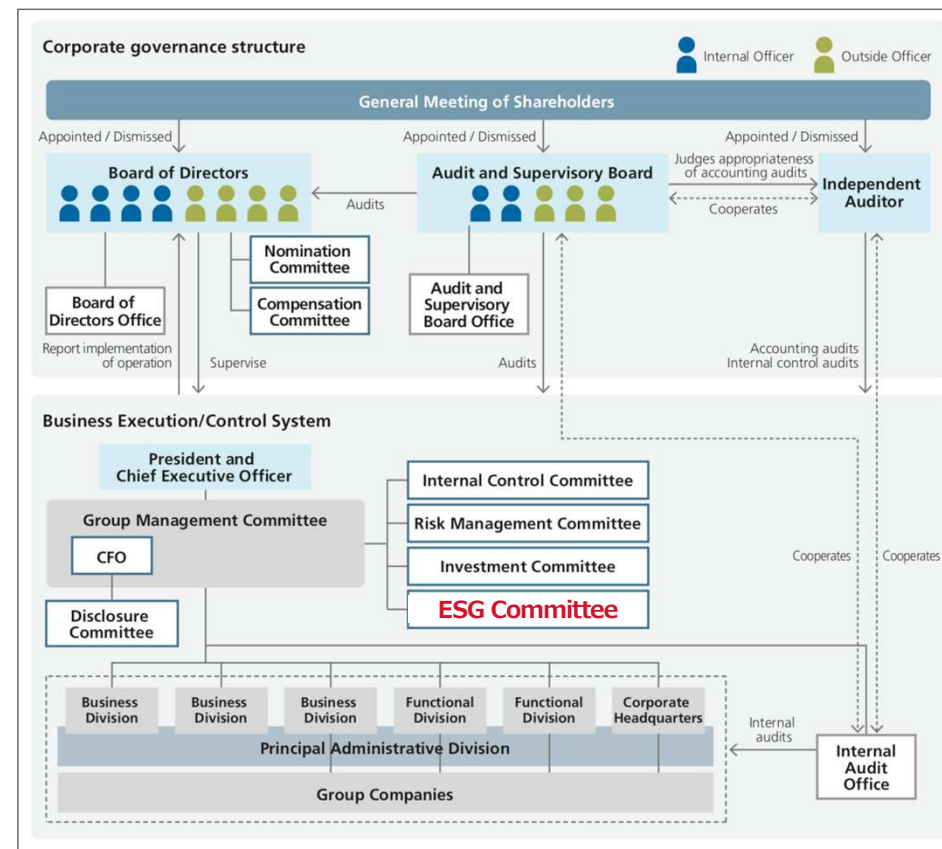
Committee overview and roles

- CEO chairs ESG Committee, comprising Group Management Committee* members, Audit and Supervisory Board member, and general manager of Sustainability Management Division
- Discusses and decides on ESG issues
- Set up in 2018 and convenes quarterly
- Formulates strategies and identifies medium- and long-term risks and opportunities
- Manages and supervises progress with key performance indicators
- Identifies Board of Directors deliberation matters

FY2019~ 2020 deliberations

- Upwardly revised environmental goals (in keeping with 1.5°C target)
- TCFD conformity (disclosing risks and opportunities)
- Formulated policies and roadmap for reaching RE100 targets
- Set ESG targets
- Reinforced supply chain ESG

ESG Committee positioning



* Comprises executive officers and is decision-making body empowered by Board of Directors

Our Initiatives: **Environment**



Environment (Overview)

Climate change measures

- **Set medium- and long-term targets based on Paris Agreement**
- **Endeavor to reach RE100 goals**
- Business site energy-saving activities
 - Production process reforms
 - High-efficiency equipment installations
 - Eco car introduction and fleet size optimization
- **Conform with TCFD and strengthen disclosure**
 - **Bolster business opportunities**
 - Enhance risk responsiveness
- Secure disclosure reliability (Third-party audits)

Circular economy measures

- **Act based on Comet Circle**
- **Set medium- and long-term targets**
- **Pursue product 3Rs**
 - Pursue 3Rs at business sites
 - Effectively use and conserve water resources
- **Undertake plastics initiatives**
- **Build collection structure RICOH Eco Business Development Center**
 - Properly treat business site waste
 - Audit industrial waste contractors

Chemical substances management and biodiversity conservation

- Manage chemical substances when manufacturing products
- Manage chemical substances in products
- Manage soil at business sites
- Factor biodiversity into raw materials procurement
- Forest conservation projects

Note: Subsequent slides cover parts highlighted in green

Upwardly Revised Environmental Goals (in keeping with 1.5°C target)

In April 2020, revised greenhouse gas emissions reduction target for 2030 from 30%, to 63%

- Was first Japanese manufacturer (and fifth Japanese corporation) to switch from **Science Based Targets*** goal of 2.0°C to 1.5°C
- Decided to strengthen efforts in light of Intergovernmental Panel of Climate Change's Governance Special Report on Global Warming of 1.5°C and climate crisis

Before

Goals for 2050

- Zero greenhouse emissions across value chain

Goals for 2030 (SBT 2°C)

- **Scope 1 and 2**
30% reduction from 2015 level
- **Scope 3**
15% reduction from 2015 level
(procurement, use, and logistics categories)



After

Goals for 2050

- Zero greenhouse emissions across value chain

Goals for 2030 (SBT 1.5°C)

- **Scope 1 and 2**
63% reduction from 2015 level
- **Scope 3**
20% reduction from 2015 level
(procurement, use, and logistics categories)

* Science Based Targets is an international initiative that certifies that corporate greenhouse gas reduction goals are science-based.

Undertake Activities Leveraging Pioneering Expertise

Continue Intensive efforts to conserve energy and use knowledge and diverse approaches to deploy renewable energy

- **Accelerate deployment of energy-saving measures in Japan, Americas, and Asia and strengthen globally**

- Step up activities below in Japan, Americas, and Asia, augmenting efforts in Europe and China

1. Expand strategic use of renewables certification and strengthen renewables purchasing
2. Expand in-house power production (solar and micro wind power)
3. Look into securing renewable energy outside business sites
4. Use sustainability linked loans from MUFG Bank (Offers preferential interest rates aligned with attaining 1.5°C goal)

- **Continue rigorous efforts to conserve energy**

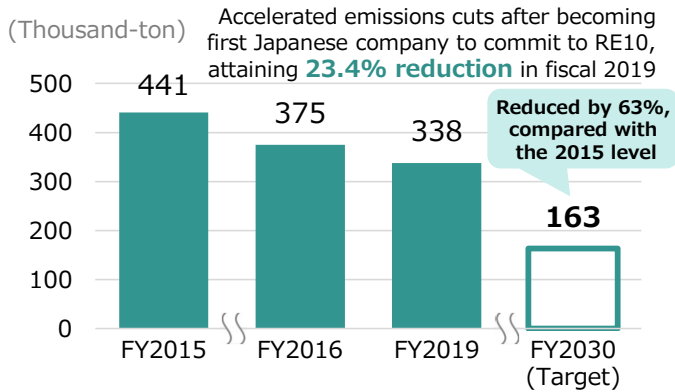
1. Improve processes and install high-efficiency and energy-saving facilities at production sites
2. Promote Net Zero Energy Buildings efforts at non-production sites in Japan and relocate to energy-saving offices overseas
3. Lower fuel consumption by optimizing vehicle fleet size and mileage
4. Switch systematically to low-eco-impact vehicles

- **Begin exploring process electrification and fuel conversion measures (prepare for 2030)**

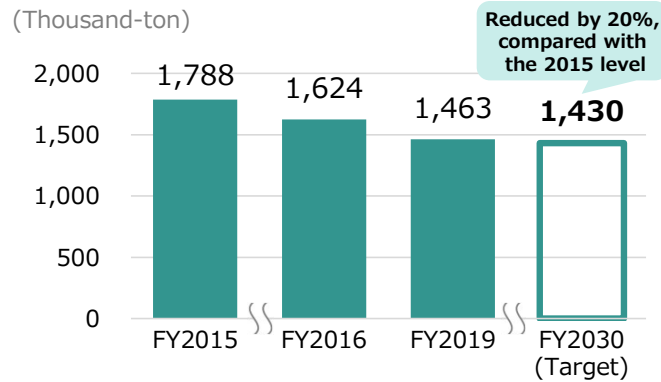
1. Start looking into electrifying processes that use natural gas

Emissions Cuts and Shifts to Renewables for Electricity

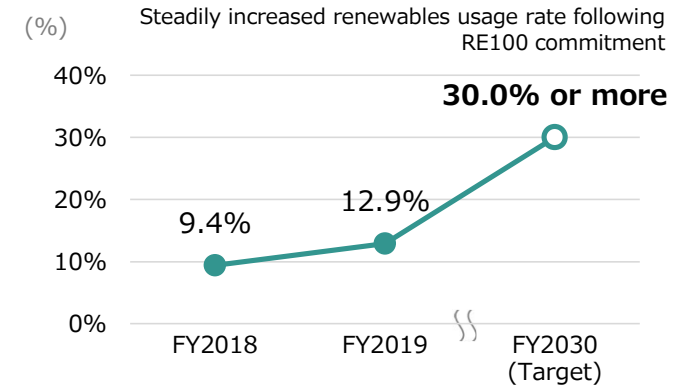
Greenhouse gas emissions (Scope 1 and 2)



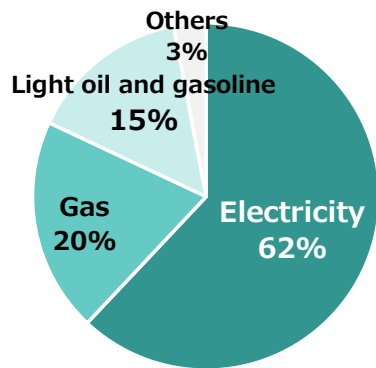
Greenhouse gas emissions (Scope 3)



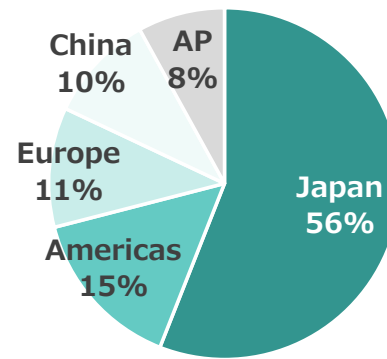
Renewable energy ratio



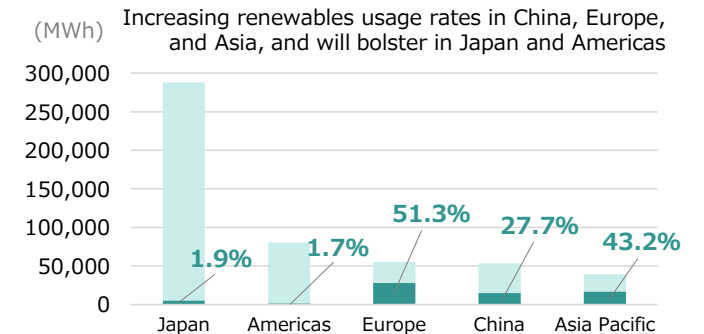
CO2 emissions by energy



Electricity consumption by region



Electricity consumption and renewable energy ratio



RE100 Success Story 1

Manufacturing A3 MFPs worldwide with 100% renewable electricity

- In summer 2019, switched to 100% renewables (equivalent to 37 GWh) for all electricity consumed in assembling A3 MFPs
- Plants in China and Thailand have received **International Renewable Energy Certificates** and Japanese sites have obtained **J-Credit** procurement credit (Note that Gotemba site is switching to renewable electricity)
- Have endeavored to enhance environmental value of key products, **promoting capabilities to customers** while driving momentum to employ renewables internally and externally

Shanghai Ricoh Digital Equipment Co., Ltd.*1



Ricoh Asia Industry (Shenzhen), Ltd.*2



Ricoh Manufacturing (Thailand) Ltd.



Tohoku Office of Ricoh Industry Co., Ltd.*1, in Miyagi Prefecture (A3 MFP production facilities at site)



Ricoh Eco Business Development Center in Shizuoka Prefecture

*1 A3 MFP production facilities at site

*2 Production functions were transferred to Ricoh Manufacturing (China) Ltd. in July 2020

RE100 Success Story 2

Starting operations at new Chinese plant that meets RE100 goals

- **Launched operations at advanced eco-friendly plant in July 2020.** Employing Internet of Things, robots, and automated facilities to materialize digital manufacturing, preemptively maintain facilities, and enhance productivity through worker motion analysis
- **Electricity consumption more than 70% less** than at two Shenzhen plants replaced with new one and shut down
- Solar power covers more than 10% electricity requirements at new plant, which has secured **International Renewable Energy Certificate and meets RE100 targets**



- Facility has obtained **best-possible three stars** under Chinese Green Building System
- Has secured Green Building Council-supported LEED Gold credential from Green Business Certification Inc.

RE100 Success Story 3

Ricoh Japan will use new buildings* which are Zero Energy Building (ZEB) Ready or better in making customer recommendations

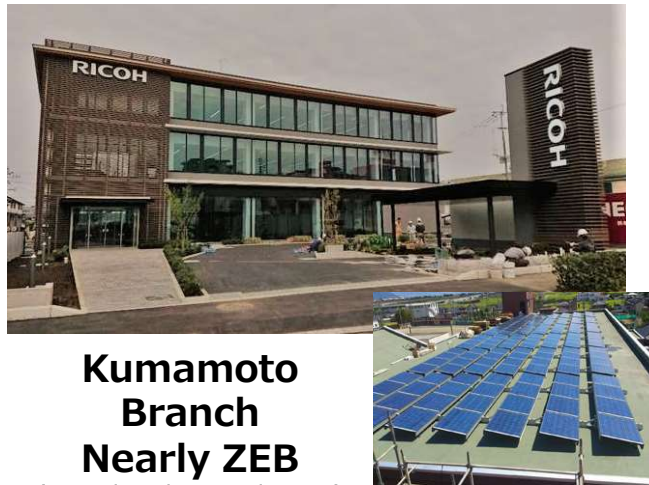
- By April 2020, Wakayama Branch was ZEB-certified and Gifu and Kumamoto branches were Nearly ZEB-certified
- Akashi site of Hyogo Branch and Kakegawa site of Shizuoka Branch were ZEB Ready-certified in May and August, respectively
- Each location serves as customer showcase and presents progress with decarbonization



**Gifu Branch
Nearly ZEB**

(completed in March 2019)

Ricoh Group's first domestic office to go live as energy-saving, renewables-based offices, enhancing employee eco consciousnesses and offering customer proposals



**Kumamoto
Branch
Nearly ZEB**

(completed in April 2020)



**Wakayama
Branch
ZEB**

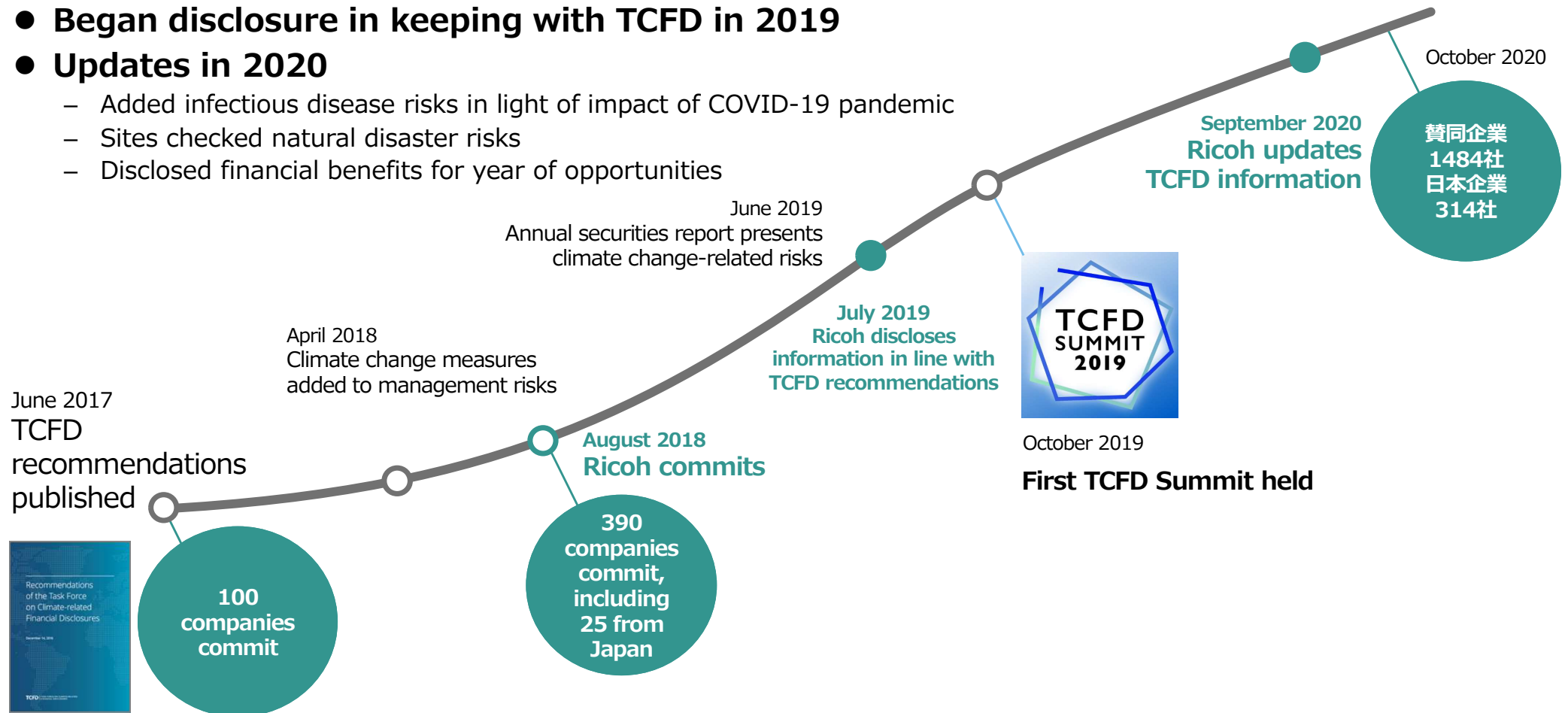
(completed in April 2020)

* owned by Ricoh or rented as a whole

Disclosure Based on TCFD Framework

Disclosing climate change information in line with TCFD trends

- Began disclosure in keeping with TCFD in 2019
- Updates in 2020
 - Added infectious disease risks in light of impact of COVID-19 pandemic
 - Sites checked natural disaster risks
 - Disclosed financial benefits for year of opportunities



Opportunities

Opportunities for 2030	Current initiatives	Financial impacts
Increase service solutions sales to help customers decarbonize	<ul style="list-style-type: none"> Supply energy-saving products that significantly surpass eco label standards Provide decarbonization support solutions Offering office optimization solutions 	Fiscal 2019 Decarbonized product sales (Energy Star- certified): Around ¥1,100 billion
	<ul style="list-style-type: none"> Increase sales opportunities by enhancing eco brands and supplying eco-friendly products 	Fiscal 2019 Sales from major ESG-compatible business deals: Around ¥12 billion
Enhance sales of solutions for new times	<ul style="list-style-type: none"> Provide tele medicine, education, meeting, work practice reform, and other solutions that reduce infection risks 	Fiscal 2019 Sales of solutions packages that help reduce infections diseases and decarbonize: Around ¥30 billion
Expand environmental and energy businesses to create, store, and conserve energy	<ul style="list-style-type: none"> Expand product recycling and parts regeneration businesses Reuse and recycle recovered products 	Fiscal 2019 Product and parts recycling business sales: Around ¥36 billion
	<ul style="list-style-type: none"> Expand energy creation and conservation businesses, including electricity sales with low carbon dioxide emission factors, solar power operations and maintenance, and lighting and air conditioning management systems) 	Fiscal 2019 Energy creation and conservation sales: Around ¥30 billion
Create and develop new businesses	<ul style="list-style-type: none"> Develop and sell alternative plastics materials 	Outlook In 2020, we began shipping samples of packaging made of polylactic acid foam, a biodegradable plant-derived polymer, as an alternative to containers and packaging materials made with regular plastics. We aim to expand sales by marketing our materials to diverse industries, including for Ricoh's products, offering manufacturing solutions, and licensing production.
	<ul style="list-style-type: none"> Develop and sell dye-sensitized solar cells 	Outlook One energy harvesting effort will be to expand sales by deploying dye-sensitized solar cells for a range of applications.
	<ul style="list-style-type: none"> Develop and sell silicon linerless labels, rewritable laser systems, and labelless printing 	Outlook We seek to increase sales by helping reduce paper consumption and waste in societies through label-free printing and release paper-free label seals.

Opportunities for climate change

Expanding sales of solutions for infections

- Providing remote medical treatments, education, interviews, and workstyle reform solutions that reduce infection risks



【Financial impact - FY2019】
Sales of solution packages for infectious disease reduction and decarbonization
30 billion yen

Expanding energy creation and energy-saving businesses

- Solar power operations and maintenance and electric vehicle charger installation and maintenance



- Lighting/air conditioning control system



- Electricity sales with low CO2 emission coefficient (including RE100 menu)

【Financial impact - FY2019】
Product and parts recycling business sales
30 billion yen

Expanding products and parts recycling business

- Expanding recycled product sales worldwide



Looking to expand sales of recycled systems by drawing on 3R-related technologies and global recovery structure amassed since 1994

【Financial impact - FY2019】
Product and parts recycling business sales
36 billion yen

New environmental technologies (Alternative plastic materials)

- Foamed PLA; a biodegradable plant-based resin



As substitutions for plastic containers and packaging materials, we will start shipping samples of foamed PLA in 2020. We aim to expand this material globally by selling materials to a wide range of industries including Ricoh products, providing manufacturing solutions, and licensing production.

3R-Related Deal Negotiations and Customer Requests

Rising demands in each country related to deal negotiations and collection and recycling

Example 1

Public tendering requirements (Sweden)

Recycled plastics content percentage made a public tender requirement

Example 2

Request from telco (Germany)

Asked to explain everything from recycled plastics usage through resource conservation targets

Example 3

Request from large bank (United States)

Asked to disclose information on volumes of supplies that Ricoh has recovered and recycled and amounts of plastics, metals, and toner involved

Activities Based on Comet Circle

Initiated this concept for materializing sustainable economy in 1994

- Pushing ahead with 3Rs for overall social systems as with circular economy and establishing proprietary business model

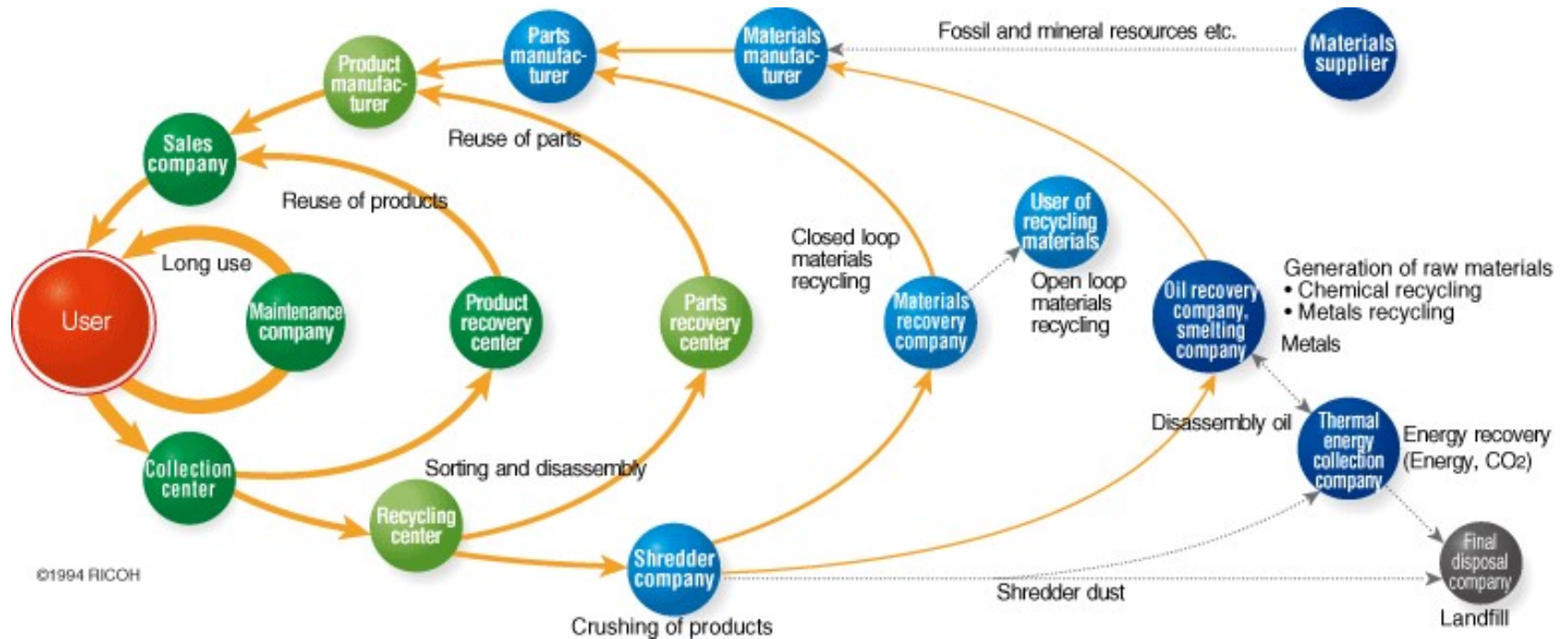
1. Identify and reduce environmental impact at all stages

2. Prioritize inner loop recycling

3. Multitiered recycling

4. Ensure Economically rational recycling from self-sustaining setup

5. Partnerships and information sharing for all stages



Medium-to-Long-Term Resources Goals & Plastics Policies

Resource conservation area Environment Goals

result/target	FY2019	FY2022 target	FY2030 target	FY2050 target
Resource conservation rate of products*1	22%	30%	50%	93%

Measures to reach goals

1. Develop compact and light products and parts
2. Develop technologies that enhance reliability and extend product and parts lives
3. Supply recycled products worldwide
4. Enhance recycling rates for products, parts, and materials by developing recycling technologies and recycled materials applications

*1 : The rate of new resource reductions to input resources

Ricoh Group plastic policy for products

1. Breakaway from dependence on virgin plastic derived from fossil resources
2. Material recyclable design

Specific targets and goals for plastic

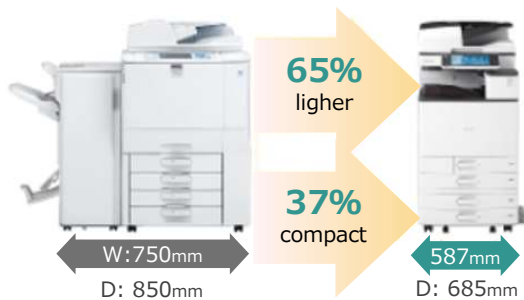
- Reduction in packaging materials for virgin plastic derived from fossil resources Goals for 2030: 50% or more, compared to the conventional model
- Use of post-consumer recycled plastics for imaging products
Goals for 2030: Post-consumer recycled plastic content rate of 50% or more
- Display resin identification code and single material use
Goals for 2025: Clearly indicated on all parts and all packaging materials

3R Initiative Examples

Recycling by design

Reduce

- Making products lighter and more compact



More than **65% lighter**
37% more compact

- Extending service lives
Updating hardware and software without need to repurchase units

Reuse

- Recycling and selling MFPs



80%~90% reused parts

- Consumables
- Parts



Recycle

- Employing recycled materials

Electric furnace steel sheet made with **100%** steel scrap



Plastic materials and packaging



Waste appliance plastic



Plastic beverage bottles



MFP paper trays made with **50%** recycled scrap



Plastic toner bottles incorporating **100%** recycled plastic

Core Product Resource Recycling Tech Development Site

The RICOH Eco Business Development Center

- Opened in 2016 as industry's largest reuse and recycling facility
- Pivotal for developing reuse and recycling technologies
- As international resource recycling base, ships used products to China

Received Prime Minister's
Award in Distinguished 3R
Promoter Awards in 2016



- **Product reuse**
 - Production capacity: 1,200 units monthly
- **Parts reuse**
 - Production capacity: 48,000 units monthly
- **Number of units recycled**
 - 8,400 monthly
 - Monthly processing capacity of
 - 1,600 metric tons, including
 - units and parts



Environmental sustainability management protects environment while generating profits

- We have remained committed to the above ethos since Masamitsu Sakurai initiated it in 1998 as Ricoh's fifth president
- We have long remained at the forefront of international trends been a leader among Japanese companies



Masamitsu Sakurai

Environmental sustainability management stance

- Conservation is only effective if ongoing
- Such activities must be profitable to remain sustainable
- It is thus vital to pursue profits through conservation

Our Initiatives: **Social**



Social (Overview)

Diversity and inclusion

- Diversity efforts
 - Enhancing gender inclusion
 - Better harnessing the talents of experienced employees
 - Employing people with disabilities
 - Educating to enhance corporate culture
- Work-life management
 - Bolstering programs to balance professional and private commitments
 - Transforming work practices
 - Cutting actual working hours
 - Fostering flexible work practices

Supply chain management

- Complying with Responsible Business Alliance requirements
- Pursuing green procurement
- Creating supplier chemical management structure
- Investigating conflict minerals
- Business continuity management
- ESG briefings
- Supplier satisfaction ratings
- Supplier hotline

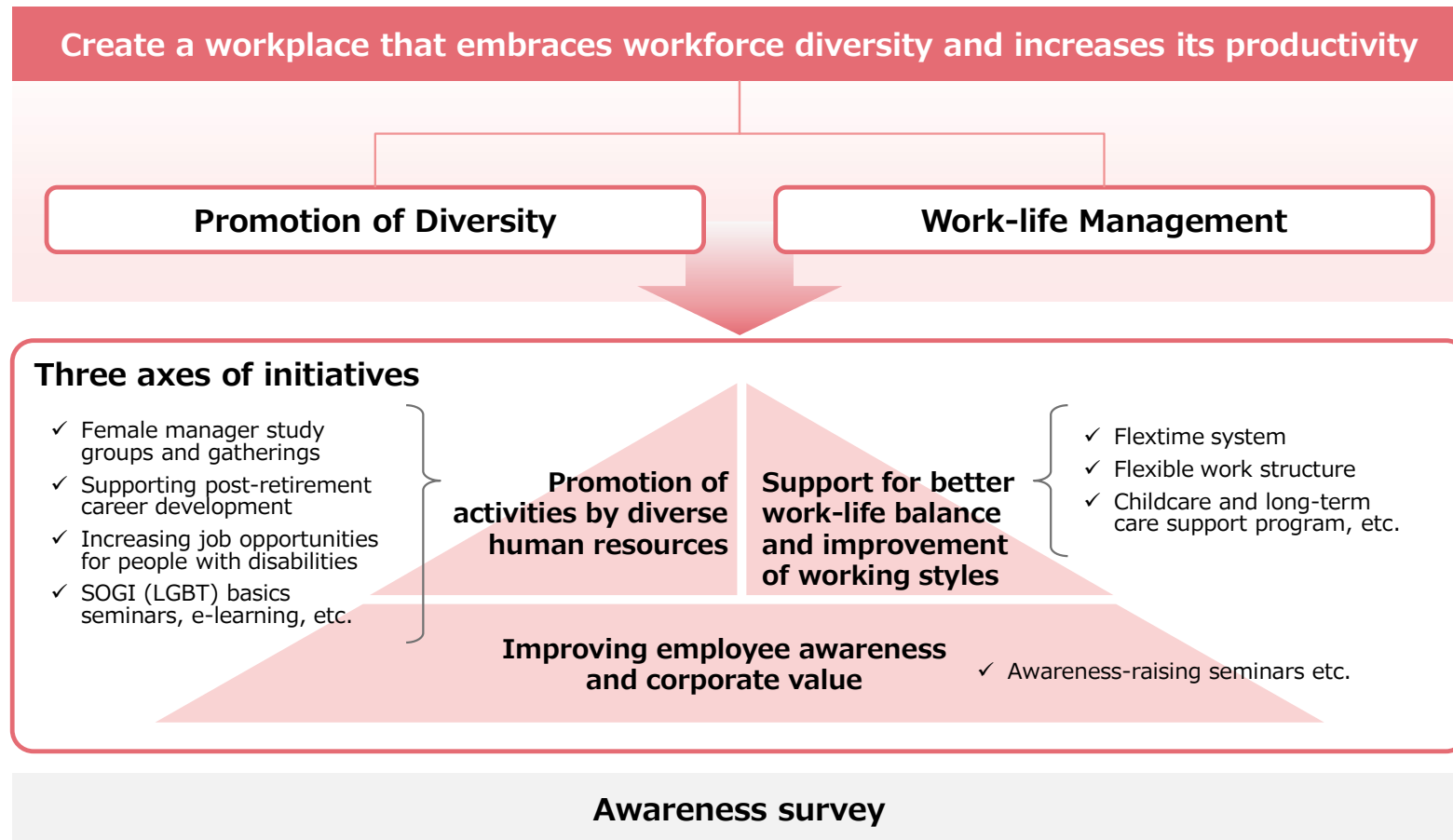
Human resources and engagement

- Respecting human rights
- Enhancing customer satisfaction
- Improving employee satisfaction
- Human resources management
- Education and enlightenment
- Occupational safety and health
- Social and local contributions

Note: Subsequent slides cover parts highlighted in red

Diversity and Work-Life Management Vision

Aim to increase employee motivation (performance) and corporate capability



ESG targets

Raise female manager percentage to that of female employees

ESG Targets

	Materiality	Requests from society and management strategies	ESG Targets (FY2022)	
			KPIs	Targets
Robust management infrastructure	Diversity and Inclusion	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. Management strategies We will respect the diversity of employees in our management policy and strive to create workplaces where employees can work with vigor.	RFG engagement score	At least 50 percentile in each region
			Percentage of female managers	At least 15% (At least 7% in Japan)

Reviewing targets

Other key themes and goals

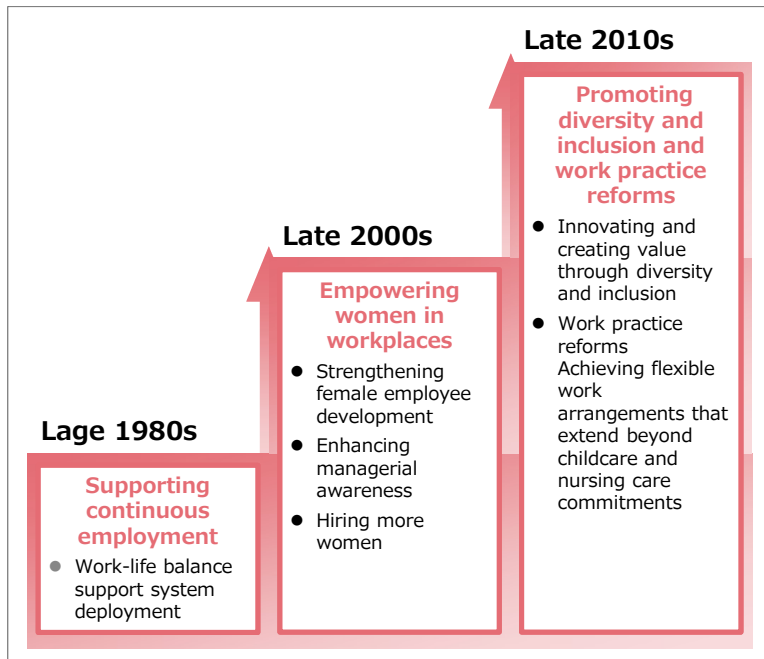
	Initiatives	Activities
Worksite climates and practices	<ul style="list-style-type: none"> ● Provide appropriate support so employees taking childcare and eldercare leave can perform well at work ● Materialize efficient work practices and enhance time efficiency so workers can meet professional and private commitments 	<ul style="list-style-type: none"> ● Reduce annual total working hours ● Reduce average overtime hours ● Lift percentage of employees taking annual leave ● Boost rate of men taking leave for education
Employing people with disabilities	<ul style="list-style-type: none"> ● Expand scope of work in keeping with disabilities 	<ul style="list-style-type: none"> ● Increase employment rate for people with disabilities

Key Gender Inclusion Initiatives

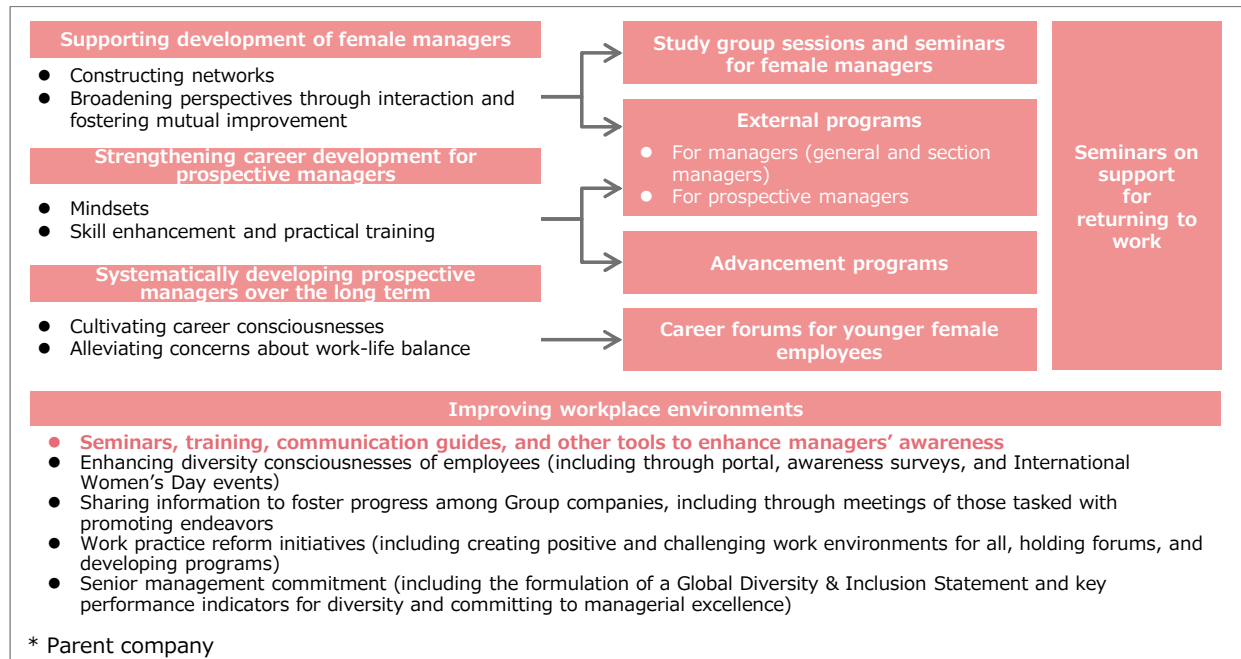
Launched initiatives in 1980s

Help females cultivate their potential as prospective managers while increasing awareness among supervisors

Initiative steps

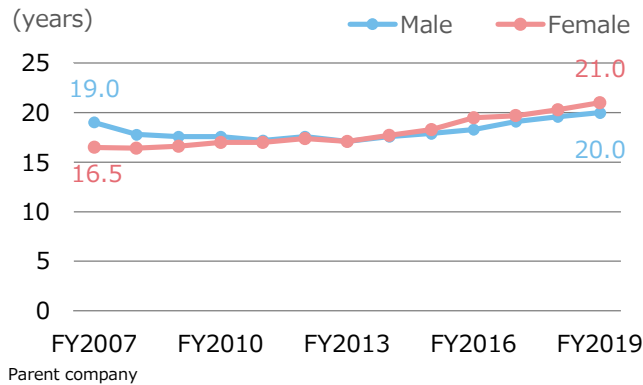


Key initiatives to foster talented and motivated female employees

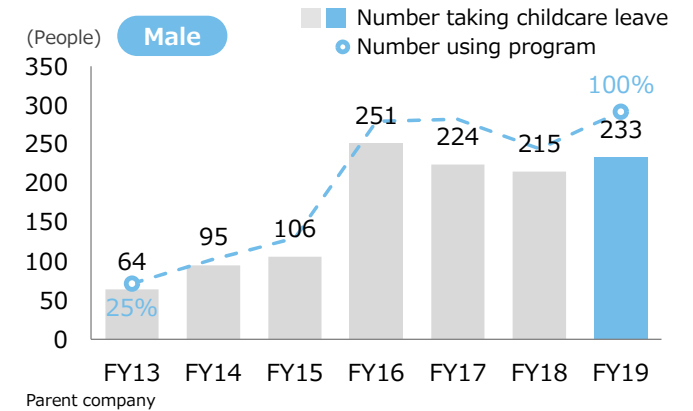
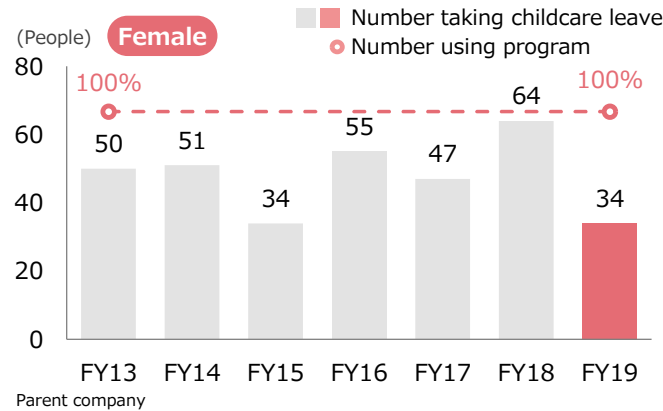


Data on Gender Inclusion Initiatives

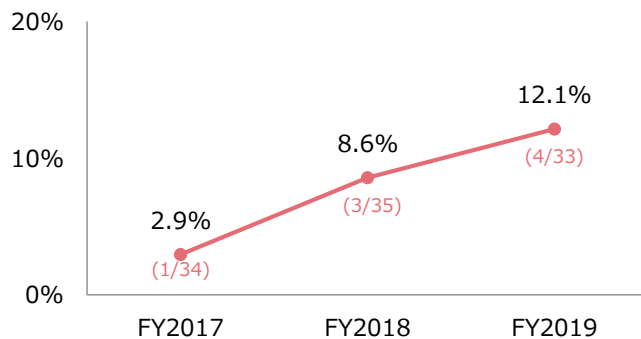
Years of service for men and women



Number of taking childcare leave / using program



Proportion of women in global meetings



Ongoing initiatives beginning to bear fruit

- Average service lengths of women exceeding those of men
- 100% of eligible women taking childcare leave
- Percentage of eligible men taking childcare leave rising, reaching 100% in fiscal 2019
- Women's participation in management meetings increasing

	FY2019 (March 2020)	
	Global	Ricoh Co.,Ltd.
Women as a percentage of full-time employees	31%	15%
Female manager ratio	15.6%	4.3%

Example 1: Fostering Saleswomen

Career development and employment support initiatives for saleswomen (Ricoh Japan)



Overview of saleswomen's forums in 2019

Forum	Job categories	Age groups	Goals	Main contents
Saleswoman Networking Forum	Sales	Aged 25 to 31	<ul style="list-style-type: none"> ● Awareness building <ul style="list-style-type: none"> – Picturing one's future self – Enhancing motivation and self-efficacy – Creating nationwide saleswoman networking opportunities 	<ul style="list-style-type: none"> ● Changing social environment for saleswomen ● Reinforcing positive thinking ● Learning about diverse career paths from experiences of others ● Producing personal career action plans
Saleswoman Career Forum		Aged 32 to 35	<ul style="list-style-type: none"> ● Self-reliance <ul style="list-style-type: none"> – Job crafting to rediscover value of work – Enhancing mindsets and engagement 	<ul style="list-style-type: none"> ● Changing external and internal operating climates and understanding Ricoh and sales work needs ● Understanding sources of one's values and motivations ● Rediscovering meaning and rewards of work through job crafting ● Creating action plans that consider all involved

Example 2: International Women's Day event

International Women's Day event

- On International Women's Day, we hold events to promote women's empowerment in various locations.
- This event, which began in 2017 and originates from Ricoh Latin America, Inc., has gradually expanded to other regions.

Europe



Japan



Americas



Asia



Ricoh USA placed fourth in Diversity Impact Awards in United States

Basis: Diversity activities for employees through International Women's Day events

*1 : 米国内のAward

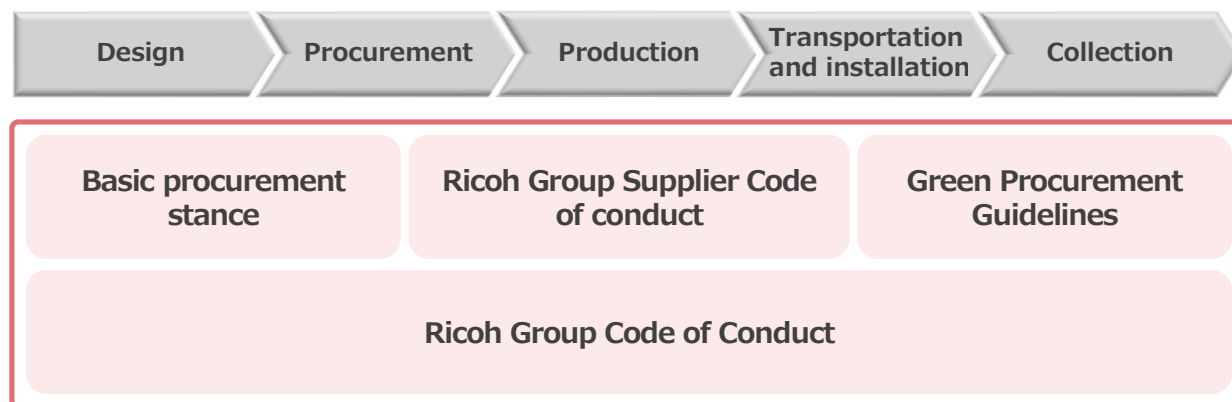
Managing Supply Chain in Line with Global Standards

Joined Responsible Business Alliance* in 2019, undertaking activities at internal sites and across supply chain

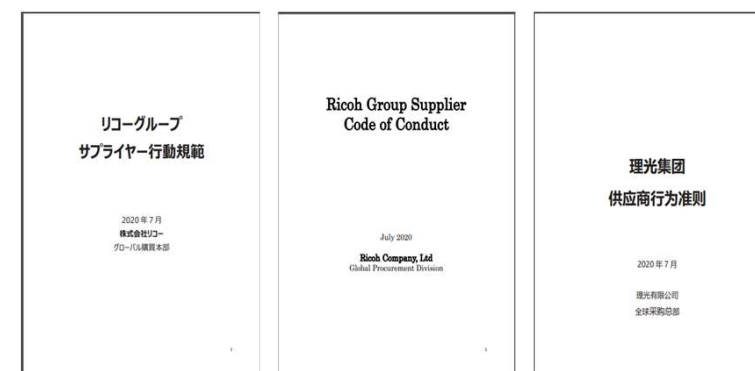
- Started auditing key production sites
- Revised Ricoh Group Supplier Code of Conduct to comply with that of Responsible Business Alliance
- Materials in Japanese, English, and Chinese to cover key sites
- Having major suppliers sign code of conduct this fiscal year

* Responsible Business Alliance is a non-profit coalition that supports the rights and wellbeing of workers and communities affected by the global supply chain. Founded in 2004 by a group of leading electronics companies, the coalition now includes global member companies in a wide range of industries such as the retail, automotive and toy sectors as well as electrical, electronics and ICT manufacturers.

Will continue ethics initiatives across supply chain



New multi-language versions of supplier conduct code



Collaborating with Suppliers in ESG

We held ESG briefings for around 350 key suppliers

Goals

1. Explain social trends and Ricoh's strategy and policies relating to ESG
2. Explain and request formal commitments to revised Ricoh Group Supplier Code of Conduct
3. Explain supplier satisfaction survey
4. Outline Responsible Business Alliance assessments
5. Learn more about RBA assessment
6. Seek confirmation of current carbon dioxide emissions and water consumption reduction targets Request status of CO2 and water reduction targets

Target participants

- Key domestic and overseas suppliers
- Production site personnel

Sessions

- Online (including through Microsoft Teams and Zoom)

Timing

- Late October through December for Thailand, China, and Japan

Online briefings



Community-Based Efforts to Resolve Social Issues

Nationwide collaborations with local governments, universities, and companies

Comprehensive partnership agreements with Ricoh Japan: **39**
(as of end-October 2020)

Key benefits that Ricoh Japan offers

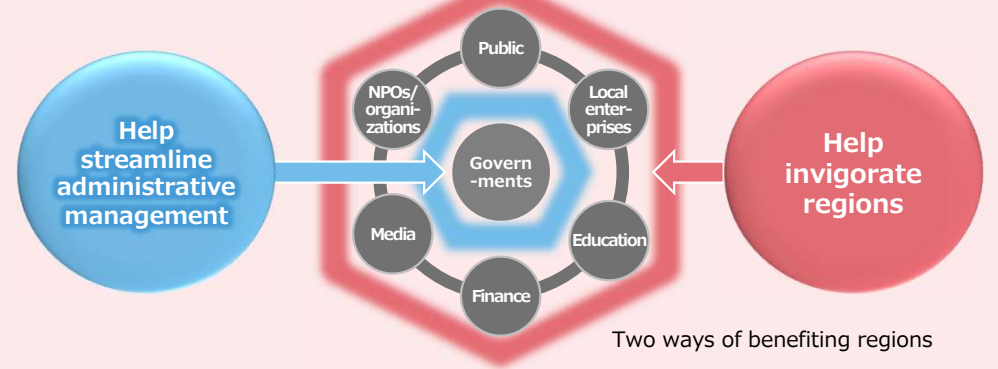


Regional challenges

- Increase business productivity
- Reform work practices
- Accelerate SDG initiatives
- Tackle global warming
- Help build national resilience

...stem population falls, get long-term visitors and more key community members, tackle rising natural disasters...

Benefiting communities



Key SDG evangelizers around Japan

Ricoh Japan's nationwide brands + divisions: **260**
(as of end-November 2020)

- Incorporating SDG perspectives in proposals to customers and educate employees
- Amassing and disseminating success stories
- Presenting Ricoh activities through seminars, benchmarking, and customer visits

Key SDG evangelizers leading in-house instruction and study sessions



Involvements in regional events



Educating Employees about SDGs/ESG, Part 1

Running in-house SDG and ESG study sessions on executive strategies, primarily for managers in Japan

- In May 2020, held online study sessions for managers and employees about global SDG and ESG trends, management strategies, and recommended activity focuses
- Participation was voluntary, yet around 2,000 people took part over four days, representing one-quarter of Ricoh Co., Ltd's workforce

Remote study sessions



Participant survey findings

1. Did you understand the need to help reach SDGs through business and enhance corporate value from ESG perspectives?



■ Fully
■ Mostly

98%

2. Did you understand ESG social trends?



■ Fully
■ Mostly

97%

3. Did you understand why we combine financial and ESG targets to reach management goals?



■ Fully
■ Mostly

96%

Educating Employees about SDGs/ESG, Part 2

Disseminating content on SDG and ESG basics to regular employees

- Disseminating contents that employees can quickly absorb online during remote working breaks
- Generated more than 70,000 contents views and 10,000 survey responses over six months

SDGsスキマ講座について 7月7日時点版

全体概要編	ESG編		
全-1	環境編(ESGのE)	社会編(ESGのS)	ガバナンス編(ESGのG)
SDGsとESGの違い、説明できますか??? <ul style="list-style-type: none"> ● コロナ影響対応とSDGs ● SDGsとESG ● 顧客要望の変化 	環境目標とESG目標。同じもの? 違うもの? <ul style="list-style-type: none"> ● 19次中計期間の主な取り組み ● 脱炭素活動振り返り 	CSVって知ってる? ファイル形式の話じゃないよ! <ul style="list-style-type: none"> ● CSVとはたらくの変革、生活の質の向上 ● 事例にするとどんなこと? 	外部評価は会社の通信簿! <ul style="list-style-type: none"> ● ESG評価って何? ● DJSI、CDP等名だたる評価機関 ● リコーのESG評価
どうしてそんなにSDGsにこだわるの? やらないと何かよくないことが起きるの? <ul style="list-style-type: none"> ● 顧客からの要望 ● 商談時要請の変化 	SBT1.5°C目標? それってすごいもの? <ul style="list-style-type: none"> ● 新環境目標 ● SBT1.5°C ● 20次脱炭素取り組み方針 	ダイバーシティ&インクルージョン?? 日本語で言って! <ul style="list-style-type: none"> ● そもそもD&Iとは? (人事連携も視野) ● 現代の人権問題について 	ガバナンス強化。具体的にはどんなことやてるの? <ul style="list-style-type: none"> ● ESGコミティー ● 役員報酬連動
リコーグループのマテリアリティと20次中計戦略の関係性 <ul style="list-style-type: none"> ● 20次中計の考え方・主要目標 ● 7つのマテリアリティ ● ESG目標 ● つながりの表明調査結果 	サーキュラーエコノミー?? それってリサイクルのこと? <ul style="list-style-type: none"> ● 3R(Reuse, Reduce, Recycle) ● コメットサークル ● 再生プラスチック方針 ● リサイクル・再生機販売 	今できる社会貢献とは? <ul style="list-style-type: none"> ● 20次重点領域 ● リコーの社会貢献活動 	「ステークホルダーエンゲージメント」ってESGと関係あるの? <ul style="list-style-type: none"> ● そもそもステークホルダーエンゲージメントとは ● ステークホルダーエンゲージメントとESGの関係

SDGsスキマ講座

全体概要編 第1回

株式会社リコー
サステナビリティ推進本部

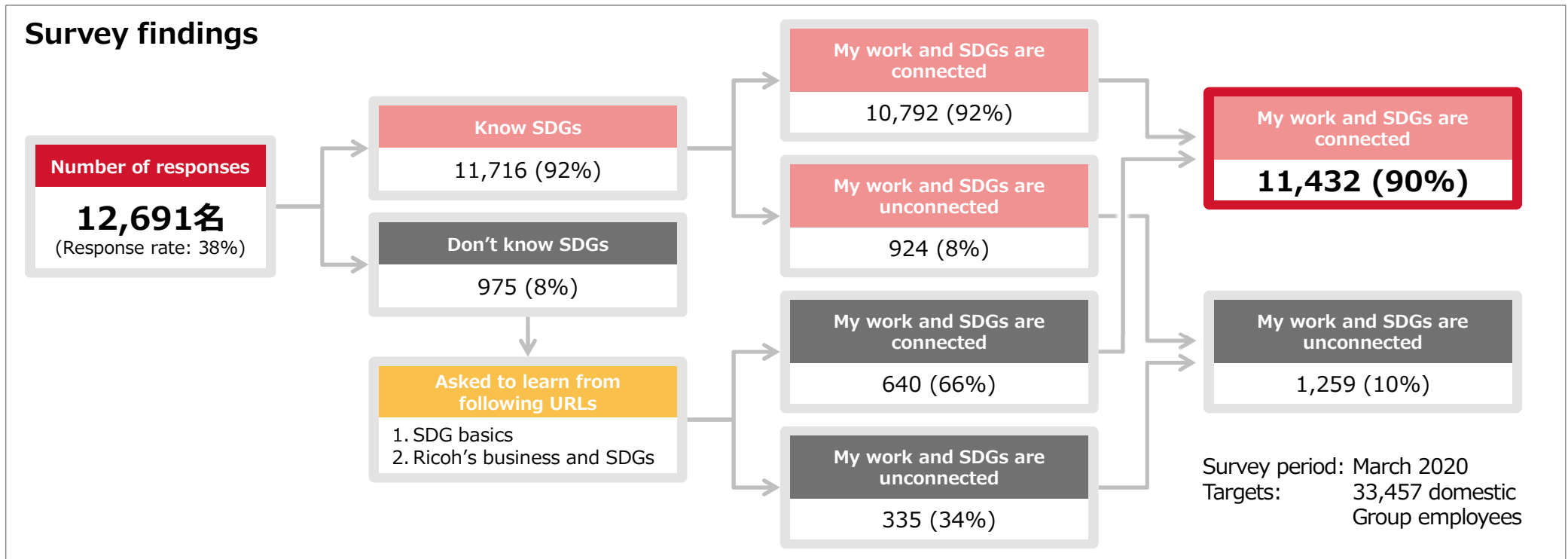
【本講座の目的】

- ・ 事業を通じてSDGs達成に貢献すること、ESG観点で企業価値とステークホルダーの評価を高めることの必要性を理解する。
- ・ SDGs/ESGの観点で、リコーがやっていること・やろうとしていることを理解する。
- ・ 20次中計/FY20事計 ESG目標達成に向け理解を深める。
- ・ 自部門・自身の業務とSDGsとの繋がりを自分の言葉で話せるようになる。

Educating Employees about SDGs/ESG, Part 3

Employees steadily embracing SDG- and ESG-oriented policies and strategies

- Surveyed employees about connections between SDGs and their work
- 90% responded that such links exist



Social Contribution Initiatives

Establishing priority areas and undertaking ongoing global activities over long term

Priority areas

Chose three areas below based on materialities and global requirements

1. Supporting worker inclusiveness



2. Improving quality of life improvement (through education, health-care, and community development)



3. Combatting climate change and safeguarding biodiversity



Principal activities

Ricoh Science Caravan

Using Ricoh Group resources to run scientific experiment programs



13 years

Ichimura Nature School Kanto

Fostering understanding through experiments and communal living



19 years

FreeWill social contribution club

Supports organizations through employee activities and donations



22 years

Printed Memories

Helping enhance understanding of Alzheimer's disease and support research through 3D printers and postcard printing



3 years

United Way Campaign

Supporting community-based nonprofit organization through employee donations and volunteering



22 years

One Million Trees Project

Helping to conserve biodiversity, prevent global warmings, and contribute to sustainable community development, linking MFP sales to planting mangrove trees throughout Asia



22 years

Themes for Creating Shared Value to Resolve Social Issues

Proactively engaging with and learning from leading companies through Business for Inclusive Growth initiative

Participating in Business for Inclusive Growth

- **Pursues inclusive growth**

- CEO-led coalition of global companies tackling income and opportunity inequalities
- Under OECD supervision and launched in light of G7 Summit in 2019
- Aims to accelerate inclusive corporate activities by sharing successful approaches and undertaking common initiatives
- Ricoh seeks to learn about world-class activities of fellow members as Asia's sole participant

- **Specific activities of working groups**

- ① Advance human rights
- ② Build inclusive workplaces
- ③ Strengthen inclusion in company value chains and business ecosystems
- ④ Assess impacts

Ricoh is participating in the Digital Divide Working Group, launched in October 2020, to focus on activity 2 above

Business for Inclusive Growth 40 member companies



Ricoh initiative example, launched in November 2020
Program to support artists in rural India



- For female artists in rural India finding it hard to make livings
- Assisting by combining digital skill improvements with proprietary 2.5D stereographic techniques to help enhance incomes and lives
- Looking to support exhibitions and publicize for these women in Europe, where interest in local art is high, and will lift awareness of 2.5D stereoscopic techniques in European art market

Future Efforts



Future Efforts

Focus under 20th Mid-Term Management Plan

- Respond to rapid decarbonization progress, particularly in Japan
- Leverage strengths to strengthen circular economy-compatible business model
- Reinforce ESG through supply chain
- Bolster human rights initiatives
- Draw on digital transformation to boost productivity in-house and supply expertise to customers
- Step up ESG disclosure

Ricoh people have long collaborated at all levels in a drive to enhance corporate value worldwide through a robust commitment to environmental sustainability management

We will undertake world-class social and governance initiatives and seek to further enhance corporate value

RICOH
imagine. change.



Forward-Looking Statements

The plans, prospects, strategies and other statements, except for the historical events, mentioned in this material are forward-looking statements with respect to future events and business results. Those statements were made based on the judgment of Ricoh's Directors from the information that is now obtainable. Actual results may differ materially from those projected or implied in such forward-looking statements and from any historical trends. Please refrain from judging only from these forward-looking statements with respect to future events and business results. The following important factors, without limiting the generality of the foregoing, could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- a. General economic conditions and business trend
- b. Exchange rates and their fluctuations
- c. Rapid technological innovation
- d. Uncertainty as to Ricoh's ability to continue to design, develop, produce and market products and services that achieve market acceptance in hot competitive market

No company's name and/or organization's name used, quoted and/or referenced in this material shall be interpreted as a recommendation and/or endorsement by Ricoh.

This material is not an offer or a solicitation to make investments. Please do not rely on this material as your sole source of information for your actual investments and be aware that investments decisions are your responsibility.

Note: In this document, fiscal years are defined as follows:
FY2020 = Fiscal year ended March 31, 2021, etc.