

RICOH

Sustainability Report 2009



Name: Emily Lawrence
Company: Ricoh New Zealand
Position: Frontline Administrator

“Customers always take an interest in the innovative park bench, made from recycled plastic we have in our reception area.”

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Ricoh 2009 Sustainability Report

Highlights

Profits up

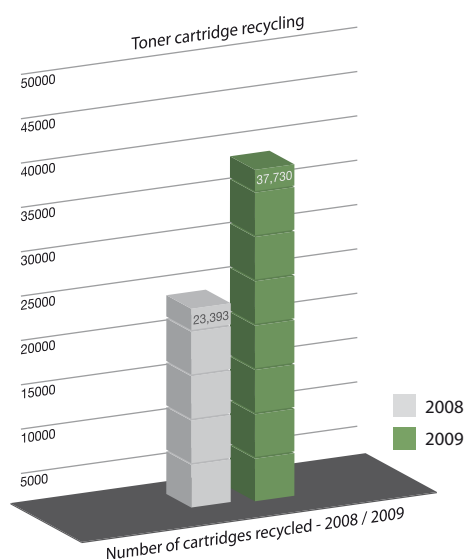
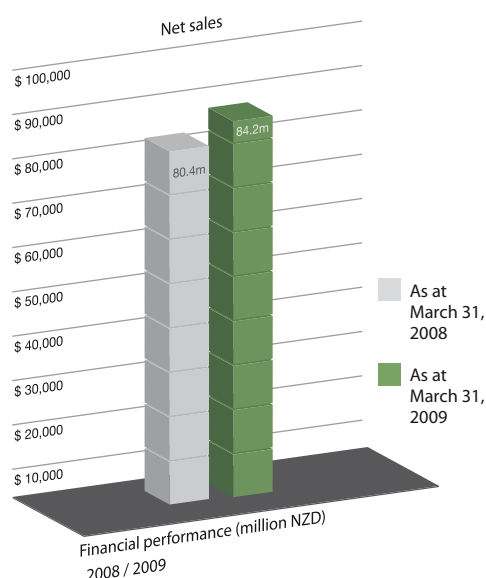
Sales rose \$3.9 million to \$84.2 million for the year to March 2009, producing a pre-tax profit of \$3.8 million.

New division

Ricoh Consulting Services established to advise customers on how to work more sustainably and streamline document flow within their business.

Upskilling our staff

National call centre team worked towards NZQA-accredited National Certificate in Contact Centre Operations.



Product stewardship improved

Ricoh collected and recycled more than 37,730 used toner cartridges from customers, which was 14,337 more than the previous year and which diverted about 7,933kg of waste from landfill.

Expanding the carboNZero^{Cert™}

Incorporating our national dealer network into the carboNZero^{Cert™} programme to ensure our entire fleet of supplied machines, with energy-efficient technology, is carbon neutral.

Name: Margie Barriball

Company: Ricoh New Zealand

Position: Sustainability Advisor

Achievements: Margie Barriball is motivated by Ricoh New Zealand's leadership in the sustainability space: First in its sector to achieve ISO 14001, first to achieve Environmental Choice and now, first with carbonZero^{Cert}™. As Sustainability Advisor she has a busy role ensuring all Ricoh's activities have the least possible impact on the environment. She has been instrumental in organising Ricoh's tree planting activities on Motuihe since 2004 and continues to count this as a highlight of her job. Margie says the positive feedback from staff, their families and Ricoh's customers is what makes this event so rewarding.

“Rico Global had the foresight to tackle sustainability well before it became trendy, which makes it easier for Ricoh New Zealand to maintain its leadership position.”



About this report

This report details Ricoh New Zealand's sustainability performance from 1 April 2008 to 31 March 2009.

This is Ricoh New Zealand's second Sustainability Report and follows our inaugural report published in November 2008, which reviewed performance for the period 1 April 2007 to 31 March 2008.

This report is published annually and is a summary of initiatives being undertaken by Ricoh across our six branches and the 14 Ricoh dealerships throughout New Zealand.

“Our Sustainability Report provides our customers, shareholders and other stakeholders with information about our non-financial performance during the reporting period and demonstrates the way in which sustainability is an integral part of all our business activities.”

It provides our customers, shareholders and other stakeholders with information about our non-financial performance during the reporting period and demonstrates the way in which sustainability is an integral part of all our business activities.

Measurements and data for this report are for the financial year ending March 31 2009 and there have been no significant changes during the reporting period, regarding size, structure or ownership of Ricoh New Zealand.



Ricoh New Zealand head office in Auckland

However, the scope of reporting has increased from the previous reporting period with the inclusion of our national dealer network within Ricoh New Zealand's carboNZero^{Cert}™ programme.

The data in this report is collected by Ricoh New Zealand's sustainability advisor Margie Barriball through supplier invoices, supplier reports, the annual carboNZero^{Cert}™ certification process (including third party independent verification of this data by Jeska McNicol at Presscott Horn) and internal reports.

The report applies the Global Reporting Initiative (GRI) G3 guidelines to an application 'C' level.

Further information about Ricoh New Zealand's sustainability programme can be found on our website – www.ricohnz.co.nz.

Our parent, Ricoh Group has published an annual environmental report and a CSR report every year since 1997, with the most recent 'Rico Group Sustainability Report 2009' published in September 2009. This is available online at www.ricoh.com.

To provide feedback on this report, please email contact@ricoh.co.nz.



Name: Mike Pollok

Company: Ricoh New Zealand

Position: Managing Director

Achievements: Mike Pollok is a firm believer that being sustainable delivers a competitive advantage. Despite the tough operating climate this year, Ricoh is pleased to have delivered a gross profit of \$3.8 million and retained its position as a market leader in the document solutions industry. This has been achieved as Ricoh helps its customers to be more sustainable in their own office environment, with Ricoh's energy-efficient copiers, printers and software solutions helping to trim the cost of everyday office expenses.

“In these challenging times, we’ve achieved success by providing our customers with energy-efficient machines that help them drive down costs.”

From the Managing Director

Welcome to Ricoh New Zealand's 2009 Sustainability Report. It's the second year we've produced a transparent account of our non-financial performance and reported on the economic, environmental and social impacts of our business.

Global business conditions have changed markedly since our inaugural report in 2008. But despite the tough operating climate this year, we are pleased to have delivered a gross profit of \$3.8 million and to have held our position as a market leader in the document solutions industry.

At the same time, we're delighted to be leading the way for our industry in sustainable business solutions and environmental management.

Our products have helped Ricoh customers to be more sustainable in the office environment. Ricoh's energy-efficient copiers, printers and software solutions help reduce energy, toner and paper usage, features that have been important in helping local businesses trim the cost of everyday office expenses during the recession.

If you're a Ricoh customer, the carbon footprint of your supplied machine is already taken care of from the day it arrives in your office.

This year we took the bold step to extend our voluntary commitment under the carbonNZero^{Cert™} programme to include our national dealer network, which means our entire fleet of supplied machines, with energy-efficient technology, is carbon neutral.

We're also pushing the boundaries at the other end of the product life cycle, with our commitment to recycling extending to product packaging, used toner cartridges and used machines.

End-of-life processing of electronic machines and components remains a critical issue for the wider ICT industry in New Zealand and as part of our product stewardship scheme this year, we have increased the number of machines we refurbish for resale or recycling. We also made significant inroads to reduce waste to landfill over the year, with volumes reduced across all six branches.

While these initiatives required heavy investment at the start of our journey towards sustainability, we're now starting to see tangible benefits and I'm delighted to report Ricoh has seen its market share increase in the last year, with some of the growth attributed to our strong commitment to sustainability.

"Now, more than ever, there's a competitive advantage to being sustainable."

We're seeing environmental issues becoming an increasingly important factor in the decision making process for many companies and government departments in particular.

It's pleasing to see businesses developing a much greater awareness of how sustainability impacts the bottom line, where it is as much about creating a business model with long-term viability as it is about taking responsibility for important issues such as climate change.

This year we put more emphasis on being an ambassador for sustainability, encouraging and leading the way for our 6,500 customers to improve their own sustainable business practices.

We expect new initiatives will propel us further as a leader this year as we work with our customers to identify solutions around sustainable document management and with new developments in high production, digital printing.

As Ricoh continues to grow we look forward to being able to do more to promote sustainability both internally and externally with all our stakeholders.

We intend to keep sharing our journey with you as we go.



Mike Pollok
Managing Director
RicoH New Zealand



Name: Blayne Alexander

Company: Ricoh New Zealand

Position: Workshop Technician

Achievements: At Ricoh's busy national distribution centre in Penrose, Blayne Alexander sees first hand the way the company discourages the throw-away mentality. As a workshop technician, his job involves refurbishing fusers from Ricoh machines so they can be re-used, rather than discarded. Recycling initiatives in the workshop also extend to the plastic packaging for all fusers. Blayne appreciates Ricoh's commitment to environmental sustainability when he's out enjoying the harbour during weekend fishing expeditions, and is passing on those values to his sons, who joined Ricoh for the annual tree planting day on Motuihe Island.

***"It's great to know
I'm giving something
back to the planet in
my job."***

About Ricoh New Zealand

Part of a global group

Ricoh New Zealand is part of the Ricoh Group, a leading global manufacturer of office automation equipment. Ricoh multifunctional copiers and printers provide business solutions for document and information management.

Ricoh Group was founded in Japan in 1936 by Kiyoshi Ichimura, producing the world's first mass-produced twin-lens reflex camera in 1950.

Today, the company operates in five regions around the globe (Americas, Europe, Asia Pacific, China and Japan) with 122 consolidated subsidiaries and affiliates in Japan and 268 overseas, together employing around 108,500 people.

Ricoh Group holds true to the origins and visions of its founder: to innovate on behalf of our customers and to pursue sustainable business practices on behalf of every life we touch.

Ricoh Group's commitment to sustainability

Ricoh Group is ranked as one of the Global 100 Most Sustainable Corporations in the World. Announced at the annual meeting of the World Economic Forum in Davos, Switzerland, the title is awarded to companies that display – better than most of their industry peers – the ability to identify and effectively manage environmental, social and governance factors that impact opportunity and risk in their business.

“Ricoh Group holds true to the origins and visions of its founder: to innovate on behalf of our customers and to pursue sustainable business practices on behalf of every life we touch.”

Ricoh New Zealand

Ricoh New Zealand's core business includes the sale, distribution and service of Ricoh copiers, printers and innovative business software solutions that assist with information management.

Ricoh New Zealand has 214 employees, with the company's corporate headquarters in central Auckland

Ricoh New Zealand has 6 offices and 14 dealerships nationwide.



and branch offices in the five main regional centres including Hamilton, Palmerston North, Wellington, Christchurch and Dunedin. In addition, we have a national network of exclusive dealers and service agents to provide sales, service and support in all areas of the country.

Our products and solutions: document and information management

The movement of information is a core activity for most organisations, whether that's internally within the office or externally to customers and various company stakeholders.

Ricoh products enable our customers to effectively use, manage, store and distribute information and business documents.

Our multifunctional copiers and printers help with information management, monitoring, archiving, form creation, organisation, securing and scanning which, in turn, help our customers streamline information flows within their organisation and reduce operating costs.

About Ricoh New Zealand continued

Ricoh products include: copiers, multifunctional printers, scanners, fax machines, CD-recordable and CD-rewriteable drives and media, and service and sales reports.

Structure and governance

Ricoh New Zealand is a wholly-owned subsidiary of Ricoh Company, Ltd, Japan. The company was established in its current form in 2001, but has been operating in New Zealand since the 1970s.

Well defined governance systems with clear reporting relationships link Ricoh New Zealand with its Singapore (regional) and Japan (global) headquarters.

Directors

Ricoh New Zealand has six directors, two based in New Zealand and four offshore. All six directors are employed by Ricoh and are appointed by the existing board.

The New Zealand-based directors are Ricoh New Zealand's Managing Director Mike Pollok and Finance Director Haroon Mohammed.

Organisational structure

Ricoh New Zealand has a flat organisational structure that provides all staff a direct employment relationship with their manager or team leader.

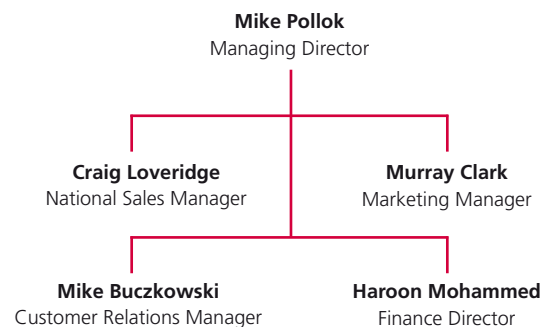
Employees are encouraged to provide ideas, recommendations and feedback to the Ricoh New Zealand senior executive and business excellence team via their line manager, which is in turn used to drive innovation and improve processes within the business.

During the reporting year, this mechanism proved to be very effective with one employee suggestion directly linked to the overall reduction in customer toner usage by as much as 15 per cent on some models of Ricoh copiers. The reduction in toner usage also generated cost savings in freight and courier costs and reduced carbon emissions associated with freight and delivery. The result has not only been positive from an environmental perspective, but has also had a positive effect on the company's bottom line profit.

Employees and other stakeholders are able to communicate to Ricoh Global Board of Directors through the resident board members, Ricoh New Zealand's Managing Director and Financial Director.

Unlike many of its competitors in the document solutions industry, Ricoh has no collective or union activity, and less than two per cent of our workforce are contractors.

Ricoh New Zealand senior management



Our vision and values

Ricoh uses the Baldrige Award Criteria for Performance Excellence as a framework to guide how we conduct our business.

As part of this process, we review our company mission, vision and values annually. This year it was decided that our company statements needed to be updated to more accurately reflect who we are now and our direction for the future.



Senior leaders met with selected staff from all areas of the company to develop the following statements:

Ricoh's mission:

"Supply and support of innovative value-adding document solutions."

Ricoh's values:

1. Remarkable people
2. Innovation everywhere
3. Customers for life

4. Outstanding performance
5. Harmony with the environment.

Internal sustainability initiatives

Ricoh New Zealand has formalised its commitment to sustainable business practices with the following documents, which are incorporated into the company's induction manual:

CSR Charter: This is our statement of commitment to corporate social responsibility, particularly customers and employees.

Environmental Policy: Our Environmental Policy was brought into practice in 2001 through our ISO 14001 certification and recognises environmental sustainability as an integral part of all our business activities. It outlines our actions and commitments to sustainability on a company-wide basis.

In order to continually foster improvement and innovation the management team, with the help of all employees, reviews and updates this policy annually. The policy was updated during 2008.

External sustainable initiatives

Ricoh New Zealand was an active participant in the Ministry for the Environment's ICT/TV working group. Although this group no longer exists, Ricoh's regular attendance at meetings during the year to 31 March 2009 saw it make an active contribution to the development of the waste minimisation framework in New Zealand.

Our environmental credentials

We've worked hard and invested heavily to achieve increasingly sustainable business practices and we're pleased to have this recognised with the following national and international environmental credentials.

“Achieving carboNZero^{Cert™} certification in 2008 was an important step in Ricoh's journey towards environmental sustainability; enabling us to formally demonstrate how we are reducing our greenhouse gas (GHG) emissions.”



Ricoh is proud to be New Zealand's first carbon neutral office equipment and document solutions company.

Achieving carboNZero^{Cert™} certification in 2008 was an important step in Ricoh's journey towards environmental sustainability; enabling us to formally demonstrate how we are reducing our greenhouse gas (GHG) emissions and to put in place a robust reduction plan that aims to further reduce emissions, where possible, through all practical methods available.

As well as offsetting the emissions from the operations of all six Ricoh branches in New Zealand, we also offset the emissions associated with the electricity used by Ricoh's supplied machines that have energy-efficient technology – that means we offset the electricity used by more than 8,800 machines.

This year, we extended our commitment to offset emissions to our network of 14 dealers throughout the country. We offset our GHG emissions by purchasing credits from renewable energy sources approved by Landcare Research.

Participating in the carboNZero^{Cert™} programme is a significant financial commitment, amounting to \$72,289 for the year to March 2009. However, we believe the value it creates for the business, our community and for the planet more than justifies the cost.



ISO 14001

In 2001, Ricoh New Zealand became the first company in the office equipment industry in New Zealand to achieve the global environmental certification ISO 14001 for all its branch offices nationally. Ricoh Group has achieved ISO 14001 certification for all major production sites and its sales group globally. Specifying the requirements for an environmental management system, ISO 14001 is also a commitment to continuous improvement.

About Ricoh New Zealand continued



Ricoh was also New Zealand's first office equipment supplier to be licensed with the Environmental Choice eco label. This tick of approval from the New Zealand Ecolabelling Trust recognises genuine moves made by manufacturers to reduce the environmental impact of their products and provides a credible and independent guide for consumers who wish to purchase products that are better for the environment.



Energy Star® is an international quality standard, awarded to the most energy efficient products. The independent Energy Star standards have been developed for office equipment such as printers, copiers, fax machines, multi-functional devices and PCs. Only those products that meet the high standard that is Energy Star can carry the mark.

Ricoh has been an International Energy Star partner since announcing its first Energy Star qualified products in October 1995. In New Zealand, Ricoh has partnered with the Energy Efficiency and Conservation Authority (EECA) to promote Ricoh's Energy Star qualified products.



Dismantling toner cartridges for recycling at the Toner Recycling Centre

All Ricoh office products available in New Zealand meet the Energy Star guidelines for energy efficiency.

Working with others for sustainable business

Ricoh New Zealand is a member of the Sustainable Business Network (SBN) and the New Zealand Business Council for Sustainable Development (NZBCSD).



SBN provides practical advice and support to assist businesses facing the challenge of sustainability.



NZBCSD is an independent body that provides business leadership as a catalyst for change towards sustainable development. Its members include 57 organisations that are engaged in managing resources, manufacturing, retailing and the services sector, contributing annual sales upwards of \$44 billion to the economy, equivalent to 34 per cent of GDP.

Membership of the NZBCSD is by invitation. Ricoh New Zealand became a member in 2007 and is represented by Managing Director Mike Pollok.

Stakeholders

We define our stakeholders to be all those groups who interact with Ricoh New Zealand, as outlined in the list below.

Communication with stakeholders is important and there are a number of ways we gather and distribute information to our stakeholders.

Ricoh stakeholders:

- Employees
- Customers
- Dealers
- Suppliers
- Ricoh Group and shareholders
- Government
- Non Government Organisations
- Industry groups
- Community.

Our Stakeholders

Employees

214 staff working from six offices across the country.

Activities in 2008:

- Department meetings with direct supervisors.
- Ricoh's intranet - InterCom.
- Half-yearly 'Communicator' newsletter.
- Monthly newsletters.
- Quarterly company update from the Managing Director.
- Biannual staff survey.
- Annual performance reviews for all staff.
- Exit interviews.
- Daily market trends and industry information.
- Staff social events.

Customers

6,507 customers ranging from small businesses to large corporates, education providers and Government organisations.

Activities in 2008:

- Multiple touch points for customer engagement include: account managers, technicians, the customer service centre and online via email and the Ricoh website.
- Ricoh also conducts ongoing online customer surveys.
- Annual customer satisfaction survey and market survey.
- CSR/environmental events e.g. tree planting days.
- Ricoh Eco-Action Day activities.

Dealers

National network of 14 dealers.

Activities in 2008:

- Bi-annual dealer conference.
- Regular dealer visits.
- Day-to-day communication via phone and email.
- Review meetings.
- Ad hoc meetings as and when required.
- Invitation to environmental and social activities.

Suppliers

Local suppliers for goods and services ranging from travel through to telecommunications.

Activities in 2008:

- Invitations to environmental conservation and social activities.

Ricoh Group and shareholders

Ricoh New Zealand's parent Ricoh Group is based in Japan.

Activities in 2008:

- Annual financial forecast meeting.
- Half-yearly review.
- Managing Director Mike Pollok attends quarterly Managing Directors' meetings.
- International product conferences.
- Visits from Ricoh Group staff.
- Daily email and phone communication.

Government

During the period, Ricoh was a member of the Ministry for the Environment's ICT/TV Product Stewardship Working Group.

Activities in 2008:

- A Ricoh representative of the ICT/TV working group regularly attended meetings, reporting back to Ricoh on important issues surrounding the manufacture, use and disposal of electronics. Ricoh is also a supplier to a large number of government departments and local councils.

Industry groups

Ricoh New Zealand is a member of a number of industry groups.

Activities in 2008:

- Ricoh continues to be a member of the Sustainable Business Network and the New Zealand Business Council for Sustainable Development.

Community

Ricoh New Zealand is involved in a number of community activities, events and environmental activities.

Activities in 2008:

- Sponsorship of Trees for Schools programme.
- Annual contributions to charitable groups.
- Sponsor of rugby and cycling.

Name: Shane Primrose

Company: URS New Zealand Ltd

Position: Asia Pacific IT Director

Our Ricoh experience: Ricoh's commitment to sustainability was an important factor in helping environmental engineers URS New Zealand partner with the document solutions company this year. Embedded cost recovery solutions in Ricoh machines have since helped reduce paper wastage in the organisation by up to 50 per cent.

"Our team values Ricoh's quick response time to customer service calls and good relationships with account managers."



Economic Performance

Increased sales

Sales rose \$3.9 million to \$84.2 million for the year to March 2009, producing a profit while other companies in our industry had negative results.

Success at tender time

Shortlisted for 97 per cent of tenders entered and eventually winning 70 per cent.

Ricoh Consulting Services

Established a new division to assist customers streamline their document management processes.

Succeeding in the global recession

The global economic crisis provided a challenging environment for most businesses to operate in and heavily impacted industry sales in late 2008 and early 2009. As a result, total industry copier sales for the year to March 2009 were 13,837 units, a decline of 10.2 per cent on the year earlier.

Despite the tough operating conditions, Ricoh New Zealand is pleased to announce sales rose \$3.9 million to \$84.2 million for the year to March 2009, producing a pre-tax profit of \$3.8 million.

In addition, Ricoh New Zealand has increased its total copier market share over the last three years and further developed its laser printer and document solutions business. An industry agreement prohibits Ricoh from disclosing market share figures and rankings.

It has certainly been a year for all businesses to look closely at costs and inputs and where savings can be made.

Ricoh has been able to help many of our customers trim the costs of what are core activities in any business

– printing and copying. Smart features in many of Ricoh's top selling printers and photocopiers help streamline document flow and make energy and paper use more efficient, leading to savings across the bottom line.

This year we've expanded relationships with many of our customers and are working with them to implement some of the new strategies for smart resource use that will, ultimately, benefit their business.

Part of that is the establishment of our new division, Ricoh Consulting Services. This division's purpose is to advise our customers on how they can more effectively manage and streamline document flow within their organisation to achieve greater productivity and cost savings. Ultimately, we want to be able to present our customers with a roadmap to implement sustainability throughout their operations and improve bottom line.

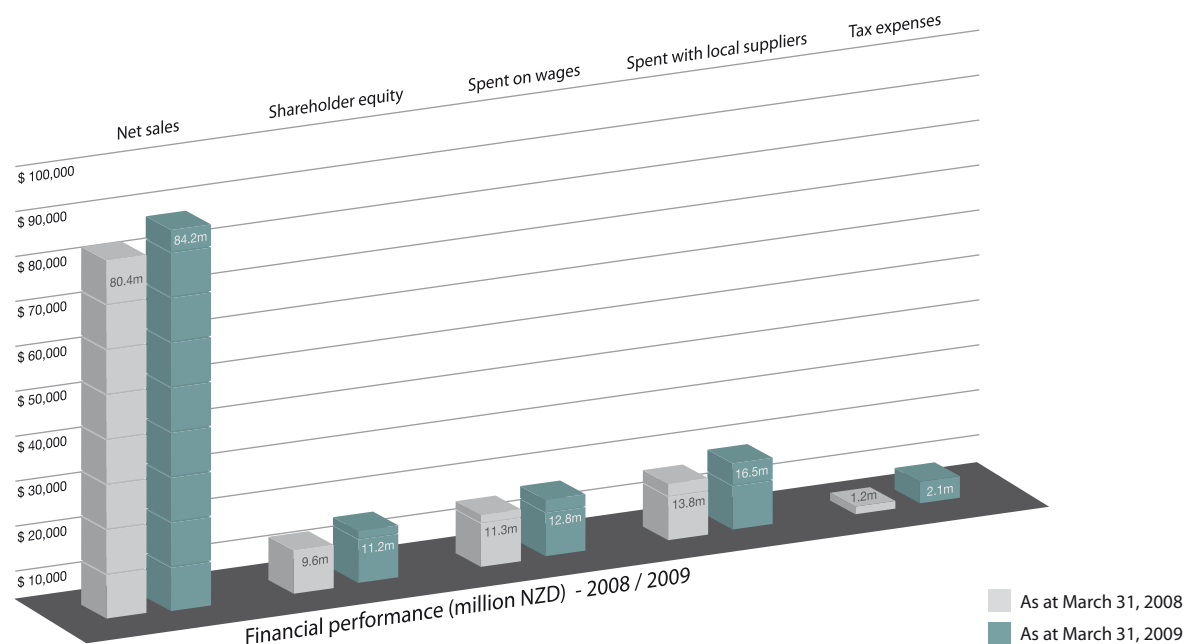
This year we have also extended our services into the high volume, production print market. This is a new business opportunity for Ricoh that allows us to provide a one-stop-shop for customers requiring production print equipment.



Ricoh's top selling machine – MPC2800

One of Ricoh's top selling machines is the MPC2800 with a number of energy-saving features including quick start-up technology, an auto-timer switch and energy saver mode. Major components are fully recyclable.

Economic Performance continued



Financial Performance – Ricoh Group

	As at March 31, 2008	As at March 31, 2009
Net sales	¥2,220 billion	¥2,091.6 billion
Shareholder equity	¥1,080.2 billion	¥975.3 billion
R&D Expenditure (6% of net sales)	¥126.0 billion (5.7% of net sales)	¥124.4 billion
Number of employees worldwide	83,400	108,500

Financial Performance – Ricoh New Zealand

	As at March 31, 2008	As at March 31, 2009
Net sales	\$80.4 million	\$84.2 million
Shareholder equity	\$9.6 million	\$11.2 million
Offices nationwide	6	6
Dealers nationwide	14	14
Customers	6000	6,507
Employees	202	214
Spent on wages	\$11.3 million	\$12.8 million
Spent with local suppliers	\$13.8 million	\$16.5 million
Tax expenses	\$1.2 million	\$2.1 million

Tenders

In the year to March 2009, Ricoh has responded to 60 Request for Proposals (RFP) – our main method of developing new business and retaining existing customers.

As information requirements around environmental sustainability become more rigorous, particularly with our government sector clients, Ricoh has been in a strong position to increase our competitiveness in the tender process.

Our results

- 60 tender processes entered
- 97 per cent of tender processes shortlisted
- 70 per cent of tender processes won.



Ricoh Communications Manager Rick Petford

Responsible investing

Ricoh's commitment to sustainability has made it an attractive stock for investors looking for sustainable companies. Ricoh is listed on the Tokyo Stock Exchange and disclosures show the stock is purchased by investors seeking businesses that are economically and socially responsible.

Ricoh Group has been included in The Morningstar Socially Responsible Investment Index since it was established in 2003 to provide an index of companies in Japan performing highly in the five areas of corporate social responsibility: (Corporate governance, employment, consumer services, the environment and social contributions).

In addition, Ricoh has been a constituent member of the Dow Jones Sustainability Indexes (DJSI), which is provided by Dow Jones & Company (USA) and SAM Group (Switzerland), for five consecutive years.

“Ricoh's commitment to sustainability has made it an attractive stock for investors looking for sustainable companies.”

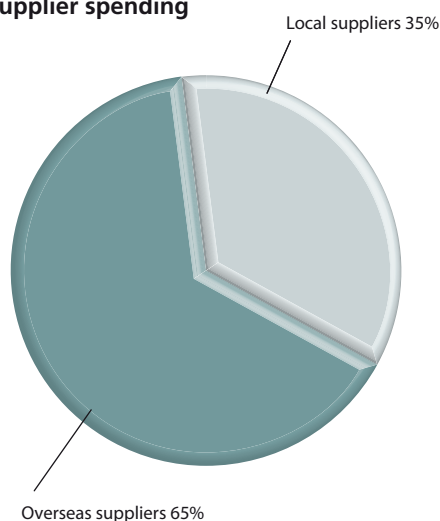
Ricoh has also been a member of the FGSE4 Good Global Index for five years in a row. This index is published by FTSE Group, a joint venture between *The Financial Times (UK)* and the London Stock Exchange.

Spending with local suppliers

Ricoh New Zealand spent NZ\$47.1 million purchasing products and services in the year to March 2009, predominantly from overseas suppliers.

Spending with local suppliers totalled \$16.5 million, an increase of \$2.7 million on the year earlier. This figure is mostly made up of professional services and business expenses such as rent, utilities, travel, freight, logistics and warehousing, telecommunications and stationery.

Supplier spending



Mighty River Power – Q&A with Ricky Greaves

Interview with Ricky Greaves, IS Operations Manager, Mighty River Power

How long have you been a customer of Ricoh New Zealand?

Mighty River Power has been with Ricoh for the past three years and we've just re-signed for another three-year term.

“Ricoh's main strengths are its centralised service desk and its extensive dealer base, which works well for us given we have offices across the country, sometimes in more remote areas.”

What solutions does Ricoh New Zealand provide your organisation?

Ricoh provides us with printing and scanning solutions with their multi-functional devices across our 26 sites.

What were your key reasons for choosing Ricoh as a supplier?

A key decision was cost as, at the time when we signed up with Ricoh, we'd made a decision to simplify our service providers. Another core consideration was Ricoh's sustainability credentials. For Mighty River Power as a SOE, Ricoh's carboNZero^{Cert™} status was important to us as it's aligned with our organisational objectives.

What are highlights or strengths of Ricoh's service to date?

Ricoh's main strengths are its centralised service desk and its extensive dealer base, which works well for us given we have offices across the country, sometimes in more remote areas.

What specific solutions has Ricoh been able to offer you to help save resources within your organisation?

Ricoh's scanning solution has allowed us to reduce the amount of paper used across the organisation. Another key feature is the ability to centrally configure the printers to print duplex, which has resulted in reduced paper use. We estimate as much as 90 per cent of our printing is now double-sided. And lastly from a toner perspective, Ricoh's machines are very efficient.

What are the most positive benefits Mighty River Power has experienced in working with Ricoh?

Ricoh has built up knowledge of our business over the years; they understand our requirements and the services we require. One particular example is monthly reporting. Ricoh worked hard to develop a monthly service report that's unique to our needs. They invested a lot of time into the development of this report and it's one of the best I receive. We're grateful to them for their flexibility in reporting.

In what ways could the service be improved?

We have regular monthly service meetings and from an overall service perspective there are no complaints. We chose to stay with Ricoh because they were cost competitive, because of their sustainability credentials and because we knew them and they knew us. I also knew I could talk to them about any issues with servicing. We feel like we're important to them.

“Another key feature is the ability to centrally configure the printers to print duplex, which has resulted in reduced paper use. We estimate as much as 90 per cent of our printing is now double-sided.”

Mighty River Power's Maraetai hydro-power station on the Waikato River

"We chose to stay with Ricoh because they were cost competitive, because of their sustainability credentials and because we knew them and they knew us."

Name: David Dewse

Company: Ricoh New Zealand

Position: Software Solutions Product Specialist

Achievements: My job gives me the opportunity to help people work more efficiently with Ricoh's innovative software and services. There's great satisfaction in seeing an idea transformed into a working solution, specific to the needs of each customer.

"I feel privileged to work for a truly international company that has integrity and shares my values."



Social Performance

Upskilling our staff

National customer service centre team working towards NZQA accredited National Certificate in Contact Centre Operations.

Improved staff induction

Launched new induction audio visual presentation.

Involved in the community

Community partnerships continued with Motuihe Island Restoration Project and Trees for Schools fund raising programme introduced.

It's not possible to build a sustainable society on our own – we need the help of all our stakeholders. Working with our employees, customers, local suppliers and communities has been an important focus for Ricoh New Zealand this year, as we recognise sustainability as an integral part of all our business activities.

Our people

Ricoh New Zealand employs 214 people throughout the country, from a diverse range of backgrounds. Total staff numbers are just three members fewer than the previous year as decisions were made, in the tougher economic climate, not to replace some staff members who left the business.

“It's not possible to build a sustainable society on our own – we need the help of all our stakeholders.”

A large proportion of our staff remain involved in directly selling or servicing Ricoh equipment. As a result, these divisions saw the greatest volume of staff turnover during the year, with the resignation of eight male sales staff and 12 technicians and technical staff (11 male and one female). Resignations were also received from 25 employees in support and administration roles (eight males and 17 females). This compares to the industry-weighted turnover percentage for 2008/2009 of 21.1 per cent for the IT and telecommunications industry.

Males still make up the majority of our staff, at 82 per cent of our total workforce, as is the case with most other technology providers and companies in the printing and copying industry. Ricoh's female employees tend to be concentrated within roles providing customer

service and business support. Ricoh is proud to have gained its first female account manager during the last year.

The greatest numbers of Ricoh staff are employed in the Auckland region, where 127 staff or 58 per cent of Ricoh's workforce is based. The next largest branch is Wellington, employing 35 staff. Palmerston North is the smallest office with seven employees.



Auckland Branch Manager Cameron Mount

Human resources

Ricoh New Zealand has a Human Resources Manager, based in the company's head office in Auckland, who oversees the management of all aspects of the employment relationship including conditions of employment, formal training, health and safety, performance management systems, annual remuneration reviews, recruitment and employment relations matters.

Policies and systems

Ricoh New Zealand adheres to the Ricoh Group Code of Conduct and Charter of Social Responsibility, which sets out the social, ethical and environmental behaviour applicable throughout the company.

Social Performance continued

Code of Conduct

The Code of Conduct outlines company expectations for behaviour and attitudes in four areas:

1. Integrity
2. Environmental harmony
3. Respect
4. Harmony with society.

It also covers methods for dealing with conflicts of interest. The Code of Conduct is distributed to all new staff members when an offer of employment is made and is also shared with staff via Ricoh's intranet, InterCom. All new staff declare in writing in that they have read, understood and agree to meet the requirements of the Code of Conduct. The declaration is kept in their personnel file.



Ricoh HR Manager David Luttig

Recruitment

Recruitment is managed internally through our human resources department, based in Auckland. All job

vacancies are advertised in various publications and internet platforms in the area where the appointment will be made. Ricoh New Zealand does not have any specific procedures regarding hiring senior management from the local community. Largely, this is due to the fact our branches are located in major urban centres.

Terms and conditions of employment are outlined in individual employment agreements. No employees are covered by collective bargaining agreements.

Induction

Ricoh New Zealand has a comprehensive staff induction programme, managed by the human resources department.

New staff are shown a 20-minute audio visual presentation within the first three months of employment, providing background on Ricoh Group and the operations of Ricoh New Zealand. The presentation also outlines key health and safety initiatives. After watching the presentation, staff complete a questionnaire covering key information about health and safety in the workplace.

“Ricoh New Zealand has a comprehensive staff induction programme, managed by the human resources department.”

Employee Profile - 31 May 2009

Categories:	Staff		Diversity						Service	
Sub-category:	Total		Male %		Female %		Average age		Average years	
Year	09	08	09	08	09	08	09	08	09	08
Sales	53 (25%)	53 (24%)	98	100	1.9	0	38	35.9	5.2	4.3
Service technicians	82 (38%)	84 (39%)	99	96	1.2	4	36	35.6	4.6	4.1
Other customer facing	21 (10%)	23 (11%)	53	48	47	5	33	31	4.4	4.4
Support (non customer facing)	58 (27%)	57 (26%)	52	54	48	46	32	34.9	3.85	4.4
Total	214	217	82	80	18	20	35	35.1	4.5	4.3

Ricoh's induction checklist requires new employees to fully understand the Code of Conduct and new employees are also informed of Ricoh's zero tolerance of all forms of harassment in the workplace. In addition, employees in the sales team are briefed by the sales manager on consumer guarantees and commercial law (e.g. Fair Trading, Commerce Act).

Training

Ricoh is committed to ensuring the professional development of our staff. Training is therefore an important focus for all staff and is specific to each department.

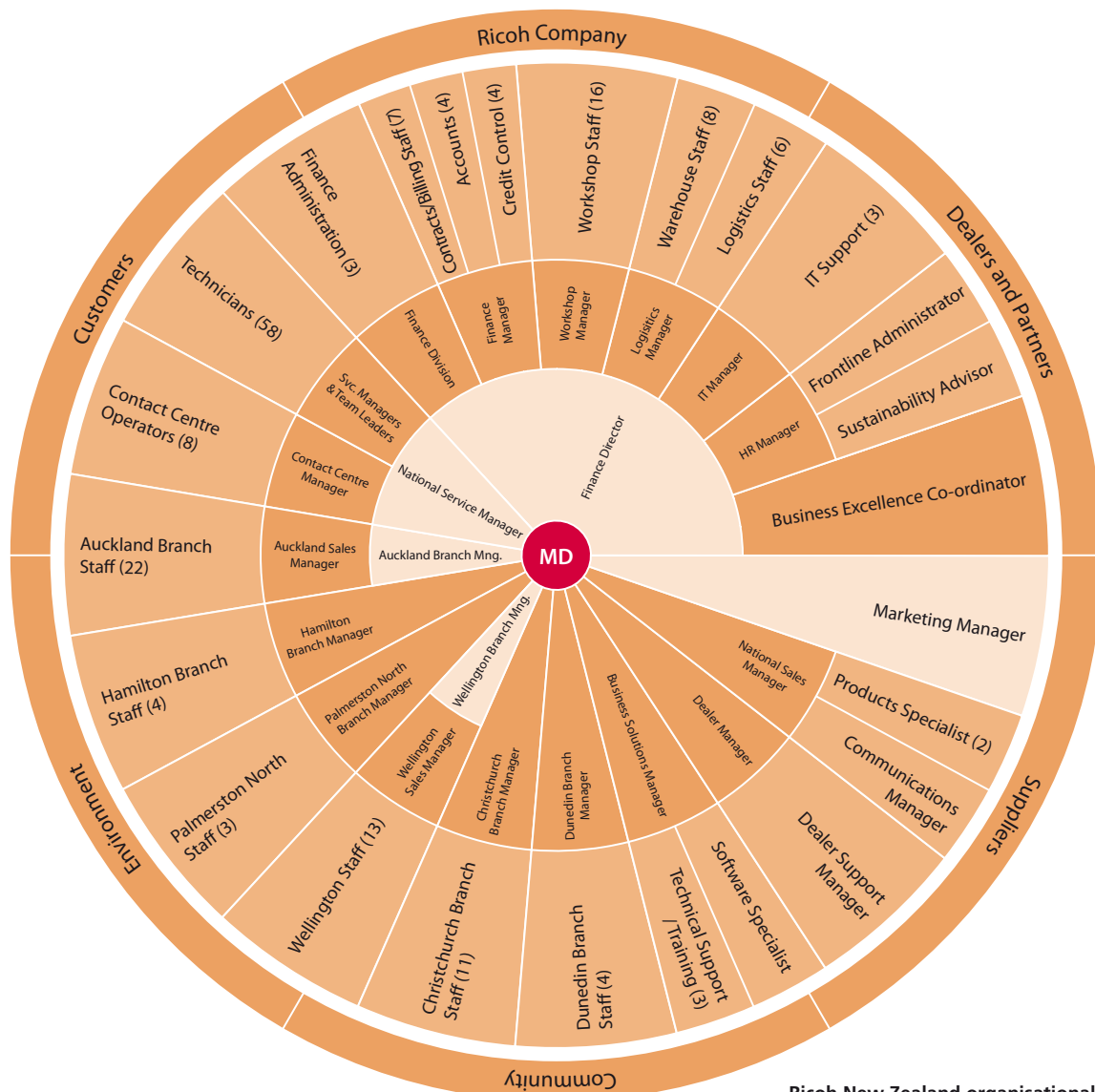
We keep a record of technician training and the average training hours per technician is 25 hours each year. A focus on upskilling staff in the national call centre

this year has seen the entire team work towards the NZQA accredited National Certificate in Contact Centre Operations. Ricoh's National Customer Centre Manager is qualified to assess the qualification in-house, allowing staff to study after hours or during down time.

In addition, Ricoh's sales team have access to online training, for self-directed learning.

Occupational health and safety

Health and safety remains a central focus of all activity within the company and initiatives are outlined in the Ricoh New Zealand Health and Safety Manual. In addition to receiving this information during induction, employees receive ongoing guidance about health and safety from the designated health and safety representative.



Ricoh New Zealand organisational chart

Social Performance continued

The company's health and safety committee, representing staff throughout the organisation, meets annually in Auckland to discuss new initiatives, serious incidents or to communicate major changes in health and safety practices.

We're proud of our health and safety record and in the year to 31 March, 2009 there were no days absent or work time lost due to work-related injuries. For the same period we had four minor incidents across our Wellington, Auckland and Hamilton branches.



Ricoh Colour Product Specialist Dereck Hoare

Health and safety initiatives include:

- Hazard identification and reporting on any workplace accidents.
- The understanding that employees are responsible for the health and safety of themselves and their colleagues.
- An alcohol and drug free workplace policy.
- Staff access to a discounted group health care scheme.
- Free, confidential counselling services provided through the Employee Assistance Programme to help employees cope with work and life issues. The programme is administered by an external, independent company and is paid for by Ricoh New Zealand.
- Evacuation drills take place in the Auckland, Christchurch and Wellington branches biannually, and in Dunedin annually, facilitated by an external consultant who assesses and reports on the process of building evacuation and identifies any problems. Procedures for evacuation drills are explained on the first day of employment with Ricoh.

- First Aid kits are maintained and kept accessible on site, with trained First Aid representatives in every branch.
- Annual flu injections are provided for all staff, with information about preventing and dealing with serious diseases such as swine flu provided on the company intranet.
- Annual training sessions for workshop and store staff about dealing with chemical spills.

Remuneration and benefits

Full-time employees qualify, from their first day of employment, for five days sick leave per annum. Temporary and fixed-term contact employees qualify for this leave after six months service, as per the Holidays Act.

The minimum notice period regarding operational changes for Ricoh New Zealand employees is 30 days or as agreed during consultation about a restructure.

Ricoh New Zealand has no differentiation between gender groups when it comes to remuneration.

Personal employee information

All information about employees is collected for its intended purpose only, is stored securely and is not disclosed to third parties. Employees have access to review any information held by Ricoh New Zealand about them.

Staff feedback

We pay close attention to employee wellbeing, satisfaction, motivation and professional development.

It's important to us what our employees think and the primary way we receive feedback is through line managers who relay staff needs to senior managers.

“Annual performance reviews provide an important opportunity for one-on-one dialogue between staff and managers.”

Annual performance reviews provide an important opportunity for one-on-one dialogue between staff and managers. Exit interviews and questionnaires are also conducted with all staff that leave the company.

Feedback is also sought through a biannual staff survey, carried out by an external consultancy.

All feedback is taken into account in Ricoh's human resources strategy along with observations, SWOT analysis, latest market research, key stakeholder and management interviews and our strategic intent as a company.

Our customers

Our major customer groups include those in the commercial, educational and government sectors as well as non-profit organisations and charities.

A growing proportion of Ricoh's New Zealand business continues to be influenced by our sustainability focus, a trend we project will continue in the long-term.

Customer service

Our national customer service centre is based in Auckland and the 11-strong team is the primary point of customer contact with Ricoh. Receiving up to 500 telephone calls a day; our customer service team is the hub for all customer queries, which include:

- General account queries
- Orders for consumables
- Customers logging machine faults
- Parts orders for technicians
- Ordering and collection of toner cartridge recycling boxes
- Collection of old machines for recycling.

The customer service team also processes web-based orders and automated orders placed via Ricoh machines and follows up on the estimated time of arrival for customer support engineers.

A focus on customer service in the last year has seen our customer service team work towards the NZQA accredited National Certificate in Contact Centre Operations.

Customer satisfaction

Ricoh New Zealand uses a comprehensive Customer Value Management System (CVM) and Complaints Management System (CMS) to help us determine and record the factors affecting customer satisfaction. These systems are standardised within our industry so they also provide useful comparisons with our competitors.

Technical support

The performance of our machines is critical to our customers and is therefore a key priority for us. Ricoh has 82 service technicians nationally that work to keep thousands of machines running at peak performance. Our technicians listen to their customers to ensure their expectations are continuously met and if possible, exceeded.

“Our technicians listen to their customers to ensure their expectations are continuously met and if possible, exceeded.”



Team Leaders Heinrich Sachse (L) and Satish Unka

Social Performance continued

Business partners:

Dealers

Ricoh's core business partners are our 14 exclusive dealers based throughout the country. They represent Ricoh in the following centres: Whangarei, Tauranga, Rotorua, Taupo, Gisborne, Hawkes Bay, New Plymouth, Whanganui, Nelson, Blenheim, Ashburton, Timaru, Queenstown and Invercargill.

We provide our dealers with quality Ricoh products, competitive pricing and support across technical training and sales and marketing.

In this financial year, Ricoh invited the full dealer network to participate in the carboNZero^{Cert™} programme, which means that Ricoh pays to offset all carbon emissions associated with the electricity used by Ricoh machines, with energy-efficient technology, that are supplied through the dealerships.

Suppliers

Ricoh New Zealand has strong relationships with our key suppliers who provide support across revenue stream planning, implementation and documentation, inventory management, business management and new business support.



Ricoh Key Accounts Co-Ordinator June Moy

Community relationships and sponsorships

Ricoh continues to make annual contributions to charities including:

- Diabetes Auckland
- Stuttering Research Foundation
- Trees for Schools
- Motuihe Island restoration
- Wellington Rugby
- Canterbury Rugby
- Manawatu Rugby.

Ricoh staff can also apply to have Ricoh New Zealand sponsor their child's sports team.

“In this financial year, Ricoh invited the full dealer network to participate in the carboNZero^{Cert™} programme, which means that Ricoh pays to offset all carbon emissions associated with the electricity used by Ricoh machines, with energy-efficient technology, that are supplied through the dealerships.”

Case Study

Customer service centre

Ricoh's busy customer service centre is the primary point of contact for our 6,500 customers. The team of 11 staff, based in Auckland, process an average of 16,500 customer requests each month, which range from general account queries to orders for consumables and the collection of toner cartridge recycling boxes.



Ricoh Customer Service Centre Representative Melody Kisiogo

This year we've focused on two initiatives to be more efficient with the way we use resources and improve our level of customer service.

Reducing technician call-outs

We're pleased to have reduced the number of hours our service technicians spend on the road to action customer queries. New systems in the call centre have seen us better able to solve customer queries over the phone, reducing the call-out rate for technicians.

Initiatives include:

- Use of a call centre script to help identify queries that can be actioned over the phone, with more difficult queries referred to the technical help desk which is also part of the Customer Service Centre.
- On average, twenty per cent of all problems logged are completed within the call centre.
- Our dispatch team use GPS to identify the closest customer support engineer who matches the required skillset for the fault and then dispatches them accordingly to our customers. Shorter travel times enable us to respond to customer requests faster and help reduce our carbon footprint.

Upskilling our staff

When it was discovered that many staff in our busy national call centre did not possess a relevant qualification, Ricoh decided to offer its team the opportunity to study towards the NZQA accredited National Certificate in Contact Centre Operations.

A positive response has seen all team members take up the opportunity this year. As well as paying for the course, Ricoh supports the team by giving them time off work during quiet periods to complete the four course modules.

Ricoh's national customer service centre manager Naveen Dowlath has completed an assessor course so he is qualified to assess the rest of the team in house.

Ricoh customers will benefit from this training through improved call handling and a higher level of customer service.

Name: Jeff Shearer

Company: Heritage Hotel

Position: Chief Operating Officer

Our Ricoh experience: Luxury hotel provider Heritage Hotels has been a Ricoh customer for eleven years. Ricoh has been instrumental in explaining the benefits of having centrally-located multi-functional printers within the organisation, reducing the number of desktop printers and helping reduce the amount spent on consumables such as paper and ink. Ricoh has also introduced document archiving throughout the company.



"We're proud to be associated with Ricoh and its visual and robust sustainable policies."



Environmental Performance

carboNZero^{CertTM}

National dealer network incorporated into carboNZero^{CertTM} programme.

Recycling

37,730 used toner cartridges collected and recycled from customers.

Re-sold 1,254 machines

An increase of 531 machines on the previous year.

Environmental management

Printing and photocopying documents are some of the most common activities that take place within the modern office environment. And with key inputs including electricity, paper and toner, they are also resource intensive.

Ricoh is working to reduce the environmental impact of everyday document flow within organisations by providing tools to help our customers send and view information electronically, print smarter and minimise waste.

Our product stewardship scheme sees us take responsibility for the full life-cycle of our products with our commitment to recycling extending to product packaging, used toner cartridges and used machines.

We are also proud to be the first in the document solutions industry to measure and offset our carbon footprint with the carboNZero^{CertTM} programme. Right from the outset we strove to go further, by offsetting the electricity used by our customers when operating our supplied machines that have energy-efficient technology.

“Our product stewardship scheme sees us take responsibility for the full life-cycle of our products with our commitment to recycling extending to product packaging, used toner cartridges and used machines.”

This year, Ricoh made the bold decision to bring our national dealer network into the carboNZero^{CertTM} programme to ensure our entire fleet of supplied machines with energy-efficient technology is carbon neutral. This equates to about 11,057 machines.

Recycling and product stewardship

Ricoh New Zealand is careful to ensure the environmental impact of our products is as small as possible and our product stewardship scheme sees us take care of product and components for their full life cycle – or cradle to cradle.



Dismantled toner cartridges ready for recycling

About 87 per cent of all material used in Ricoh machines is recyclable. This includes aluminium components and printed circuit boards removed from machines during servicing or dismantling and toner cartridges, paper, packaging material and the used machines themselves. We continue to look for ways to increase the volume of material that is recycled locally with the aim to find a local recycler for every recyclable component, to see almost 100 per cent recovery in New Zealand.

Environmental Performance continued

Used machines and e-waste

As the disposal of unwanted electronic appliances or e-waste continues to grow, Ricoh is careful to ensure we are disposing of unwanted machines responsibly.

Ricoh provides a no-cost service to retrieve machines from customers when they are no longer in use. Ricoh will also remove competitor machines where a new Ricoh contract has been put in place.

“Where possible, we refurbish and resell pre-used machines. In the last year we resold 1,254 machines, an increase of 531 machines on the previous year.”

Where possible, we refurbish and resell pre-used machines. In the last year we resold 1,254 machines, an increase of 531 machines on the previous year.

All machines traded in beyond their useful life are dismantled and the metal and plastic (excluding plastic panels) is recovered and recycled.

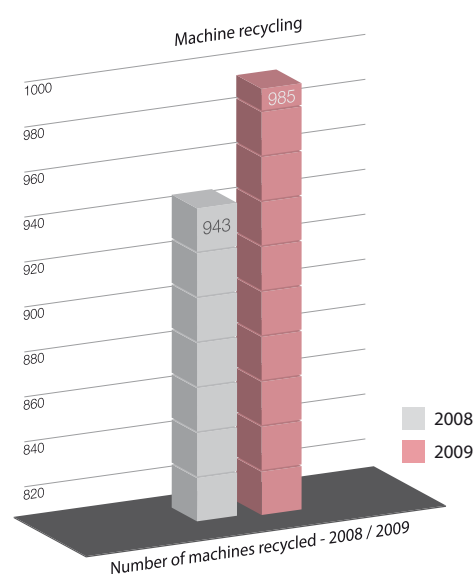
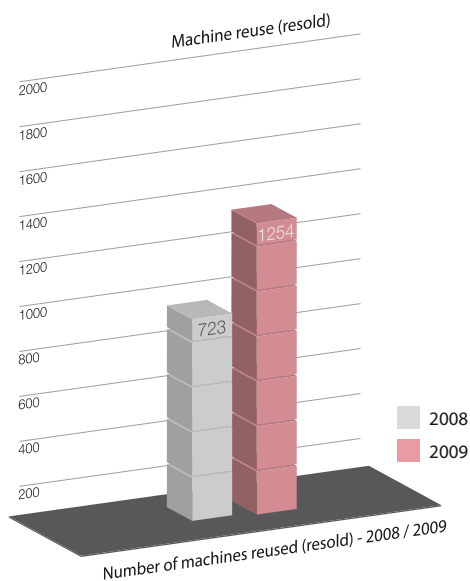
Challenging operating conditions for business this year saw the demand for second-hand machines increase. However, this also directly reduced the volume of machines sent for recycling, with many customers opting to retain existing machines or buy a second-hand machine, rather than upgrade.



Clean toner cartridges ready for recycling

As a result, the rate at which machines were recycled dropped considerably in the last six months of the year. However, the volume of recycled machines still increased overall, with a total of 985 machines recycled in the year to March 2009 – 42 units more than the previous year.

Ricoh has played an integral role in industry efforts to chart a direction for product stewardship in New



Zealand, as part of the ICT/TV Working Group. Although the group no longer exists, Ricoh was actively involved in this past year, attending regular meetings and making a proactive contribution to the development of Waste Minimisation Regulations introduced in July 2009.

“Ricoh has a service contract with The Toner Recycling Centre, which sees almost 100% of each cartridge recycled.”

Toner cartridge recycling

Our customers have gained greater awareness of our free collection service for used toner cartridges for recycling, with our sales team now receiving a greater number of queries about the service throughout the country.

Ricoh provides all our customers with recycling boxes to store their used cartridges for collection once a request is logged with the customer service centre. Ricoh has a service contract with The Toner Recycling Centre, which sees between 90-95 per cent of each cartridge recycled.

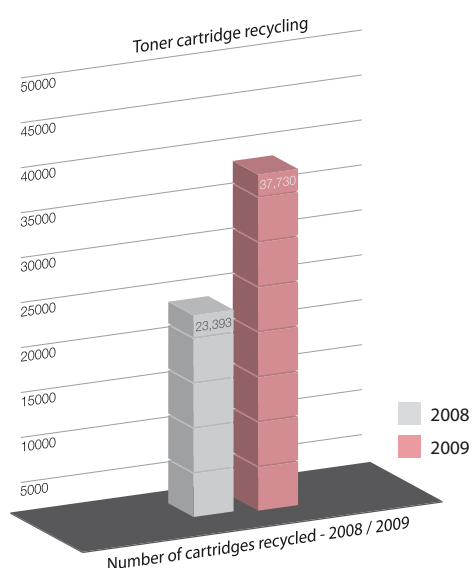
This year Ricoh collected and recycled more than 37,730 used toner cartridges from customers, which was 14,337 more than the previous year, diverting around 7,933kg of waste from landfill.

This equates to an average of 7,388 cartridges a month, which was 40 per cent of all toner cartridges used by customers for the period – just short of our set target of 42.5 per cent.

Ricoh spent approximately \$80,000 in the last year on toner cartridge recycling, with the cost to recycle individual cartridges ranging from 70c to \$3.50 across the various models. Ricoh believes this is an important investment to make to extend responsibility for the environmental impact of our product and to encourage sound product stewardship among our customers.



Ricoh toner cartridge recycling boxes arrive at the Toner Recycling Centre, ready for processing



Case Study

Recycling at TRC

Taking responsibility for the environmental impact of our products has seen Ricoh New Zealand partner with The Toner Recycling Centre (TRC) to streamline the recycling of toner cartridges used in Ricoh machines.



TRC filled a gap in the market when it launched this service six years ago and is now New Zealand's largest collector and recycler of all printer waste including inkjet cartridges, laser cartridges and photocopier cartridges and drums.

TRC diverts more than 400,000 cartridges – more than 200 tonnes – of recyclable material from going into New Zealand landfills every year.

Once at the Auckland depot, the cartridges are sorted according to plastic types. This manual process sees them pulled apart, cleaned using extraction machines with most of the plastic supplied to Astron Plastics where it is processed into resin pellets for on-selling or remanufacture into cable covers.

Between 90-95 per cent of the materials TRC collect are able to be recycled. Residual toner powder is not recycled, but is sent to Trans Pacific Services where it is neutralised and combined with resin to form a compact block, which is sent to landfill. The monthly average volume of this non-hazardous waste toner sent to landfill is 500kg.

All cartridges are dismantled locally by Abilities Group, a not-for-profit organisation providing employment for people with a range of disabilities.

Ricoh makes it easy for its customers to use this service by providing recycling boxes for convenient cartridge collection to all customers. Ricoh then pays to have these collected and delivered to TRC on behalf of the customers.

TRC business development manager Tim Morris says cartridges from Ricoh machines form about 10 per cent of all cartridges that are processed at TRC. "Not everyone in the industry is as proactive as Ricoh; many others are more concerned about the bottom-line costs of this activity."

Tim Morris says the recession had a big impact on the state of the recycling industry this year as the price of plastics was significantly devalued and demand for recycled plastics was subsequently reduced.

TRC is planning several initiatives to help improve the toner cartridge recycling process in the year ahead, including the introduction of cartridge ID to help trace products at the end of their life.

Environmental Performance continued

Reducing waste to landfill

This year we're pleased to report significant reductions in the volume of waste to landfill across all six branches. This reduction has largely been driven by new initiatives to encourage recycling of polystyrene packaging in three more branches – Christchurch, Palmerston North and Wellington. This sees all machines unpacked at Ricoh branches and delivered to customers in stretch-wrap only, which is then returned to the branch for recycling with the remaining packaging materials: cardboard, polystyrene and polyethylene plastic bags.

“This year we're pleased to report significant reductions in the volume of waste to landfill across all six branches.”

Dunedin is now the only branch that does not recycle polystyrene, which previously formed half of our landfill costs. This is because there are no expanded polystyrene (EPS) recyclers in Dunedin and transporting to the nearest provider in Christchurch would adversely impact our carbon footprint.

Particulate emissions from printers

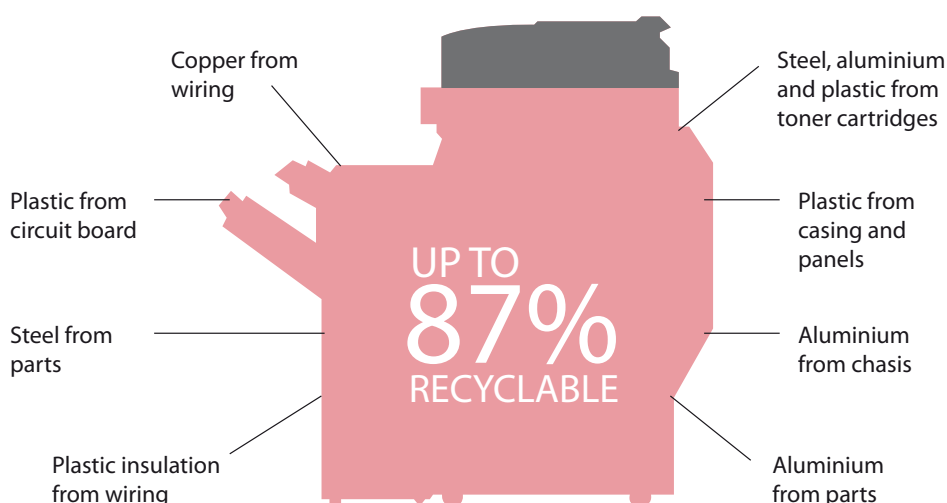
Printers and MFPs are generally known to emit substances such as ozone, dust and volatile organic compounds. However, we are pleased to report there is no known adverse health risk from particulate emissions associated with Ricoh machines installed and used in accordance with the operating instructions and with regular servicing by trained technicians.

We subject our products to a rigorous series of tests to make certain they fully satisfy our own strict standards. This includes meeting the requirements of leading environmental labels the Eco Mark in Japan and Blue Angel Mark in Germany, which are considered to be the standard for developing environmental labels worldwide.

In New Zealand, Ricoh's machines comply with all required industry laws and standards including electrical safety standards, and are tele-permitted as required.

Ricoh machines on a full maintenance service contract receive regular, preventative servicing to ensure the necessary cleaning and parts replacement of filters is carried out.

Recyclable components in Ricoh machines



Environmental Performance continued

Machine environment

Environmental conditions greatly affect the performance of a machine. Ricoh recommends the following conditions for optimum performance:

- Temperature: 10-32 degrees Celsius
- Humidity: 15-80% (temperature to be 27 degrees Celsius at 80%)
- A strong level base
- Level within 5mm both front to rear and left to right
- A large, well ventilated room that has an air turnover of more than 30m3/hr/person.

Environments to avoid include:

- Locations exposed to direct sunlight or strong light i.e. more than 1,500 lux
- Locations directly exposed to cool air from an air conditioner or heated air from a heater as sudden temperature changes might cause condensation within the machine
- Locations close to machines generating ammonia such as a diazo copy machine
- Places where the machine might be subjected to frequent strong vibration
- Dusty areas
- Areas with corrosive gases.

Our carbon footprint

Taking responsibility for Ricoh New Zealand's impact on climate change.

carboNZero^{Cert™}

This is Ricoh's second year measuring and offsetting our carbon footprint with the carboNZero^{Cert™} programme.

Ricoh was the first office equipment and document solutions company in New Zealand to gain this level of certification last year, enabling us to formally demonstrate how we are actively reducing our greenhouse gas (GHG) emissions and to put in place a robust reduction plan to further reduce emissions where possible.

We have offset our GHG emissions by purchasing credits from renewable energy sources approved by Landcare Research. These include PRE VERs from TrustPower Tararua II windfarm 335867-338256. Not only do we offset emissions generated through the operations of our head office, but we also offset energy use associated with our supplied machines – a voluntary move to help our customers reduce their carbon footprint.

Key sources of emissions by business activity

Activity	2008 total tonnes CO ₂	2008 % of total emissions	2009 total tonnes CO ₂	2009 % incl dealers	% excl dealers (2071.15 T)	Tonnes comparison 08 & 09 incl dealers %
Freight	586.33	27.7	562.12	22.2	27.1	-4.13
Petrol	465.55	22.0	488.33	19.3	23.6	4.89
Dealers	n/a	n/a	464.39	18.3	22.4	n/a
Electricity (Customers)	357	16.9	419.96	16.6	20.3	17.64
International air travel	119.6	5.7	158.73	6.3	7.7	32.72
Electricity (RicoH NZ operations)	167.37	7.9	134.99	5.3	6.5	-19.35
Domestic air travel	88.3	4.2	116.64	4.6	5.6	32.10
Taxis/couriers	91.86	4.3	106.93	4.2	5.2	16.41
Municipal solid waste	240.5	11.4	77.34	3.1	3.7	-67.84
Total tonnes & % comparison	2116.51		2535.54	19.8 increase	2.1 decrease	19.80

Case Study

Dealers

Including Ricoh's dealers into the carboNZero^{Cert™} programme has driven a raft of new efficiencies across the 14-strong dealer network.



Principal of Ricoh's mid-Canterbury dealership Daryl Young

Not only are the carbon emissions generated by the use of Ricoh's dealer-supplied machines offset, Ricoh's independent dealers are taking up new measures to reduce emissions in their everyday business activities.

In the last year this has included large-scale assessment of their use of resources and services such as couriers, electricity and fuel as well as steps to educate staff in practical ways to use resources more efficiently.

These initiatives are outlined in an emissions reduction plan for each dealership to ensure quantifiable reductions. For many dealers, this has required a review of all activities that contribute to the emissions made by the dealerships.

The principal of the Timaru Copier Company, Daryl Young, says involvement in carboNZero^{Cert™} has provided staff in his dealerships with a sense of achievement, supported by the knowledge the company they are working for has an understanding of and cares for the environment.

He says dealers are more aware of the responsibility they have for the impacts their activities have on the

environment and that awareness is now central to the way business is conducted.

"The whole carboNZero^{Cert™} certification process has made us consider all aspects of our business life in terms of its effect on emissions. We now consider whether sales calls can be completed in town by foot or whether, in outlying areas, we can combine sales calls with visits by service technicians to avoid two journeys.

"The carboNZero^{Cert™} process has certainly added a conscious thought process to our daily activities that involve emissions." And that's not without benefits to the dealers' business. Daryl says with growing numbers of customers weighting sustainability more heavily in their purchasing decisions, the internationally-recognised carboNZero^{Cert™} certification provides great value.

"carboNZero^{Cert™} is something we can rightly talk about in terms of an achievement for our businesses – something that our competitors, to date, have not achieved. It gives us a point of difference and a sales advantage."

Environmental Performance continued

We have worked closely with Landcare Research to develop the process to measure emissions, using monthly readings from Ricoh machines.

Reducing our carbon footprint

Ricoh's carbon footprint is made up from a range of activities, with the biggest source of emissions coming from freight.

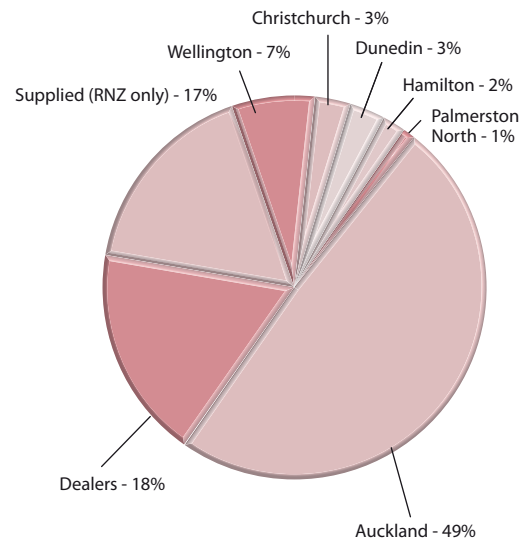
Reducing this footprint is an ongoing part of our business operations throughout the company, with key steps to reduce emissions outlined in our GHG Emissions Reduction Plan.

“Reducing this footprint is an ongoing part of our business operations throughout the company, with key steps to reduce emissions outlined in our GHG Emissions Reduction Plan.”

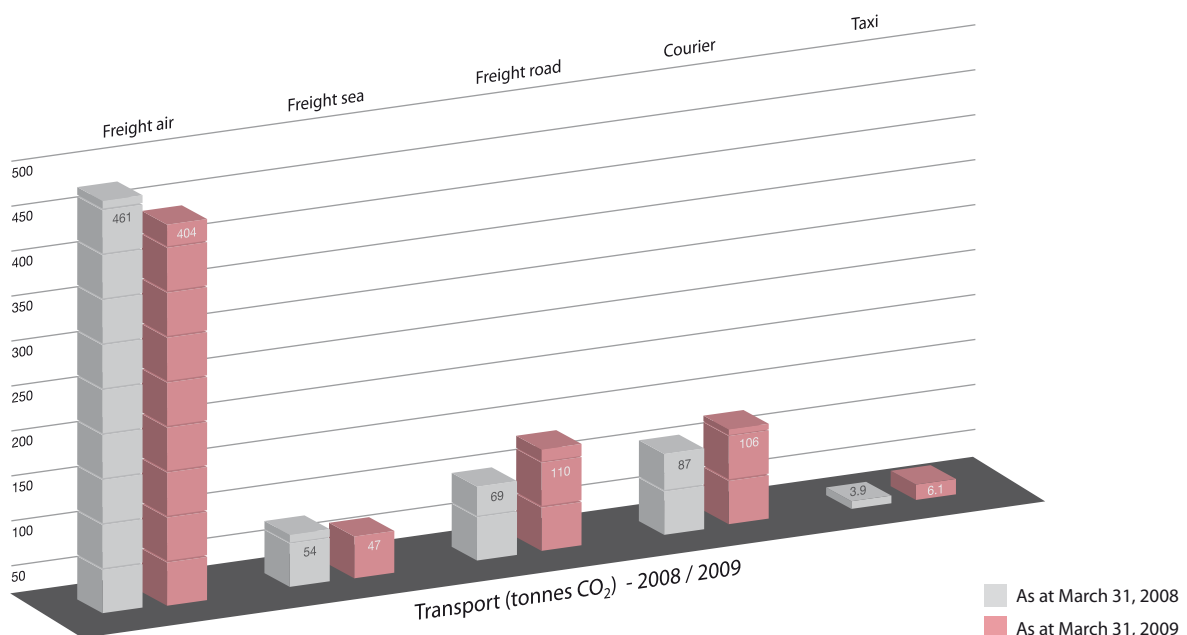
In 2008, the plan included goals to reduce electricity at Ricoh New Zealand's Auckland corporate office, branches and dealers nationally; reduce petrol consumption throughout New Zealand operations; and reduce waste to landfill across the organisation. Total GHG emissions for the year to 31 March 2009 were 2535.54 tonnes CO₂e, an increase of 419 tonnes

CO₂ on the year earlier. The greater volume of emissions reflects the fact we incorporated our national dealer network into our emissions profile this year.

Key sources of emissions by business location



Without the inclusion of the dealers, Ricoh New Zealand's total emissions would have reduced by 2.1 per cent. More than half of Ricoh's GHG emissions are generated in Auckland, where the majority of our staff and the largest number of our customers are based. Data for freight, couriers and taxi use is also recorded under the Auckland branch. However, Auckland



managed to contain its growth in emissions by the smallest amount, with only a 2.4 per cent increase in total emissions.

Transport costs

Business activities that require petrol consumption (including company-owned cars and freight) account for the highest percentage of emissions.

While overall emissions from freight have decreased by 4.1 per cent, emissions from freight transport by road have increased by 58.1 per cent in the last year, as a result of an increase in sales and deliveries.

Travel

Ricoh New Zealand saw a significant increase in GHG emissions related to travel, with the greatest increase coming from taxi use and international travel.

Use of taxis increased as Ricoh increased its provision of taxi chits for employees involved in business activities outside of normal business hours, to ensure they arrived home safely.

Increased rates of international travel reflects a greater number of international meetings and product launches that required the attendance of senior staff.

Electricity

Total emissions from electricity use decreased across all Ricoh branches in the last year, as awareness about energy savings increased across the branches.

External factors also contributed to this reduction, with more energy produced from renewable sources of energy such as hydro during the wet winter, which carry a lower emissions profile.

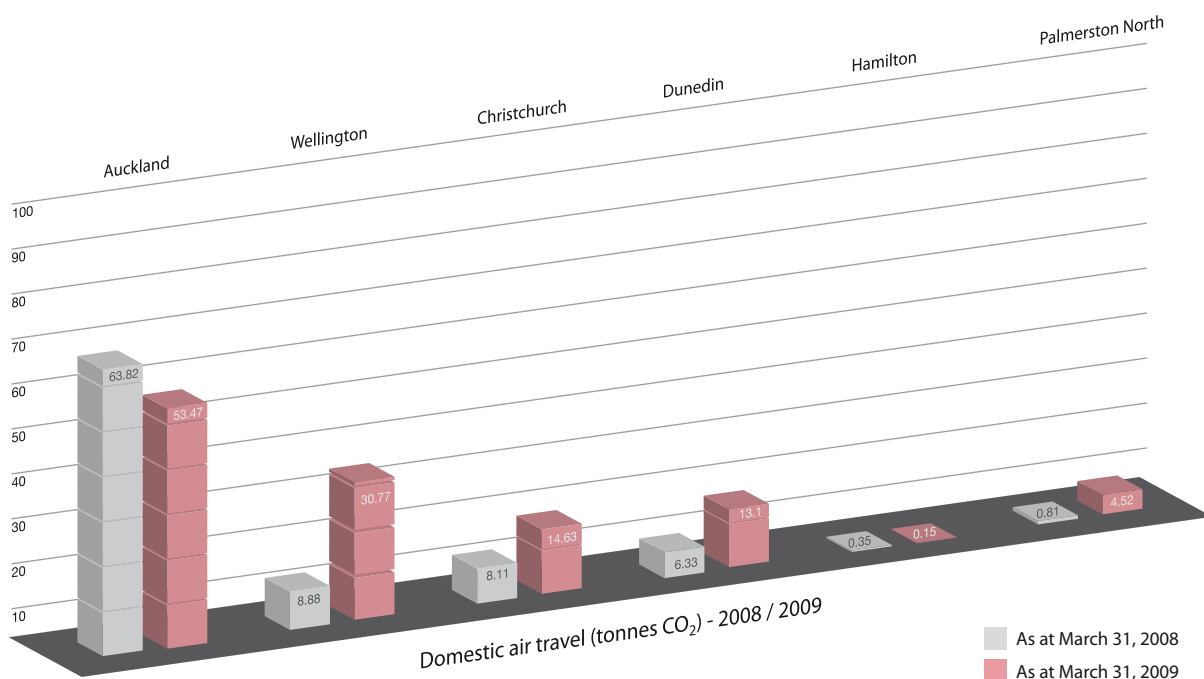


Used toner cartridges are cleaned for recycling at the Toner Recycling Centre

Waste to landfill

Waste management has a relatively high GHG emissions profile and therefore activities to reduce the volume of secondary packaging materials going into landfill has been a focus of our product stewardship in the last year.

Polystyrene previously formed half of our landfill costs. Initiatives this year to extend the ability to recycle polystyrene to five of our national branches has driven significant reduction in our total landfill volumes and related GHG emissions.



Environmental Performance continued

Tree planting initiatives

We demonstrate our commitment to environmental sustainability and corporate social responsibility with two initiatives based around planting trees – the annual Big Green Day Out on Motuihe Island and the Trees for Schools fund raising programme.

Ricoh has supported the Motuihe Island Restoration Project since June 2004, planting more than 9180 trees on the island. Each year, we invite customers, family and friends of Ricoh staff to the island, located in the inner Hauraki Gulf, to plant trees and enjoy a picnic lunch.

The 2008 Tree Planting Day at Motuihe took place in May and saw 2270 trees planted in what has become known as 'Ricoh Valley'. The Motuihe Island restoration programme aims to transform Motuihe Island into an authentic natural environment of beaches, native forests and wetlands to accommodate endangered native birds and insects.

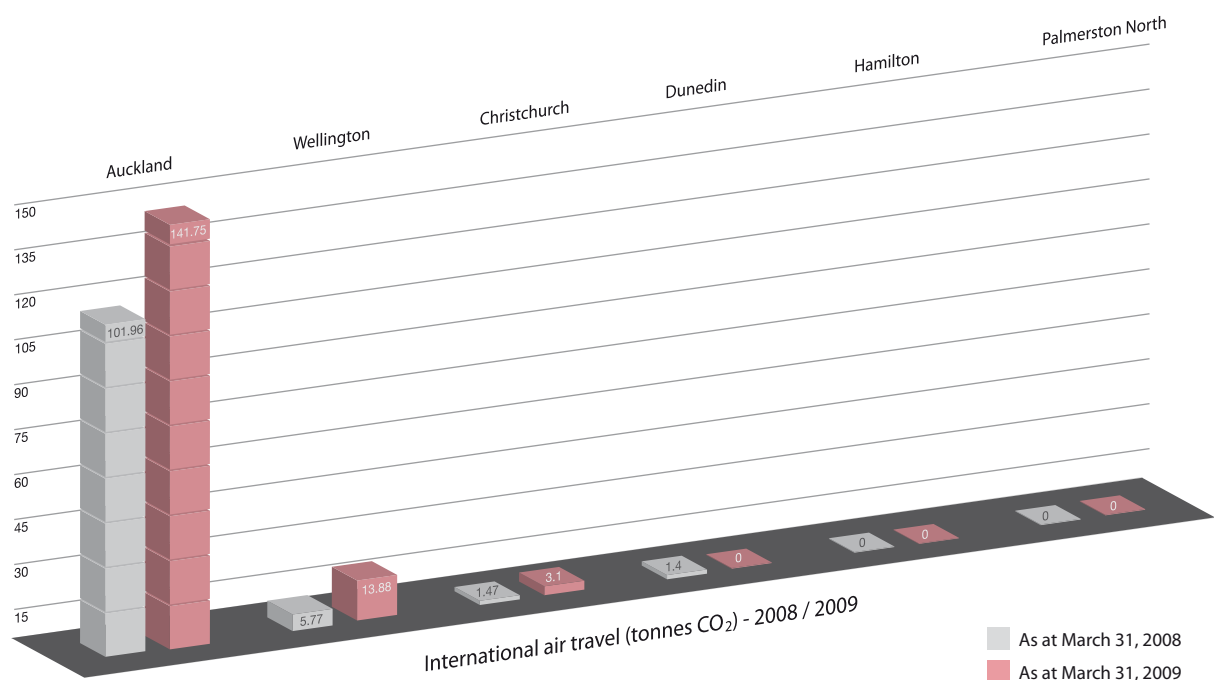
“Ricoh has supported the Motuihe Island Restoration Project since June 2004, planting more than 9180 trees on the island.”

This year we also introduced Ricoh's Trees for Schools fund raising programme, which sees us partnering with local schools to sell native seedlings at a subsidised rate. Schools buy the seedlings from Ricoh for students to sell as a fund raising activity. Friends and family members who buy the seedlings can opt to plant the seedlings themselves or, for an extra \$4, have them planted by the students. The seedlings can also be donated to the school and planted on the school grounds.



School children plant trees as part of the Ricoh Trees For Schools Programme

Ricoh's Trees for Schools programme helps children learn about the environment and promotes conservation while assisting schools in raising much-needed funds. It's a practical way for Ricoh to support the communities in which its branches and dealerships operate.



Ricoh dealers and branches have also been actively promoting Ricoh's Trees for Schools programme, which is slowly gaining traction as a fund raiser for schools nationally.

Reducing the environmental impact of our products

Our modern photocopiers have a number of features that can make a significant difference to the consumption of electricity and paper. As standard practice, all Ricoh machines are installed with the following energy-saving features fully enabled:

- **Paper reduction**

Ricoh incorporates time-saving, productive duplex technologies into our devices at both the input (scanning) and output (printing) stages to directly reduce environmental impact.

“Our modern photocopiers have a number of features that can make a significant difference to the consumption of electricity and paper.”

- **Energy efficiency**

All of Ricoh's multifunction products and most printers and faxes are qualified for the ENERGY STAR version 1.1 label which identifies qualifying machines as 14 per cent more energy efficient than the previous version.

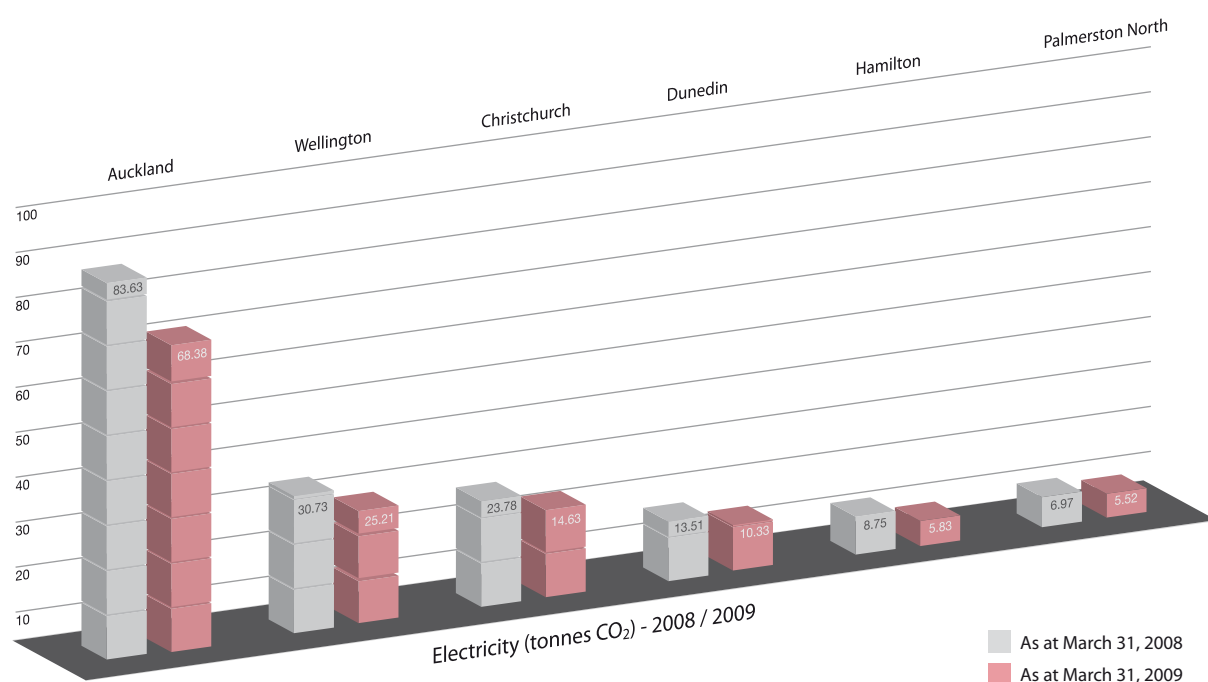


- **Quick Start-UP (QSU) technology**

Means faster warm-up times from low power mode and less energy consumption.

- **Quick recovery from energy-saving mode**

Takes less than 10 seconds and means users can make copies whenever they need to. We estimate this function helps to significantly reduce CO₂ emissions from our machines.



Environmental Performance continued

- **24.7 timer switch**

Enables Ricoh machines to be programmed to switch on and off when not in use for longer periods, for example nights and weekends.

- **Green product design and manufacturing**

Ricoh products are designed for maximum recyclability. Parts and plastics are standardised in order to recover the maximum amount of material when the product reaches end of life. These materials are put back into the general supply chain via the demanufacturing process. Ricoh products are also designed to restrict and prohibit the use of environmentally-sensitive substances that would have the potential of harming the environment at end-of-life and maintain air quality in the office environment with low emissions of VOC, in compliance with standards set by green certification programmes such as Germany's Blue Angel Mark. Additionally, all of Ricoh's products are manufactured in zero-waste-to-landfill facilities that are ISO 14001 certified for environmental management.

- **Toner efficiency and recycling**

Ricoh's polymerised toner made from polyester resin is designed to fuse at a temperature of 20 degrees Celsius, lower than that of its predecessor while achieving higher picture quality with fine and uniform particles. This lower fusing temperature means the copier/printer consumes less energy when in use. It also uses 35 per cent less CO₂ in the manufacturing process than conventional toners.

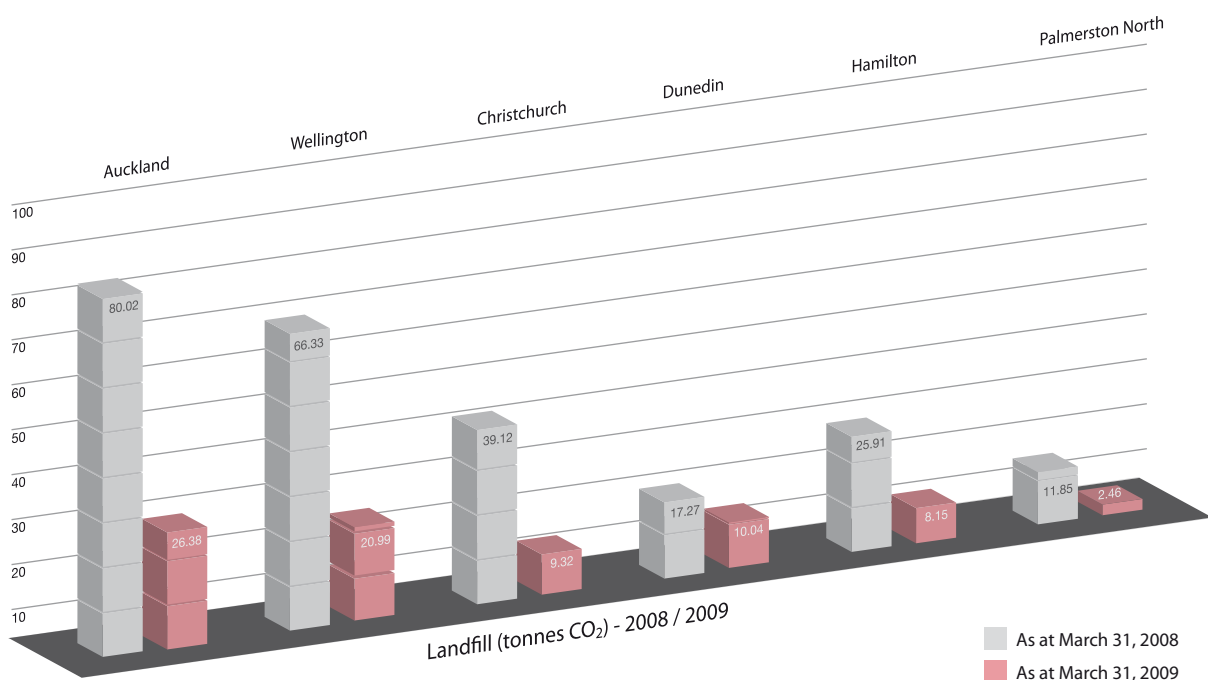
Ricoh's black-and-white multifunctional printers feature internal toner re-circulating mechanisms, extending the lifetime of a cartridge and minimising toner going to waste.

- **Toner function**

Eliminates product wastage by delaying the warning for low-toner until the cartridge is bled dry.

- **Test function**

Helps to prevent paper waste when printing mass quantities, by providing an automatic test copy to allow the user to check for errors first.



Case Study

Pedalling for power on World Environment Day

Ricoh marks United Nations World Environment Day every year with its own special initiative to raise awareness of the environment here in New Zealand.



Dancing with the Stars presenter Candy Lane tries out the Ricoh Power Cycle on Ricoh Eco-Action Day

Known as Ricoh Eco-Action Day, the aim is to involve staff and the community in an activity to promote sustainable business principles.

In 2008 the initiative was 'Pedal Power', which saw staff, customers and special guests generate power for Ricoh's head office in Auckland by cycling on a modified exercycle.

Ricoh's Power Cycle was connected to a generator, which enabled our cyclists to convert the energy expended on the stationary bike into electricity to power a laptop computer and printer that Ricoh staff sent print jobs to during the day.

Several high profile New Zealanders visited Ricoh's office to participate on the Power Cycle on June 5, including MP Rodney Hide, ex All Black Frank Bunce, Heart of the City chief executive Alex Swney, Dancing with the Stars presenter Candy Lane, actor Shane Cortese and singer Tina Cross.

Ricoh New Zealand Managing Director Mike Pollok said he wanted to implement an initiative that took the message of power conservation a step further.

“We wanted people to really think about how much energy we consume in our daily lives.”

“We wanted people to really think about how much energy we consume in our daily lives.”

“The Ricoh Power Cycle raised awareness of our damaging reliance on fossil fuels while providing health and fitness benefits for our staff.”

Environmental Performance continued

How we are tracking

Taking responsibility for the impacts we have on the environment is an integral part of all our business activities. It's our goal to keep leading our industry in this area and to continually innovate with sustainability in mind.

In our last Sustainability Report, we identified several key areas for improvement, which set the focus for our corporate responsibility work for the year.

The table below recaps the goals we set for 2008/2009 and reports on our progress.

Goal type	Details of goal	Progress	Explanation
General	Achieve an Environmental Management System (EMS) score of 96 per cent overall. Improve the collection of data including: the volume of material recycled from Ricoh New Zealand operations and the number of toner cartridges collected from clients.	X	Improvements were made to the collection of data and the volume of material recycled from Ricoh New Zealand operations. However, the introduction of new criteria to the assessment system meant the overall score was not achieved.
Economic performance	Increase market share based on our sustainability commitment.	✓	Although there is no way to measure this directly, an increasing number of Ricoh's customers are ranking environmental sustainability more highly in their tender requirements, reflecting growing customer demand to use environmentally-sustainable suppliers.
Stakeholder engagement	Implement our regional environmental plans to maximise our involvement in the six communities where Ricoh New Zealand has branches.	✓	Communities continue to be involved in Ricoh's environmental initiatives across the six branches including Eco Action Day, Trees for Schools, and Green Drinks networking, and regular newsletters.
Customer service	Improve communication and dialogue with our clients around product stewardship initiatives already available through Ricoh New Zealand, as well as our future plans in this area.	✓	Increased size of Communicator newsletter Inaugural Sustainability Report launched, improving transparency of the environmental impact of operations. Increased focus on environment and sustainability in advertising and sales materials.
Product responsibility	Increase dialogue with our competitors and work together to discuss ways we can collectively help increase the viability of the local recycling industry.	X	Opportunities did not arise to share information during the period.
	Increase the percentage of toner cartridges collected from 35 per cent to 42.5 per cent.	X	The volume of used toner cartridges collected increased overall, but fell just short of achieving this target. Goal for 2010: Increase the percentage of toner cartridges collected for recycling to 50 per cent.
	Increase the percentage of Ricoh machines collected from 751 units (which was 100 per cent of units in 2007) to 900 units.	✓	Total of 1,951 units collected. Goal for 2010: Increase the percentage of Ricoh machines collected from 1951 to 2100 units. (This includes refurbished/resold machines and recycled)

Goal type	Details of goal	Progress	Explanation
Climate change	Roll out Trees for Schools nationally.	✓	Trees for Schools will continue in 2010.
	1 per cent reduction on 2007 CO ₂ emission levels.	✓	Ricoh achieved a 5 per cent reduction on 2007 CO ₂ levels.
	1.5 per cent reduction on 2007 paper use in our operations.	✓	Ricoh achieved a 3 per cent reduction on 2007 paper use throughout our operations.
	Expand GHG emissions measurement to include Ricoh dealerships.	✓	
	Improve internal measurement systems for consumption and waste.	✓	Improvements were made to the monitoring of waste across all branches.
	Extend recycling initiatives to all our branches nationally.	✓	All branches achieved an increase in recycling volumes and reduction in waste to landfill.
	Increase volunteer involvement and environmental initiatives from our staff to involving our clients and suppliers, including increased involvement with the Motuihe Island project.	✓	
	Increase the proportion of Ricoh machines distributed and accredited with Environmental Choice to 100 per cent (currently 85 per cent).	X	Ricoh will continue to work towards this goal in 2010.

Looking ahead

Ricoh has identified and prioritised cost-effective opportunities for the ongoing reduction of Greenhouse Gas (GHG) emissions throughout our operations.

These are set out in the Ricoh New Zealand GHG Emissions Reduction Plan, and are based on requirements of Landcare Research's carboNZero^{Cert™} programme.

Objectives of the GHG Emissions Reduction Plan for the year 2009/10 include:

- Achieve bottom line cost savings to reduce the amount of carbon credits Ricoh New Zealand has to purchase to offset its emissions in future.
- Reduce Ricoh New Zealand's GHG emissions, including setting targets and systems for ongoing monitoring.
- Continue to reflect Ricoh Group's global commitment to environmental sustainability.
- Promote Ricoh New Zealand's commitment to sustainability in its New Zealand operations, including taking responsibility for Ricoh New Zealand's impact on climate change.

The GHG Emissions Reduction Plan includes a specific focus on:

- Reducing electricity from Ricoh equipment at Ricoh New Zealand's customer sites.
- Implementing ongoing initiatives to help reduce petrol consumption throughout New Zealand operations including:
 - Domestic freight/logistics from two new distribution centres.
 - Reducing petrol consumption of company-owned vehicles by increasing use of GPS in technicians cars.
- Supporting the Ricoh dealer network to help reduce their emissions.

Environmental Performance continued

Reducing our impact – Ricoh New Zealand GHG Emissions Reduction Plan 2009/2010		
Initiative	Objective	Action
Customer supplied machines		
Electricity use in supplied customer machines	Reduce the amount of electricity consumed during day-to-day use	Ensure that prior to leaving the Ricoh premises, all machines have energy save and auto timer modes activated. Also, technicians are to ensure customers are aware of energy saving modes.
Operations - travel and transport		
Freight/Logistics: Complete the development of the Auckland and Christchurch distribution centres	Reduce GHG emissions through more efficient freight movements	Periodically review freight methods and frequencies using freight cost as a % of total sales revenue including reduced usage of couriers.
	Fuel: Review company car purchase criteria to ensure fleet selection places a high priority on low emission vehicles	Reduce fuel consumption through use of fuel efficient cars
	Toner cartridge collection	Reduce courier and freight costs to reduce carbon offsets
Operations - offices and buildings		
Electricity use reduction	Reduce electricity usage and thereby reduce carbon offsets	Change to carbon-neutral electricity (Meridian) where practical and implement energy saving practices where possible. Consider implementing green building enhancements where practical for future renovations.
Reduce electricity usage of Ricoh office machines	Reduce amount of electricity consumed during day-to-day use	All machines to have energy save and auto timer modes activated
Operations – culture change		
Staff culture - knowledge	Increase staff knowledge of sustainability	Internal induction information to include sustainable policies and activities. This information is to be available on DVD or the intranet
Staff culture - buy-in	Increase buy-in to sustainability	Reward staff who suggest energy saving ideas that can be implemented. Collection process is via the customer feedback system (CFS)
Ricoh Dealer Network		
Dealer support	For Ricoh dealers to reduce emissions from their operations	Work with Ricoh dealers to provide information and support in the reduction of GHG emissions e.g. recycling solutions for waste, reduction in freight and courier movements etc.

GRI Index

Indicator	Description	Reporting status	Page number	Comment
1.1	Statement from the Managing Director	Y	5	
2.1	Name of organisation	Y	3	
2.2	Primary brands, products and/or services	Y	7	
2.3	Operational structure of organisation	Y	8	
2.4	Location of organisation's headquarters	Y	7	
2.5	Number of countries where the organisation operates	Y	7	
2.6	Nature of ownership and legal form	Y	8	
2.7	Markets served	Y	7	
2.8	Scale of the reporting organisation	Y	7-8	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	N		There have been no significant changes regarding size, structure or ownership during the reporting period
2.10	Awards	N		There have been no awards received during the reporting period
3.1	Reporting period	Y	3	
3.2	Date of most recent previous report	Y	3	
3.3	Reporting cycle	Y	3	
3.4	Contact point for the report	Y	3	
3.5	Process for defining report content	Y	3	
3.6	Boundary of the report	Y	3	
3.7	Limitations on the scope or boundary of the report	Y	3	
3.8	Reporting on joint ventures and other entities	Y	3	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports	N		There have been no re-statements of information provided in Ricoh's inaugural 2008 Sustainability Report
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report	Y	3	The scope of reporting has increased from the previous reporting period, with the inclusion of Ricoh's national dealer network within Ricoh New Zealand's carbonZero ^{CertTM} programme.

continued over page

GRI Index continued

Indicator	Description	Reporting status	Page number	Comment
3.12	Table of standard disclosures	Y	43,44	
4.1	Governance structure	Y	8	
4.2	Chair of the highest governance body	Y	8	
4.3	Independent and/or non-executive board members	Y	8	
4.4	Mechanisms to provide recommendations or direction to the board	Y	8	
4.14	List of stakeholder groups	Y	11	
4.15	Basis for identification and selection of stakeholders	Y	10	
EN3	Direct energy consumption by primary energy source.	Y	32	
EN4	Indirect energy consumption by primary source.	Y	32,37	
EN22	Total weight of waste by type and disposal method.	Y	32,38	
EN28	Fines and sanctions for non-compliance with environmental laws and regulations	N		There have been no fines for non-compliance with environmental laws and regulations during the reporting period.
LA1	Total workforce by employment type, contract, and region.	Y	19,20	
LA2	Total number and rate of employee turnover by age, gender, and region.	Y	19	Reported in part. Not broken down by age, gender or region.
LA7	Rates of injury, occupational diseases, lost days, absenteeism, and work related fatalities by region.	Y	22	
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Y	21, 22	
LA10	Average hours of training per year per employee by employee category.	Y	21	Data for sales team, technicians and call centre staff only.
EC 1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations, and other community investments, retained earnings, and payments to capital providers and governments.	Y	13-15, 24	



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