

# RICOH

## Sustainability Report 2010



Building a culture of sustainability

# Info update 2010:

## Mission - Vision - Values

# UPDATED

2009 saw a major reworking of Ricoh New Zealand's organisational vision, values and mission statements. Staff from across the business were encouraged to reflect on Ricoh's business, its strengths, weaknesses and direction in the years to come.

Employees were asked to offer images as to what defines our organisation. Senior management presented the updated vision, values and mission statements to Ricoh staff around the country via a roadshow of special events. All employees were

provided with a t-shirt displaying the values' icons to encourage discussion about what they'd created.

The effective communication of these core values was apparent in the improved annual staff survey results, particularly in the areas of common purpose, staff engagement and communication and cooperation.



Remarkable  
people



Innovation  
everywhere



Customers  
for life



Outstanding  
performance



Harmonise with  
the environment

**These five simple values are easily understood by all Ricoh's people and enable staff to tell the story of our company to others.**

## Our Vision:

The undisputed market leader in document solutions.

**Ricoh New Zealand's purpose: To constantly create new value for the world at the interface of people and information.**

### Vision in action

Ricoh New Zealand's vision is then translated into tangible short (one year or less) and long term (1-3 years) goals as part of our annual Strategic Planning Process (SPP). The foundation of the SPP is our corporate vision, which defines where we want our organisation to be in the future.

The monitoring of major shifts in technology, markets, competition and the regulatory environment is an integral part of the SPP.

### Our vision is to become:

- A values based organisation
- One team
- Focused on innovation and reliability
- Have exceptional relationships with our customers and partners
- The document solutions provider of choice

# RICOH

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Cover photo of Penrose distribution centre staff: Richard Sterling - Penrose warehouse team leader, Tim Chan-Ting - Penrose warehouse team leader and Anyah Van der Putten - logistics administrator, special projects.

## Scope of the report

**This report details Ricoh New Zealand's sustainability performance from 1 April 2009 to 31 March 2010.**

Our third annual Sustainability Report, which updates the report from the year-earlier period, is a summary of initiatives being undertaken by Ricoh across our six branches and the 14 Ricoh offices throughout New Zealand.

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

It largely updates the 2009 report, though its content was also informed by a number of stakeholder surveys taken amongst Ricoh New Zealand customers. Wright Communications prepared the draft on behalf of Ricoh New Zealand, gathering information from staff interviews, Ricoh documents, and data contributed by Ricoh New Zealand's Sustainability Manager.

Ricoh's business model focuses on constant innovation to provide our customers with value-adding business solutions. Our document solutions and services help our clients to increase productivity and reduce costs. Ricoh's energy efficient copiers, printers and software solutions

help reduce electricity, toner and paper usage, features that have been important in helping New Zealand businesses trim the cost of everyday office expenses.

All Ricoh employees understand how they can contribute to our ambitious reduction goals and the wider environment in which they live.

Our strategic objectives are defined every three years in our mid-term plan (MTP), with each sales company and head office division detailing their plans and strategies for the next three years, in support of the key objectives defined by Ricoh Japan. Annual budgets and objectives are then agreed based on these key strategies, so everyone in Ricoh New Zealand understands how their role fits into the bigger picture.

Progress towards objectives is reviewed and annual objectives for all employees are directly derived, ensuring Strategic Management Objectives (SMO) are consistent for all executives, directors and sales senior management. By building long term goals from the ground up, from our employees, we can be sure we are focusing on achieving sustainable growth, rather than simply short-term gain.

See: [www.ricoh.co.nz/about/environment](http://www.ricoh.co.nz/about/environment) for more on Ricoh New Zealand and the environment

# 2010 Highlights

## Revenue rises

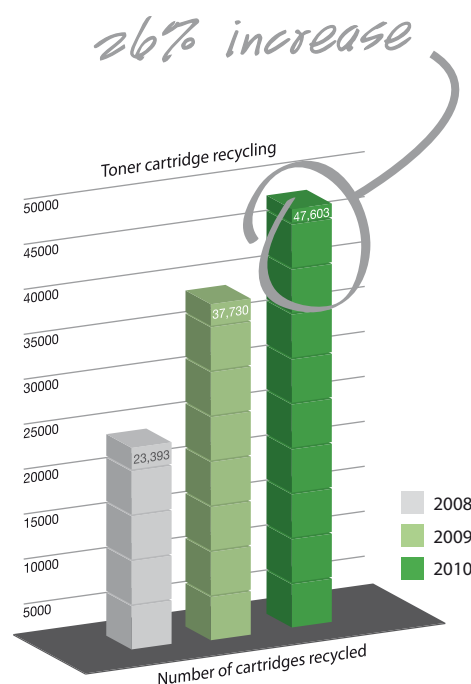
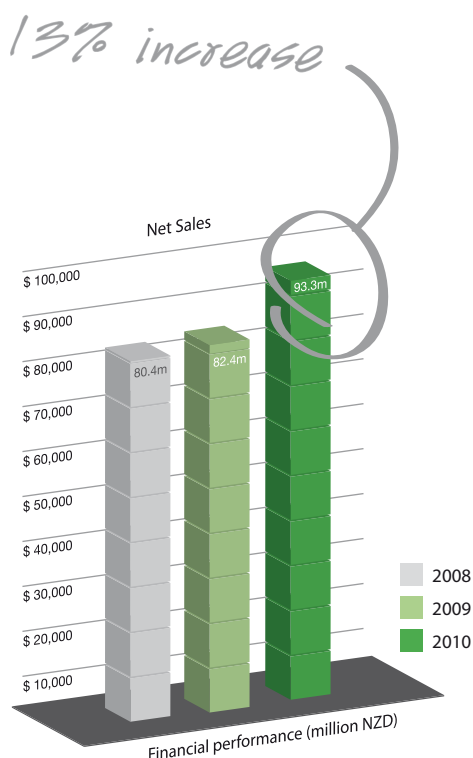
Sales rose \$9.1 million to \$93.3 million for the year to March 2010, producing a pre-tax profit of \$3.9 million.

## @Remote™

New software allowing customers to monitor the costs of printing and copying across their entire fleet of devices; also shows environmental data used to produce comprehensive 'green' reports.

## Product stewardship improved

Ricoh collected and recycled more than 47,600 used toner cartridges from customers, 26 per cent more than the previous year, diverting about 11,250kg of waste from landfill.



## Penrose warehouse

The new Auckland facility, replacing three separate warehouses around the city, led to a drop in greenhouse gas emissions from reduced freighting and couriering of goods around New Zealand's largest commercial centre.

## Decline in GHG emissions

Total GHG emissions for the year to March 2010 were 2503.79 tonnes CO<sub>2</sub>e, a decline of almost 32 tonnes CO<sub>2</sub>e on the year earlier. The opening of Penrose and also new warehouse facilities in Christchurch led to reduced freighting.

# Key concerns for 2010



## Growth expectations

Ricoh has set challenging growth targets through to 2014 which requires Ricoh New Zealand to increase turnover by 100 per cent.



## Economic climate

The post recession economic outlook remains uncertain in New Zealand and around the world. The business conditions encountered will have a direct affect on our business results.



## Cost and emissions reductions

The more effiecient we become the more difficult it becomes to find significant opportunities for further reductions to operating costs and our emissions profile.

# Goals for 2011



## Regional office (dealer) carbonZero<sup>CertTM</sup> certification

We are working with Ricoh regional offices (dealers) in Tauranga and Rotorua to achieve carbonZero<sup>CertTM</sup> certification by providing them with information and advice to reduce their GHG emissions.



## Fuel use on vehicle fleet

Continue to prioritise low-emissions vehicles in our company car purchase criteria; investigate other fuel options such as biofuel; engage 20 per cent of fleet car users to drive more efficiently through driver training sessions.



## Staff satisfaction

We aim to further improve levels of staff engagement and we need to do better in the areas of communication and cooperation, along with learning and development.





*Michael Pollok,  
Managing Director,  
RicoH New Zealand*

"The best way to break through any scepticism about sustainability is to point out the resulting reductions in variable costs."

# From the Managing Director

Ricoh New Zealand's 2010 Sustainability Report demonstrates that a focus on corporate responsibility is a key to profitable business, even during the harsh economic conditions experienced in the period it covers.

Achieving a \$3.9 million gross profit in an economy starting to emerge from recession is a reflection of our ability to offer outstanding document solutions for our customers, backed by top people and a focus on long-term sustainability.

In making measurable progress along the path to best-practise sustainability, the company's performance comes down to a focus on three things: people, planet and profit.

The most recent staff survey saw a rise in employee satisfaction. We wanted to go further in our efforts to engage and listen to staff, and one output of that has been to set up an ideas database on the Ricoh intranet – it is a simple means for staff to contribute ideas for their own or other parts of our business.

There is no doubt that after the quality of our people, Ricoh's environmental sustainability credentials are the next most important factor in our success. Ricoh is an industry leader in taking responsibility and reporting on its impact on the environment, including the company's certified carbon neutrality through the carboNZero<sup>Cert™</sup> programme.

During the year, Ricoh was increasingly invited to speak to leaders in different business sectors and pass on some of the things our people have discovered on our sustainability journey. These insights are invaluable, because they are real-world examples – not theoretical.

The best way to break through any scepticism about sustainability is to point out the resulting reductions in variable costs, such as energy, paper, freight, fuel, and even recruitment costs when fewer staff leave – this is sustainability even sceptics can understand.

As Ricoh's corporate responsibility matures and areas are progressively addressed, it is increasingly difficult to make large steps forward in this area. However, several initiatives incorporated into the business this year will make significant differences: first, the opening of a new distribution centre in Christchurch provided increased client and cost efficiencies for consumable distribution throughout the South Island; second, the local introduction of Ricoh's state-of-the-art device

monitoring solution '@Remote™'; and third, engaging Sims Recycling Solutions to take end-of-life Ricoh machines.

Establishing a Christchurch distribution hub to service our South Island customers makes our business even more carbon efficient; goods no longer need to be freighted from the North Island, helping drive a significant reduction in GHG emissions in the quarter.

@Remote™ is a result of Ricoh's drive to offer sustainable document solutions to our clients. @Remote™ makes it very simple for our customers to monitor and report on all the costs of printing and copying. The system automatically tracks activity and produces clear charts, making it easy for customers to identify high cost areas; these may include the amount of paper used, double-sided printing, even how much electricity has been consumed. The application also provides electronic meter readings, automates toner ordering and places service calls without user intervention.

Ricoh's focus on responsible product stewardship has been taken to a new level by linking with Sims Recycling Solutions, which dismantles our old machines – remarkably up to 98 per cent of their content. We are gradually finding local e-waste recyclers to process our scrapped machines across the company, so we hope these sorts of rates will be possible in every region.

In a wider market context, it is crucial for New Zealand to keep up with the sort of sustainability commitments being made by corporate giants in the UK and Europe. Anyone who has been to that region lately cannot help but notice how many companies are publically stating goals such as reduced energy use, and switching to recyclable packaging.

The 2011/2012 year marks the start of Ricoh Global's 17th three-year 'mid-term plan'. For Ricoh New Zealand, this has set a target of a 100 per cent increase in turnover by March 2014. As we strive to meet this objective, sustainability will remain at the forefront of Ricoh New Zealand's corporate strategy.



Michael Pollok  
Managing Director, Ricoh New Zealand





*Shane Kumar,  
Helpdesk coordinator*

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



# The Bottom Line

## Increased sales

Sales rose \$9.1 million to \$93.3 million for the year to March 2010; Ricoh New Zealand produced higher revenue even in the aftermath of the economic downturn.

## @Remote™

New software allowing customers to monitor the costs of printing and copying across their entire fleet of devices. @Remote™ also automates processes for Ricoh, saving time, along with support and service costs.

## Success at tender time

Shortlisted for 98 per cent of tenders entered and eventually winning 83 per cent.

## Succeeding in the aftermath of recession

The aftermath of the global economic crisis continued to provide a challenging environment for businesses in every industry sector during the last year. In Ricoh's industry, sales partially recovered from the year-earlier period, though that modest recovery was well down on pre-crisis levels.

Despite the tough operating conditions, Ricoh New Zealand is pleased to announce sales rose \$9.1 million to \$93.3 million for the 12 months to March 2010, producing a pre-tax profit of \$3.9 million.

## Despite the tough operating conditions, Ricoh New Zealand is pleased to announce sales rose \$9.1 million

In addition, Ricoh New Zealand has increased its total copier market share over the last year and further developed its laser printer and document solutions businesses. We also entered the high volume, colour production print market. (An industry agreement prohibits Ricoh from disclosing market share figures and rankings.)

While the recession is officially over, all businesses have been looking 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.

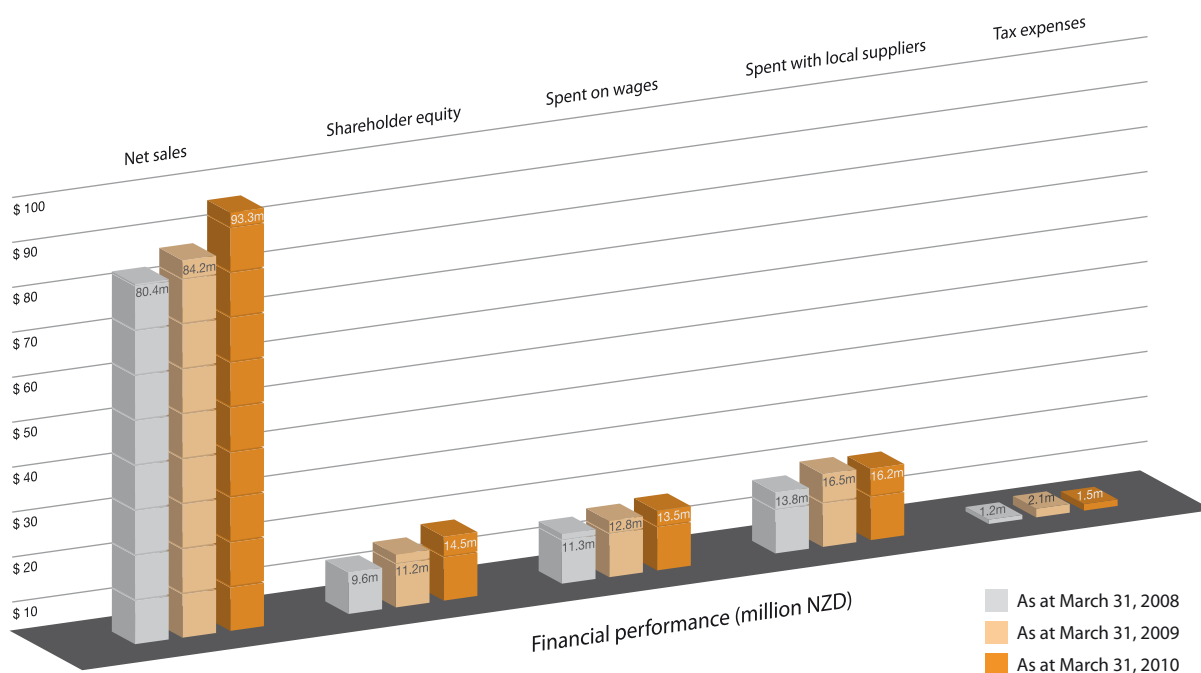
Early in 2010 Ricoh New Zealand launched @Remote™ Enterprise PRO system. The intelligent remote device management system enables our customers to keep track of the costs of printing and copying across their entire fleet of devices, so they can make the most effective use of their technology investment.

@Remote™ pinpoints which devices in an organisation's network are being over- or under-used, and sends accurate service notifications to Ricoh's National Service Centre, which also automates things like toner ordering. The reports detail how much time each machine spends in operation, print-ready, sleep and other modes. It also lets organisations know if their staff are using duplex functions, which reduce paper use and save money.

The technology has the added benefit of helping Ricoh reduce its costs in time and money by providing automated requests for toner and service call alerts. It provides technical information about machine errors, allowing technicians to talk through problems over the phone rather than in-person, lowering service costs for all parties.

This year we have also extended our services into the high volume, colour production print market, with our innovative new Pro™ C900. This is a new business opportunity for Ricoh that allows us to provide a one-stop-shop for customers requiring production print equipment.

# Financial performance – key figures



## Financial Performance – Ricoh New Zealand

	As at March 31, 2009	As at March 31, 2010
Net sales	\$82.4 million	\$93.3 million
Shareholder equity	\$11.2 million	\$14.5 million
Offices nationwide	6	6
Regional offices (dealers) nationwide	14	14
Customers	6,507	7,100
Employees	213	242
Spent on wages	\$12.8 million	\$13.5 million
Spent with local suppliers	\$16.5 million	\$16.2 million
Tax expenses	\$2.1 million	\$1.5 million

## Financial Performance – Ricoh Group

	As at March 31, 2009	As at March 31, 2010
Net sales	¥2,091.6 billion	¥2,016.3 billion
Shareholder equity	¥975.3 billion	¥973.3 billion
R&D Expenditure (6% of net sales)	¥124.4 billion (6% of net sales)	¥109.8 billion (5.4% of net sales)
Number of employees worldwide	108,500	108,500

## **Tenders**

In the year to March 2010, Ricoh has responded to 53 Request for Proposals (RFP) – our main method to develop new business and retain existing customers.

As information requirements on 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**

53 tender processes entered

98 per cent of tender processes shortlisted

83 per cent of tender processes won

## **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 environmentally and socially responsible.

Ricoh Group was in February 2010 selected as one of the Global 100 Most Sustainable Corporations in the World, for the sixth consecutive year, by Corporate Knights Inc. of Canada.

Ricoh Group has been included in the Morningstar Socially Responsible Investment Index since it was established in 2003, which provides an index of companies in Japan performing highly in the following five areas: 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 has also been a member of the FTSE4 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\$54.6 million purchasing products and services in the year to March 2010, predominantly from our parent company as well as other overseas suppliers.

Spending with local suppliers totalled NZ\$16.2 million, a decline of just under NZ\$300,000 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. Ricoh conducts a thorough tender process to select its suppliers.

Ricoh New Zealand opened two new warehousing facilities in the period, one in Christchurch to serve our South Island customers and one in Penrose. The Auckland facility (see case study page 15) replaces three warehouses we used to have in the city, and has to led a consolidation of local suppliers we need to engage, along with lower costs when we freight goods around the city.



## **Ricoh's top selling machine – Model MP C2800**

One of Ricoh's top selling machines is the Model MP C2800 with a number of energy-saving features including quick start-up technology, an auto-timer switch, energy saver mode, and double-siding to reduce paper consumption. Major components are fully recyclable and users are encouraged to return empty cartridges free of charge for recycling.



*Pejman Okhovat,  
General Manager of Operations,  
Warehouse Stationery*

"The most important reason for us was the nationwide on-site service coverage, that is achieving over 99 per cent machine uptime for us."



# Warehouse Stationery: Q&A with Pejman Okhovat

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

Warehouse Stationery has enjoyed a long and successful relationship with Ricoh New Zealand since 1999. Ricoh pioneered Warehouse Stationery's copy centre roll out and has been the key supplier of copying and printing devices ever since.

## **What does Ricoh provide for Warehouse Stationery?**

We have Ricoh devices in each of our stores, as well as our head office. Ricoh supplies over-the-counter and self service retail printing and copying options, as well as all non-trade ticketing and managers' printers for every branch.

Ricoh also supports Warehouse Stationery with a lot of onsite and offsite training for our store teams, to ensure we get the most from the equipment.

All support office equipment is also supplied by Ricoh and we recently installed a full print accounting solution, which also enables team members to release print jobs from any printer on the company network. This has greatly reduced the amount of waste at Warehouse Stationery's support office, thus reducing costs. The system also enables the cost of usage for each machine to be accurately charged back to each department.

## **What was Warehouse Stationery's key reason for choosing Ricoh as a supplier?**

The most important reason for us was the nationwide on-site service coverage, that is achieving over 99 per cent machine uptime for us.

## **What are the highlights of Ricoh's service to date?**

Nationwide three-hour in-store call response time means that the time the machines are down is minimal. This is very important for us as we retail copy and print services and any downtime means lost sales and damages the regard our customers have for our service and our reliability. Ricoh also supports Warehouse Stationery with a lot of onsite and offsite training for our store teams, to ensure we get the most from the equipment.

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

In addition to the print accounting and charge-back solution already mentioned, Ricoh makes constant reviews of device volumes so that we can see whether the device is operating above or below its rated capacity. We can then make a call to put a different machine in, potentially saving on costs and also energy consumption.

## **What are the most positive benefits for Warehouse Stationery from your relationship with Ricoh?**

Ricoh provides our store teams with great service, support and product knowledge, as well as helping us ensure we are competitive and deliver value to our customers.



Neil Johnston - Logistics Manager -  
checking spare parts stock.

We receive orders for about 17,000 toner cartridges a month, so we need to be as efficient as possible getting stock in and those orders out the door.



Norbert Moala - Warehouse Person -  
preparing another machine for delivery.



Anyah van der Putten,  
Logistics Administrator



Timothy Chan - Warehouse Supervisor -  
maximising the use of warehouse space.



Multifunctional devices in the new  
Penrose warehouse.



Racking is used to maximise  
warehouse space.



Improved warehouse layout leads  
to greater efficiency.

# Case Study 1: Penrose helps reduce emissions and costs

**Ricoh's purpose built warehouse in Penrose, Auckland, which was opened in November 2009, has radically redefined the company's warehousing and distribution processes.**

The consolidation from three warehouses, which were spread around the city, to one has led to a huge drop in administration costs, lower freight costs, and a corresponding reduction in greenhouse gas emissions. Another benefit has been to significantly cut waiting time for access to newly arrived product in New Zealand from a week to one day.

Neil Johnston, Ricoh New Zealand Logistics Manager, says that, best of all, the new warehouse has vastly improved working conditions for the staff who spend their days there.

The warehouse features much better layout than its predecessors, which means picking and dispatching orders is more efficient, freeing up employees' time for work in other areas. The warehouse team has put a lot of time into ensuring the items are stored as efficiently as possible, with most commonly requested product stored within easy reach.

"We receive orders for about 17,000 toner cartridges a month, so we need to be as efficient as possible getting stock in and those orders out the door," said Neil.

"Our target is to clear orders within the hour, and for customers in New Zealand to receive their toner within 24 hours."

Being close to the Auckland freight hub also has its benefits; pick-ups are more frequent, associated costs are reduced, and trucks handling Ricoh product do not have to battle congested Auckland traffic.

Also included at the new site is a purpose built workshop, which is designed to meet the needs of Ricoh New Zealand for years to come. Previously, machines were stored at a different site to the workshop. With everything at one site, the workshop has quick access to required customer machines.

The new workshop is more spacious and has vastly improved lighting compared to the previous basement site at Ricoh's head office in central Auckland. The workshop has fully mobile, custom-built workstations, providing a flexible work environment. The process to "run-up" a customer machine can now be quickly

changed from an individual-machine approach to a production line system, based on the number of machines required, reducing the time to get machines to the customer.

Neil is now constantly challenging staff to review their processes and working environment to efficiently reduce waste. The workshop technicians are trialing a new system of recycling bins, with one each for plastic, polystyrene and metal. These then feed into large bins outside the warehouse reducing the need to sort the product at the end of the process.

Ricoh sends a skip of polystyrene per day to a specialist recycler, four skips per day of cardboard to a paper recycler, and several tonnes of machines, parts and consumables to Sims Pacific Metals for recycling per month.

Neil says other innovations such as the re-use of cardboard pallets, originally from the factory, and challenging courier companies to reduce the amount of bubble wrap they use, have further reduced Ricoh's impact on the environment.

To aid efficiency through reduced time in motion, Ricoh has installed two plastic bins for the courier dedicated to Ricoh business near the warehouse entrance.

Neil says the warehouse design, with skylights and mesh metal shelving, has reduced the need for electric lighting on all but the darkest days. And the two forklifts used at the site are electric, which further helps to reduce carbon emissions.

Health and safety is a key issue on the site. Ricoh's commitment to improving health and safety standards is demonstrated on the warehouse's mezzanine level, where a swinging barrier system is used when a forklift is placing items on the second storey. The ingenious design moves the barrier to allow the forklift to deliver or remove items and, in the same motion, creates a safety barrier which prevents staff from falling, or being injured by the forklift.

Neil says the staff at Penrose are rightly proud of their new facility and the environment they work in. Through constant review, he's confident the site will stay at the forefront of business excellence and demonstrate the best of Ricoh New Zealand's sustainability initiatives in the years to come.





*Margie Barriball,  
Sustainability Advisor,  
Ricoh New Zealand*

Ricoh encourages its customers to use this service by providing boxes for convenient cartridge collection to all its customers.



# Our World

## Toner cartridge recycling

47,603 used toner cartridges collected and recycled from customers.

## Waste to landfill

30.5% reduction in landfill volumes and related GHG emissions.

## Carbon emissions

Further drop in total CO<sub>2</sub> emissions to 2503.79 tonnes.

### Increasing toner cartridge recycling

Ricoh New Zealand partners with the Toner Recycling Centre (TRC), the country's largest collector and recycler of all printer waste including inkjet cartridges, laser cartridges and photocopier cartridges. In the 12 months ended March 2010, TRC recycled 47,603 toner cartridges used in Ricoh machines, 26 per cent more than the previous 12 months, diverting more than 11,246kg of waste from landfill.

This equates to an average of 3,967 cartridges a month, which was 56 per cent of all toner cartridges used by customers for the period – our target is 50 per cent.

Ricoh encourages its customers to use this free service by providing boxes for convenient cartridge collection to all its customers. This programme is increasingly being managed by TRC, which has collection centres right around New Zealand. Once at the Auckland depot, the cartridges are sorted according to plastic types. They are then pulled apart and cleaned using extraction machines. Most of the plastic is then supplied to Astron Plastics, which processes it into resin pellets for resale or remanufacture into cable covers.

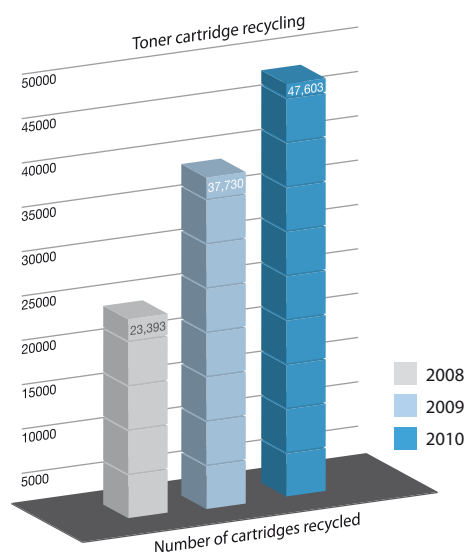
All cartridges are dismantled locally by Abilities Group, a not-for-profit organisation providing employment for people with a range of abilities. One hundred per cent of each cartridge shell, including components such as plastic casing, steel and aluminium, is then recycled.

The residual toner powder is not recycled, but sent to Trans Pacific Services where it is neutralised and combined with resin to form a contact block, which is sent to landfill. Ricoh, along with research partners Croxley Stationery and Downer, is investigating whether waste residue toner recovered from recycled cartridges can be re-used in making high-quality bitumen and asphalt for use in New Zealand roads.

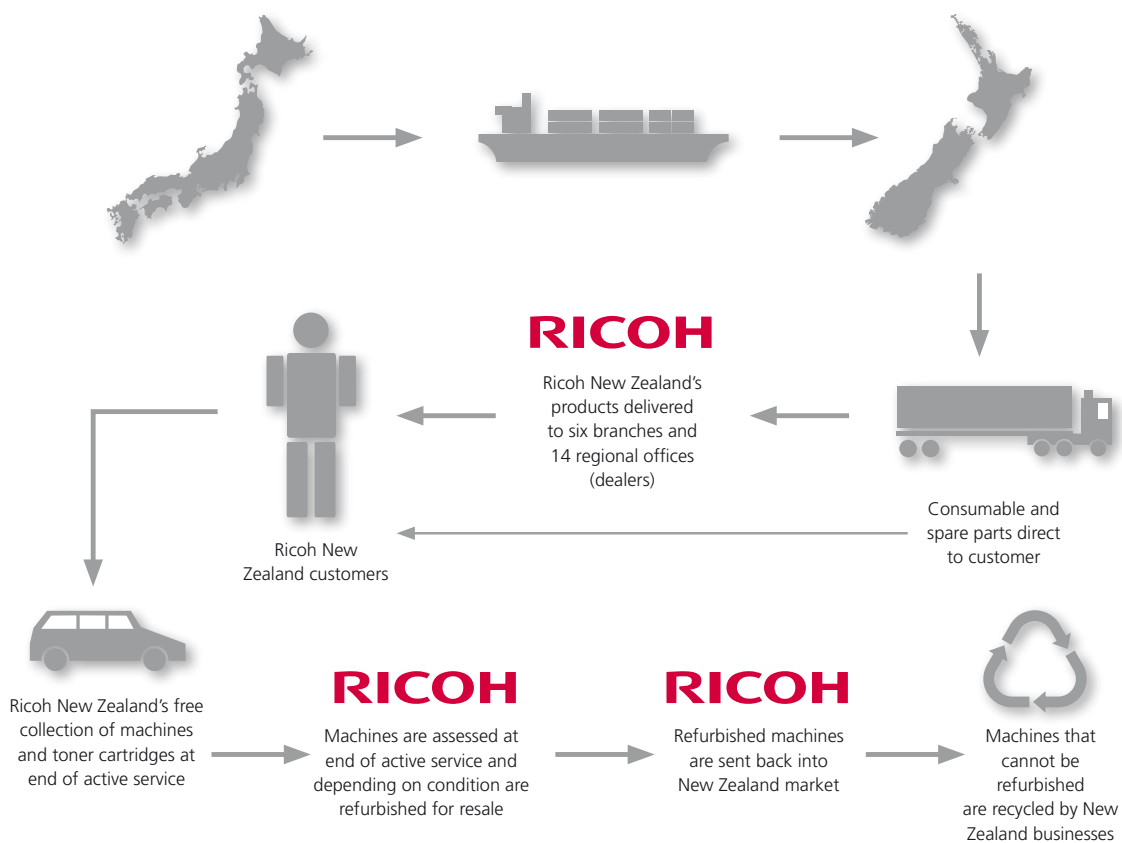
The project mirrors research conducted in the United States and could result in diverting as much as 15 tonnes of waste residue toner per year away from landfill and into roads.

Ricoh spent approximately \$115,000 in the last year on toner cartridge recycling.

Ricoh spent approximately \$115,000 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 in assuming greater responsibility for the environmental impact of our product and to encourage sound product stewardship among our customers.

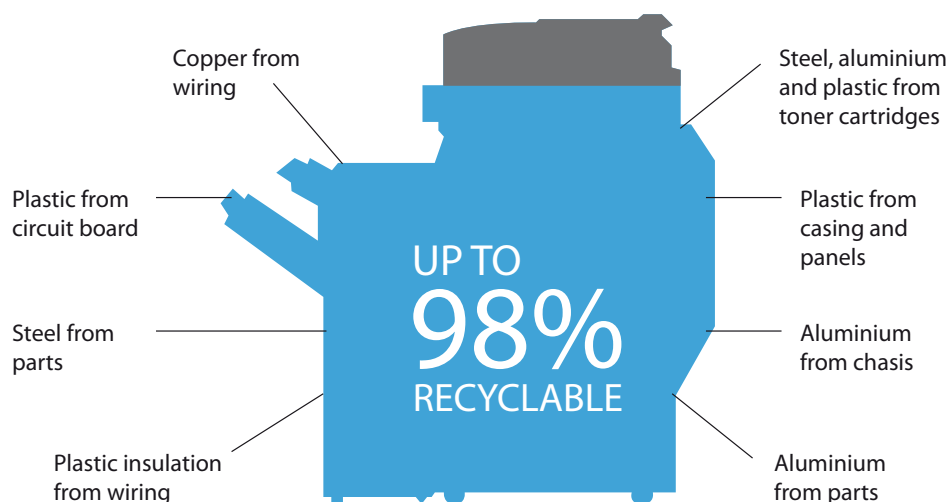


# Product life cycle and recycling

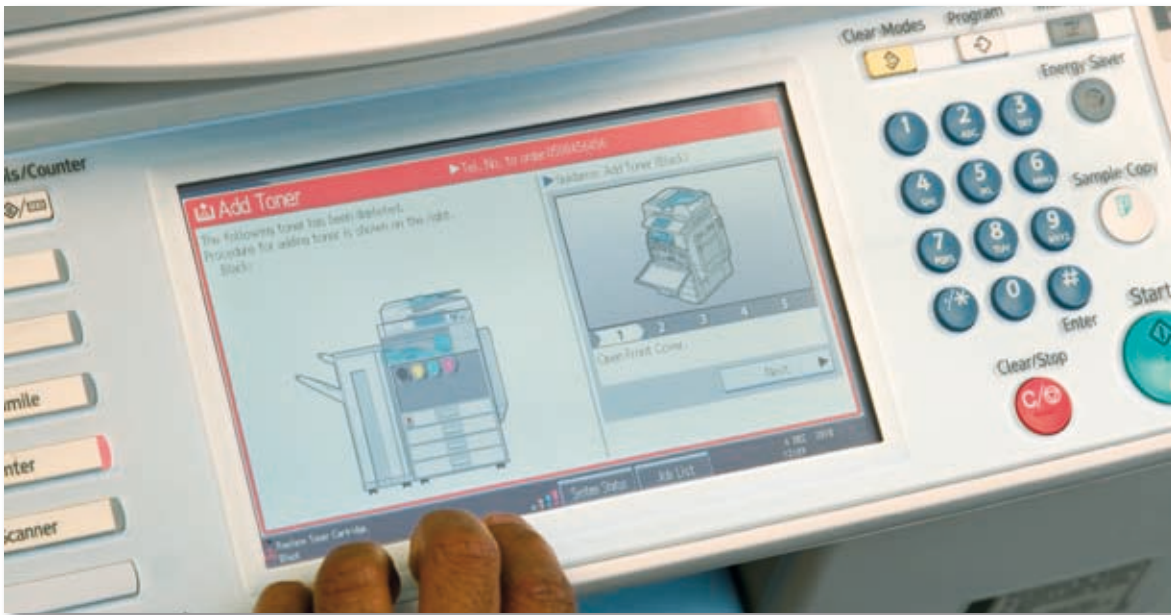


## Recyclable components in Ricoh machines

The material used in Ricoh machines is up to 98 per cent recyclable within New Zealand using e-waste recyclers using e-waste recyclers including Sims Recycling Solutions (see case study on page 27).



## Case Study 2: small innovations result in big savings



The Replace Toner warning threshold for cartridges was significantly lowered, cutting the amount of toner wastage.

**Innovation from Ricoh employees is further reducing environmental impact and costs, which also has a positive effect on the company's bottom line. Dunedin branch manager Russell McGarry observed there was a significant amount of toner still remaining in most cartridges returned to Ricoh for recycling.**

From the manufacturing plant, Ricoh machines' 'Replace Toner' alerts are set to active when the toner level in a cartridge has 20 per cent remaining. This alert is intended to forewarn customers that the cartridge will soon run out of toner and that they should ensure they have a replacement cartridge on hand. As toner is included in the service contracts of customers in this country, they do not have to pay for their cartridges, so many were throwing away cartridges when the warning notification on machines first appeared regardless of the fact that the cartridge was still part full.

Ricoh technicians came up with the idea to change the warning signal activation to when cartridges had much less toner remaining. Dual pilot programmes were

Dunedin branch manager Russell McGarry observed there was a significant amount of toner still remaining in most cartridges.

conducted in the North Island and South Island, with the change being fully implemented across the country in the second quarter of 2009.

The 50 grams left of toner warning threshold in cartridges was cut to 20 grams for black and 10 grams for colour, significantly reducing the amount of toner wastage, along with the emissions associated with shipping and freighting toner cartridges. And Ricoh New Zealand makes substantial savings through having to buy fewer new cartridges and paying for fewer cartridges to be recycled.

# Our World continued

## Reducing waste to landfill

This year we're pleased to report further reductions in the volume of waste to landfill across all six branches. Overall, Ricoh New Zealand sent 53.7 tonnes of waste to landfill in the 12 months to 31 March 2010, a massive 30.5 per cent decline on the year-earlier period. Individual branches managed reductions of between 14 and 58 per cent.

The declines have largely been driven by new initiatives to encourage combined recycling of polyethylene, cardboard and polystyrene in our Christchurch and Wellington branches, which has meant that polystyrene is now being recycled. Our Hamilton centre also managed a large reduction and has halved the size of its landfill bin.

Dunedin is now the only branch that does not recycle polystyrene, which previously formed half of our landfill volume. Ricoh is actively seeking an expanded polystyrene (EPS) recycler in Dunedin; transporting to the nearest provider in Christchurch would adversely impact on our carbon footprint and also be cost prohibitive.

## Reducing our carbon footprint

Ricoh's carbon footprint is made up of a range of activities, with the biggest source of emissions coming from our operations, followed by fuel use.

Reducing this footprint is an ongoing part of our business plan throughout the company, with key steps

to cut emissions outlined in our Greenhouse Gas (GHG) Emissions Reduction Plan. We've gone a long way to achieving our 2009 goals under the plan through the opening of new warehouse facilities in Christchurch and Penrose, Auckland. The Auckland facility replaces three separate warehouses spread around the city, leading to a drop in GHG emissions through reduced freightage. Establishing a Christchurch distribution hub to service our South Island customers makes our business even more carbon efficient.

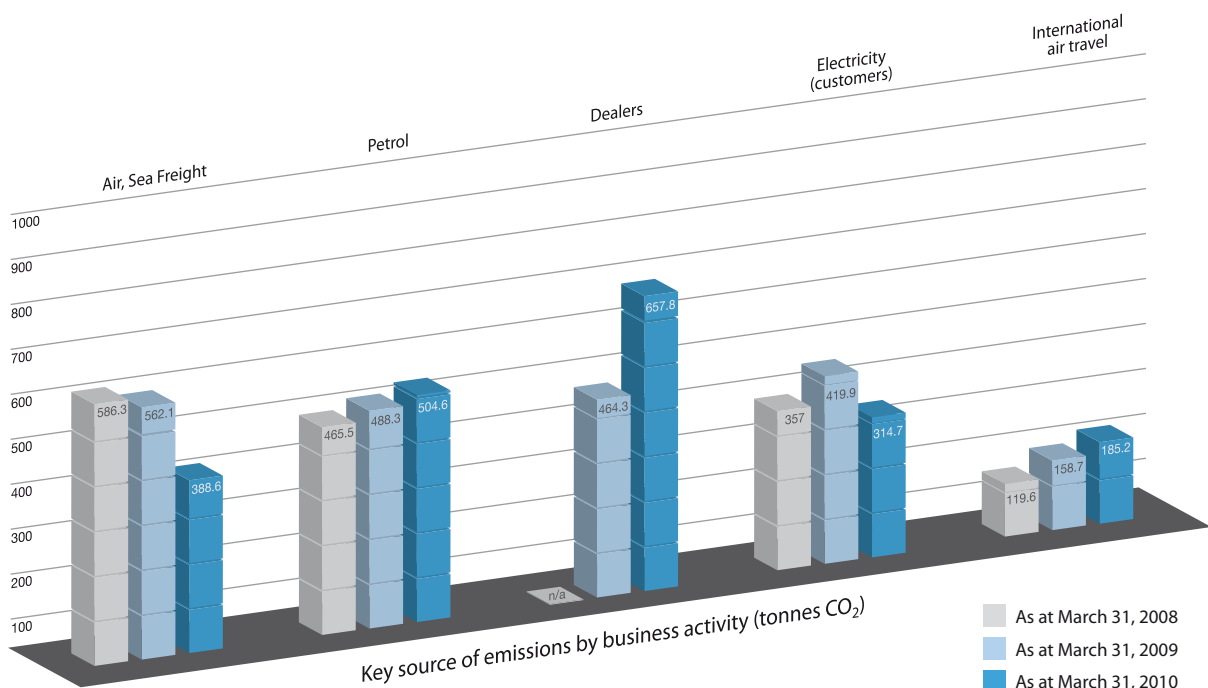
There remain some areas to find further reductions in the coming months and years, including that of international travel by senior Ricoh management. Total GHG emissions for the year to 31 March 2010 were 2503.79 tonnes CO<sub>2</sub>, a decline of almost 32 tonnes CO<sub>2</sub> on the year earlier.

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

### carboNZero<sup>Cert</sup>™

This is Ricoh's third year measuring and offsetting our carbon footprint with the carboNZero<sup>Cert</sup>™ programme.

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





We have offset our GHG emissions by purchasing credits from renewable energy sources approved by Landcare Research. An example of this is the 1,190 VERs from Projects to Reduce Emissions (PRE) landfill project serial numbers 206186 – 207375, benefitting the Palmerston North Awapuni Landfill Gas to Electricity Project. Another is 1,190 Meridian Gold Standard Windpower 409843 – 411032, at the Te Apiti windfarm, near Wellington. These two programmes offset a total of 2,380 tonnes of CO<sub>2</sub> emissions, with the remainder being separately offset through Meridian Energy and Wellington Combined Taxis.

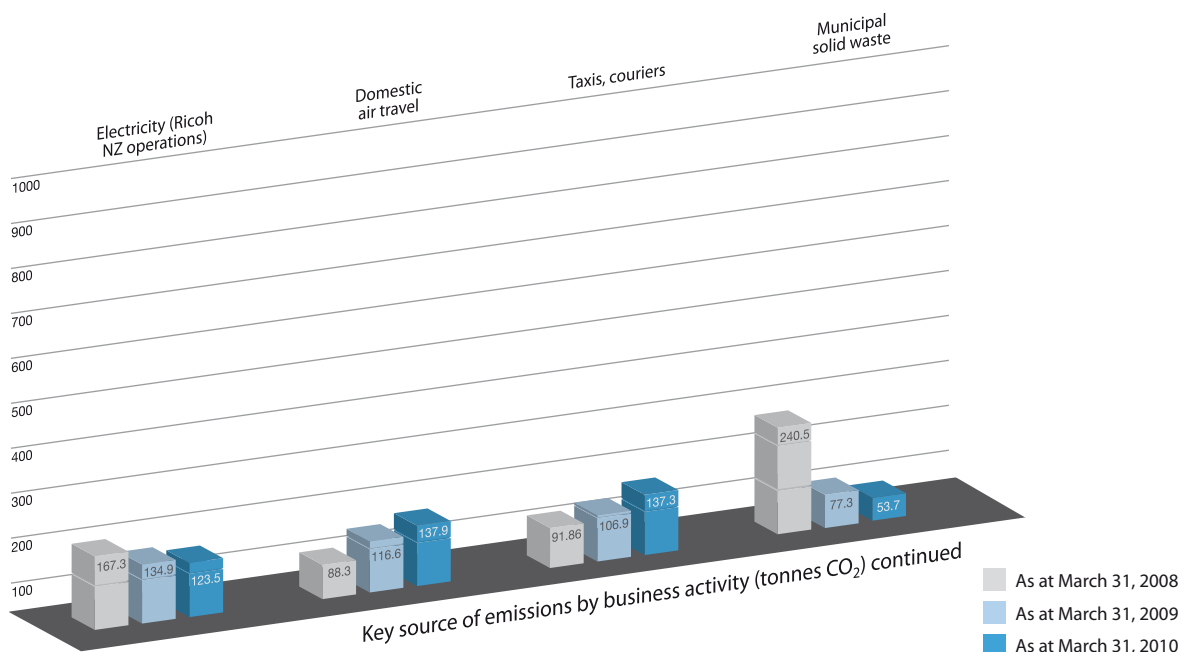
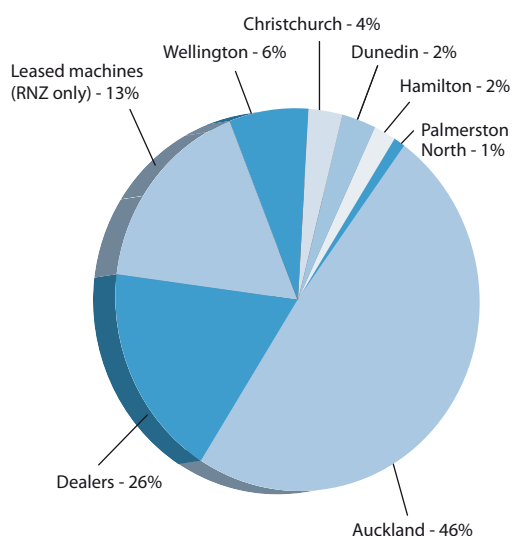
Not only do we offset emissions generated through the operations of our head office and national branch network, but we also offset electricity use associated with our leased machines – a voluntary move to help our customers reduce their carbon footprint. Ricoh began from April 2008 incorporating our national dealer network into our carbonZero<sup>Cert™</sup> programme; we're delighted to report that more than 90 per cent of our fleet of machines with energy efficient technology is carbon neutral. All of our regional offices (dealers) now have GHG reduction plans in place.

We have worked closely with Landcare Research to develop an accurate and streamlined process to measure emissions, using monthly meter readings from Ricoh machines.

Almost 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. All our freight, courier and taxi emissions are measured under the Auckland branch. Despite this, Auckland managed a significant decline in emissions in the reporting period. The opening of the Penrose warehouse meant a reduction in the need to freight and courier goods around New Zealand's largest commercial centre.

Ricoh New Zealand is increasingly shipping goods from Asia, instead of flying them, with an estimated 20 per cent decline in airfreight than the year-earlier period. An innovative shipping costs schedule was created

### Key sources of emissions by business location



# Our World continued

so the logistics team can easily see the time and cost of sending goods via air, sea and courier from each country. Staff can then make a more informed decision on the most carbon- and cost-efficient methods of transporting products.

## Freight costs

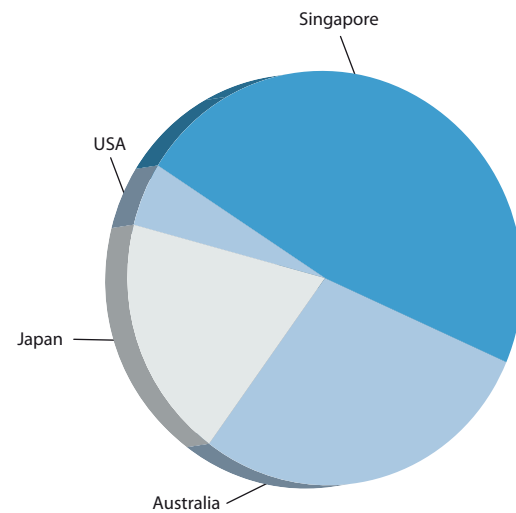
Business activities that require fuel consumption, including freight and also that of company-owned and leased vehicles, account for the highest percentage of emissions.

Overall emissions from freight dropped by a significant 31 per cent in the period. Emissions from freight transport by road dropped by even more (42 per cent), as a result of our consolidation of warehousing. The Penrose site is much closer to the Auckland freight hub, cutting the need for trucking goods around the city. It also has a purpose built workshop, where previously goods had to be moved to a different site before being modified. Multiple movements of machines have been eliminated, particularly in Auckland.

## Travel

Ricoh New Zealand saw a significant lift in GHG emissions related to travel, with the greatest increases coming from dealers and couriers, as well as international travel.

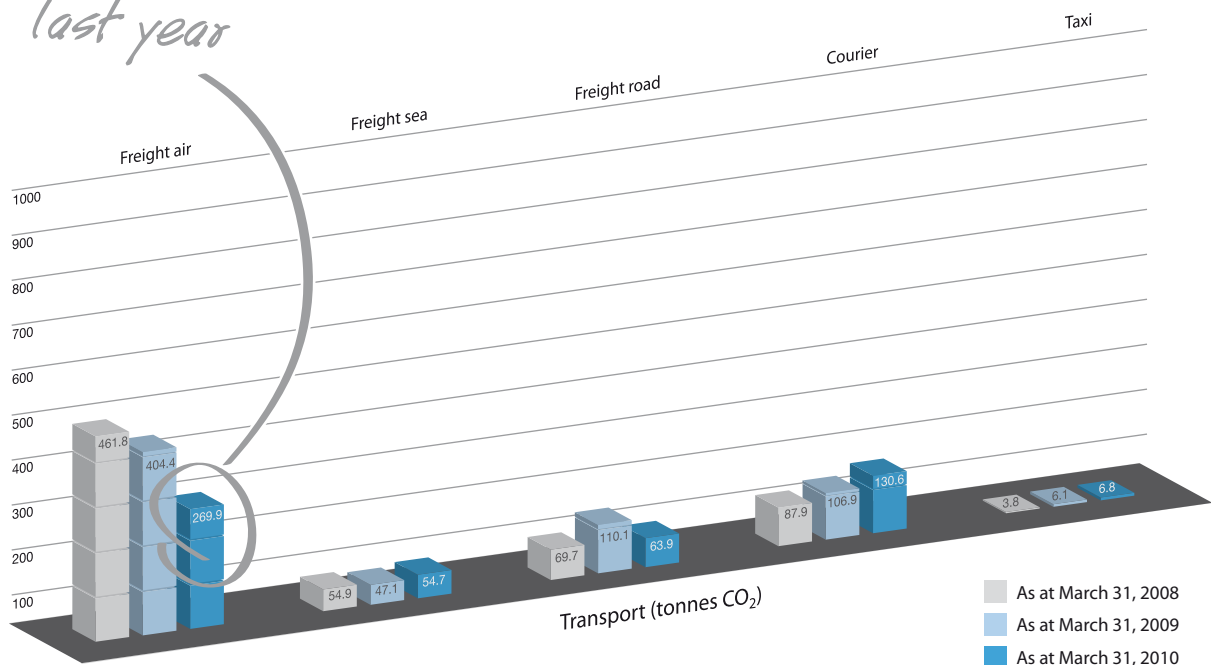
## Travel destinations



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

Ricoh is acutely aware of the physical impact of air travel by its senior management, which proved a challenge for the company's emissions profile in the reporting

*down 33% on last year*



year. We hope to soon introduce an innovative new teleconferencing system, which should reduce the need for such travel.

Some of the major destinations visited in the reporting period include:

- Ricoh's Asia-Pacific headquarters in Singapore – regional meetings of senior management are held in Singapore, Hong Kong or Bangkok as the most central location for the majority of attendees. Unfortunately, that means participants from Australia and New Zealand have to travel further.
- The Pacific Islands – Ricoh has increased its exports to the Pacific, so this has resulted in increased travel to Fiji, Tonga and the Solomon Islands.
- Australia – A new CEO for Ricoh Australia has increased collaboration with Ricoh New Zealand, enabling more efficiencies between each business.

### Electricity

Total emissions from electricity use decreased across all Ricoh branches in the last year as more energy was purchased from renewable energy sources, such as hydro, during the wet winter. These carry a lower emissions profile. Still, per kWh usage increased by more than 10 per cent as Ricoh New Zealand added more staff and grew its business overall. The opening of two

new warehouse facilities in Christchurch and Auckland likely pushed usage up as well.

Dunedin, Palmerston North and Hamilton branches switched to Meridian as their supplier of electricity. Meridian, which generates electricity entirely from renewable resources, also supplies our new warehouses in Christchurch and Auckland.

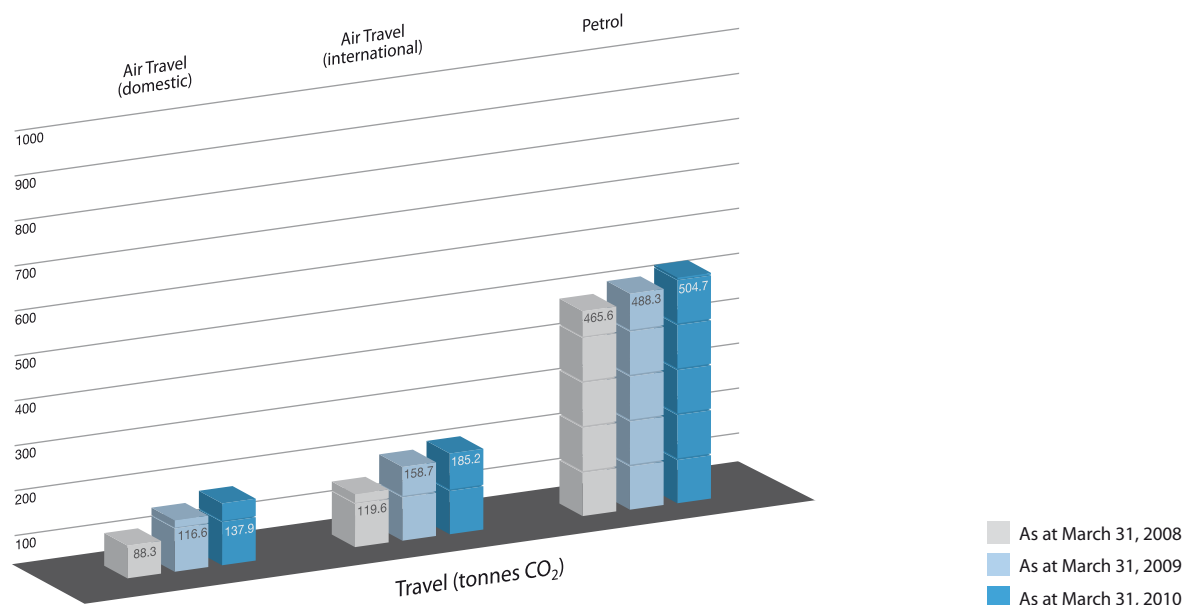
### Waste to landfill

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

Polystyrene, used to protect the machines during transit, previously formed half of our landfill volume. Initiatives this year to extend the ability to recycle polystyrene to another two of our branches, Christchurch and Wellington, has significantly reduced our total landfill volumes and related GHG emissions.

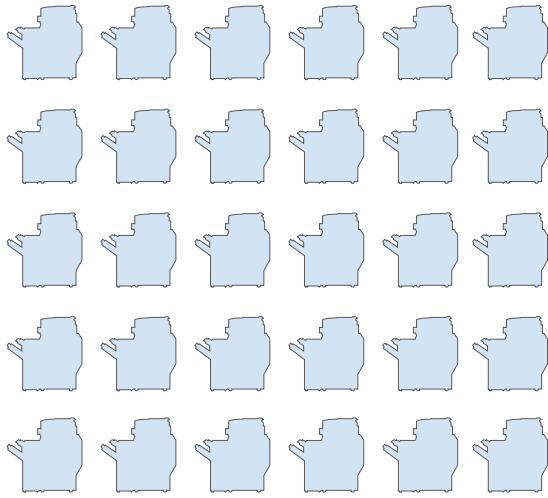
### Environmental management

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



# Our World continued

## Solid Waste avoided



**The equivalent of 30 multifunctional devices, or 19.5 cubic metres, in solid waste was avoided in 2010.**

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<sup>Cert™</sup> programme. Right from the outset we strove to go further, by offsetting the electricity used by our customers when operating our leased machines that have energy-efficient technology.

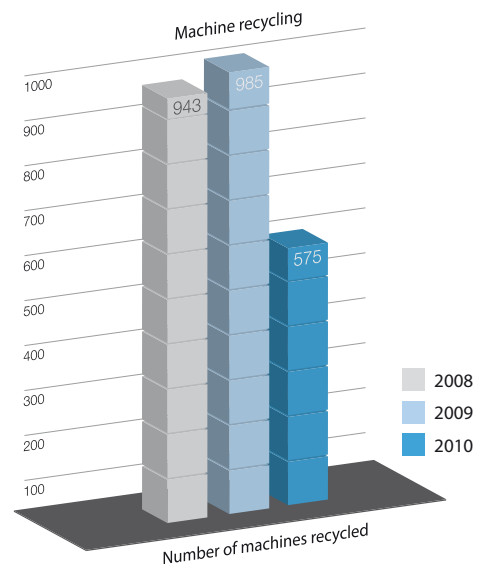
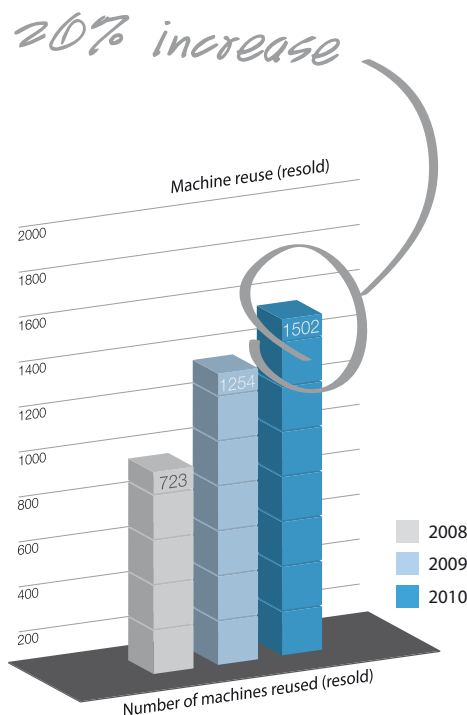
## Recycling and product stewardship

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.

Ricoh has taken this to a new level by linking with Sims Recycling Solutions (SRS). This organisation manually dismantles our Auckland machines and then recycles used parts, and some consumables, such as drums, circuit boards and other components. Toner cartridges are separately sent to TRC for recycling.

Ricoh regional offices (dealers) are also increasingly stepping up; at least one dealer is using a not-for-profit organisation to strip their machines and some dealers have been sending their machines to scrap merchants.

Remarkably up to 98 per cent of the components of Ricoh Auckland machines, including aluminium components, printed circuit boards, and the used





machines themselves, are recycled. Prior to that, we only managed to achieve a recycling rate of approximately 70 per cent, as the machines were processed by Sims Pacific Metals (SPM), which only recovers metal components.

As of the beginning of 2010, panels from machines outside of Auckland are now stripped and sent to SRS for recycling. The remainder of these machines are sent to the regional SPM then on to Auckland SPM and Pacific Steel. The recycling rate in the last year for branches outside of Auckland was about 79 per cent from 70 per cent in the year-earlier period.

We are gradually finding local e-waste recyclers to process our scrapped machines across Ricoh's New Zealand operations. Ricoh aims to find a local e-waste recycler for each branch and dealership that will strip machines and find markets for all components. Currently some components, such as panels, are sold to a plastics company for export to China for processing. Our goal is to achieve 100 per cent recovery here in New Zealand.

#### **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 1,502 machines, an increase of 248 machines on the previous year.

All machines traded in beyond their useful life are dismantled and the metal and plastic is recovered and recycled here in New Zealand.

But our customers are also getting smarter in their use of second-hand machines and see value in bundling new and old technology, and using refurbished machines where possible. This is because our customers are getting smarter in managing costs, and see value in second hand machines for locations where the latest technology is not required. It's also profitable for Ricoh as the trade in second-hand machines reduces the need to strip and freight those destined for recycling.

Where possible, we refurbish and resell pre-used machines. In the last year we resold 1,502 machines, an increase of 248 machines on the previous year.

These factors 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. As a result, the rate at which machines were recycled dropped considerably to a total of 575 machines recycled in the year to March 2009, 410 units fewer than the previous year.

#### **Particulate emissions from printers**

Printers and MFDs 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.

Ricoh globally tests its products rigorously to ensure they fully satisfy our own internal strict standards for these emissions. This includes meeting the requirements of leading environmental labels such as the Eco Mark in Japan and Blue Angel Mark in Germany, which are considered to be the standard for developing environmental labels worldwide.

Emissions from Ricoh machines, such as ozone, styrene or dust, are zero, or very low. To ensure this the machines are fitted with an ozone filter which is changed as part of their regular maintenance and replaced, when necessary, by our technicians.

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.

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



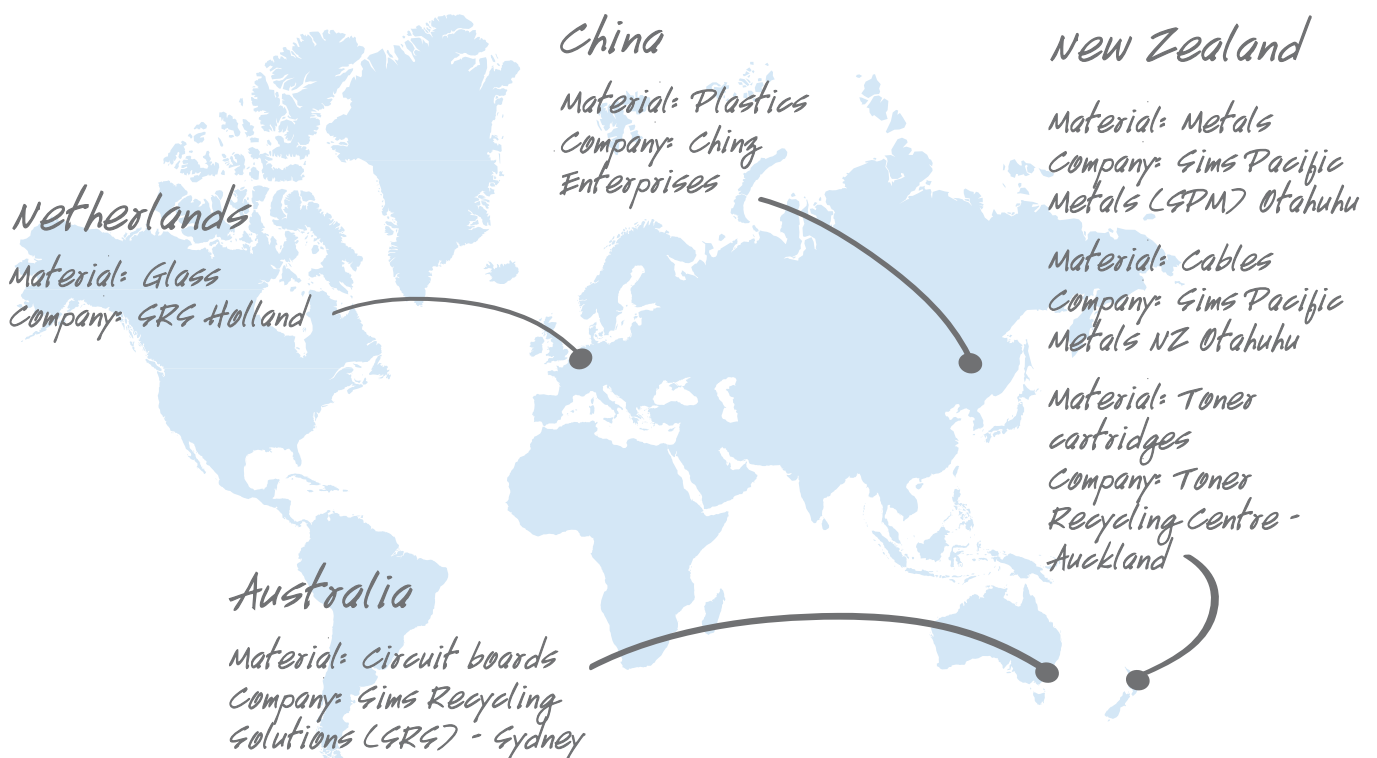
Veronica Edmonstone and  
Michael van der Merwe,  
Sims Recycling Solutions

"We want to keep as much as we can out of landfill, that's our overriding aim. The first question we ask is what parts can be re-used?" says Michael.



Kaleem Thompson,  
Sims Recycling Solutions

## A world of recycling



## Case Study 3: Machine Recycling at Sims Recycling Solutions

A cavernous warehouse near Auckland Airport is where old Ricoh copiers end their lives in myriad pieces, each with a separate final destination.

Plastic panels which make up the exterior and lid are crushed with other waste plastic under huge forces and formed into 380kg bales destined for Asia – fittingly, where Ricoh machines originate. There, the plastic is melted and re-moulded.

Circuit boards are collected in bins ready to go to a site where any silver, gold and copper is extracted; toner cartridges – a major source of Ricoh waste – are removed and are sent to the Toner Recycling Centre; the glass is also sent off site.

Michael van der Merwe, Sims Recycling Solutions' Business Development Manager, and colleague Veronica Edmonstone, oversee the impressive five-person operation, which receives 60-80 tonnes of electronic machinery a month.

The duo is passionate about trying to recycle as much of the unwanted machines as they can.

"The best form of recycling is re-use," says Michael, reinforcing the old adage that one person's junk is another's treasure.

Some working LCD screens are sold to schools in Tonga (the clients who drop them off get a rebate). Other screens are shipped to South Africa or China – where they can be modified and sold as televisions.

Sims has an agreement with equipment companies not to on-sell working machinery in New Zealand.

Charities receive some of the paper left in machines which arrive at Sims. The company's social responsibility policy saw it donate a computer laptop dropped off by a client to a Tongan schoolboy who is now paraplegic.

"We want to keep as much as we can out of landfill, that's our overriding aim. The first question we ask is what parts can be re-used?" says Michael.

The Auckland division of Sims – the world's leading electronic equipment recycler – can recycle up to 98 per cent of a Ricoh machine. In other parts of the country, Ricoh machines go to Sims Pacific Metals, which can recycle 70 per cent.

Ricoh began sending used equipment to Sims in late 2009 – usually in two shipments a month of 6-9 tonnes – further cementing its commitment to taking responsibility for the lifecycle environmental impact of its products.

Michael says about 70 per cent of companies store old or unused equipment and don't have a policy of sending it to a recycling company on a regular basis.

"When they finally run out of room it ends up being a large cost in one go, instead of recycling in more manageable, smaller amounts."

Sims – either here or in Sydney, depending on the machine involved – has the expertise to shred hard drives, destroying sensitive information kept in the memories of many types of modern hi-tech products, including copiers. This is a key criteria for some clients, particularly banks.

Each day, a two tonne bin of waste steel goes to Sims Pacific, a related company. Any hazardous e-waste is sent for correct disposal.

Polystyrene packaging is sent to an under-floor insulation company which reprocesses it for export. Other boxes on the warehouse floor contain various grades of circuit boards (depending on the precious metals content), power supply units, and electrical cords.

Michael's background is in information technology hardware, which gives him valuable knowledge for his current role. He says it is amazing to now be at the other end of the process, where the products he once sold end their lives.

He says most Sims customers are motivated by the desire to do the right thing for the environment: "But it has to be cost-effective, otherwise they won't do it."

# Our World continued

## Features of Ricoh machines that save resources

Our modern MFDs 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 double-sided technologies into our devices at both the input (scanning) and output (printing) stages to directly reduce environmental impact.

### Energy efficiency

All of Ricoh's multifunctional 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. A product must meet all of the identified programme requirements if it is to be registered with the New Zealand ENERGY STAR programme and carry the ENERGY STAR mark. This version supersedes Version 1.

### Quick Start-UP (QSU) technology

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

### Quick recovery from energy-saving mode

Takes less than 10 seconds and means users can make copies whenever they need to. Setting a machine to energy saver mode, rather than maximum operating mode, reduces energy consumption by close to 95 per cent, depending on the model.

### 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 have the potential to harm the environment at end-of-life. They are also designed to maintain air quality in the office environment with low emissions of Volatile Organic Compounds, in compliance with standards set by green certification programmes such as Germany's Blue Angel.

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°C 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. Produced by chemical polymerisation rather than by crushing carbon, the manufacturing process uses 30 per cent less energy.

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 close to empty.

### 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.





# Reducing our impact

## 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 2009/2010 and reports on our progress.

Goal type	Details of goal	Progress	Explanation
<b>General</b>	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.	✓	Ricoh New Zealand improved its score to 91 per cent from 87 per cent the previous year; we are confident this will increase to 97 per cent in 2011. We lose points here because marketing materials from Japan are sometimes not appropriate for the New Zealand marketplace.
<b>Economic Performance</b>	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. Sustainability criteria is weighted in some tender documents and we often get questions on our credentials from potential customers.
<b>Stakeholder Engagement</b>	Implement 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.
	Extend recycling initiatives to all our branches nationally.	✓	All branches achieved an increase in recycling volumes and reduction in waste to landfill.
	Increase Ricoh staff volunteering for supplier and client environmental initiatives, such as the Motuihe Island project.	✓	Increase in Motuihe volunteer numbers of 17 per cent. Major accounts represented rose from six to 13.
	Increase the proportion of Ricoh machines distributed and accredited with Environmental Choice to 100 per cent (currently at least 95 per cent of the plastic casing parts are collected and at least 50 per cent are recycled).	X	Ricoh will continue to work towards this goal, but it will be difficult to achieve as some machines do not have the Japan Eco Mark. To comply with ECNZ we are recycling panels from scrapped machines with SRS.

Ricoh New Zealand is in the process of updating targets with the medium to long term during the next reporting period.

# Our World continued

## 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<sup>Cert™</sup> programme.

## Objectives of the GHG Emissions Reduction Plan for the year 2010/11 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.

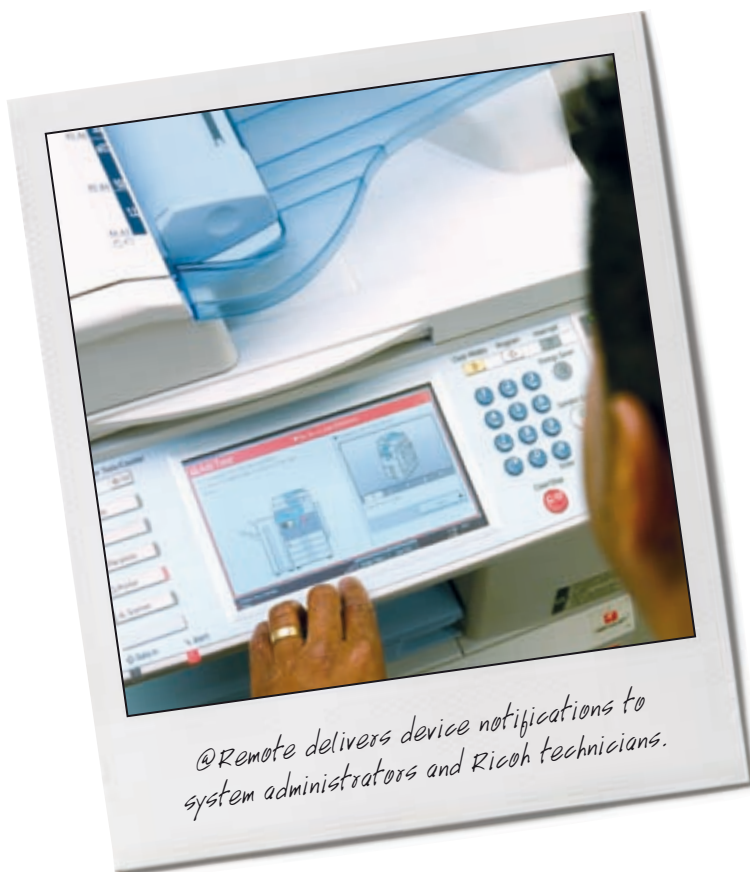
## The plan includes a specific focus on:

- Reducing the overall emissions intensity per leased machine.
- Implementing ongoing initiatives to reduce petrol consumption in company owned vehicles and air travel use.
- Advising the Ricoh dealer network on ways to reduce their emissions, and inform them as to what the wider company has achieved in this area.

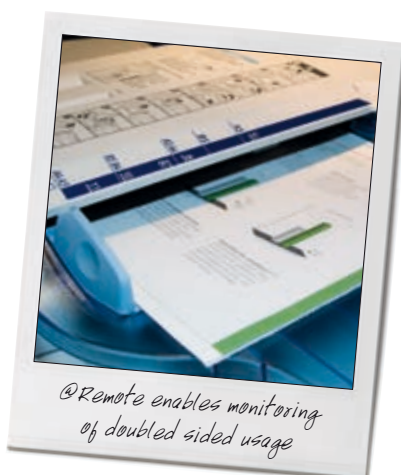
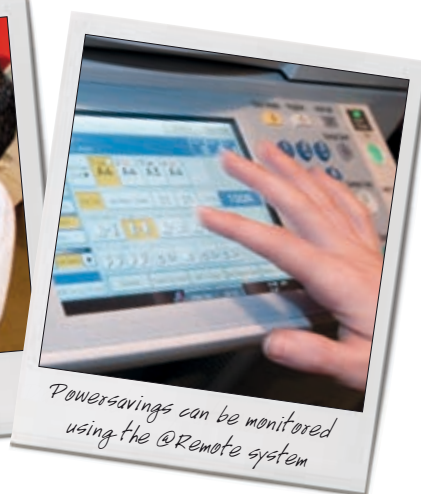
## Reducing our impact – Ricoh New Zealand GHG Emissions Reduction Plan 2010/2011

Reduction management plan				
Initiative	Objective	Action	Responsibility	Achieved?
<b>Customer supplied machines</b>				
Electricity use in leased customer machines.	Reduce the amount of electricity consumed during day-to-day use.	Ensure that prior to leaving Ricoh premises, all machines have energy save and auto timer modes activated. Technicians are also to ensure customers are aware of energy saving modes.	Workshop staff Technicians	Done. It is now standard practise.
As above	As above	Encourage sales reps to emphasise to existing customers the benefit of changing to newer, more energy efficient machines.	Sales managers	Done. Promoting energy saving technology to customers is part of the Total Green Office Solutions programme.
<b>Operations - travel and transport</b>				
Petrol: 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.	Review lease and purchase policies and continue to prioritise low-emissions vehicles; investigate other fuel options (biofuel); engage 20 per cent of fleet car users to drive more efficiently (through driver training sessions).	Haroon Mohammed, Finance Director	To be completed by 31 December 2010.
Tauranga petrol use	Reduce consumption	Put a management plan in place.	Michael Nugent, Dealer Manager	To be completed by 31 December 2010.
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 per cent of total sales revenue including reduced usage of couriers.		Completed. Products go in one large shipment. Multiple movements of machines have been eliminated, particularly in Auckland. Courier review is ongoing.
Road freight	Reduce GHG emissions.	Investigate use of rail freight.	Neil Johnston	Ricoh's local freight company uses rail where ever possible.
Freight couriers	Reduce GHG emissions.	Investigate which parts are moved by courier and reassess efficiency.	Neil Johnston	Under ongoing review.
Air freight	As above	Investigate what cargo is shipped by air freight and consider other options.	Neil Johnston	Under ongoing review.

Air travel: Review policy of regional managers flying to regular meetings at head office.	Reduce air miles of managers.	Senior management to discuss appropriateness of using video and phone conferencing and, when travel is necessary, have longer, but less frequent meetings.	Michael Pollok, Managing Director	An innovative new teleconferencing system will soon be introduced.
Couriers: Engage TRC to take over the distribution and collection of toner cartridge collection boxes.	Reduce courier and freight costs to reduce carbon offsets.	TRC has collection centres in both the North and South Islands and a more advanced collection process.	Margie Barriball, Sustainability Manager	Done. All branches and regional offices (dealers), except for Auckland, have been changed to TRC control.
<b>Operations - offices and buildings</b>				
Electricity use reduction	Reduce electricity usage and thereby reduce carbon offsets.	Change to carbon-neutral electricity provider (Meridian), where practical and implement energy saving practices where possible. Consider implementing green building enhancements, where practical, for future renovations.	Michael Pollok Haroon Mohammed	Energy efficient lighting investigated but decided against due to possibility of moving premises. Will continue to review.
Auckland office electricity consumption	Reduce use	Consider an upgrade in the office and warehouse to more efficient lighting; investigate whether the server and server cooling system runs as efficiently as possible; commence an energy audit on office level two; research the most efficient IT equipment when a replacement is needed.	Paul Thomas, IT manager, Margie Barriball	Energy efficient lighting investigated but decided against due to possibility of moving premises. Will continue to review.
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.	Margie Barriball	Done.
<b>Operations – culture change</b>				
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.	Margie Barriball, David Luttig, Human Resources Manager	Ongoing. The induction video includes sustainability messages.
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).	Margie Barriball	Ongoing. Ideas are received via the Intranet innovation database, through which staff contribute ideas.
Take part in events which champion emissions reduction	Increase staff knowledge and motivation to reduce GHG.	Consider participation in the next Energy Wise Rally.	Margie Barriball, Murray Clark, Marketing Manager	For consideration in 2011
Taxi use	Reduce GHG emissions.	Instigate procedures to reduce staff use of taxis, including more stringent rules, and possible use of taxi vans.	Haroon Mohammed	To be completed by 31 December 2010.
<b>Ricoh Regional Offices (Dealer) Network</b>				
Ricoh regional offices (dealers) support	For Ricoh regional offices (dealers) to reduce emissions from their operations.	Work with Ricoh regional offices (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.	Michael Nugent, Margie Barriball	All but two regional offices (Tauranga, Rotorua) achieved carboNZero <sup>Cert™</sup> certification during the year.
		Work with Tauranga and Rotorua to achieve carboNZero <sup>Cert™</sup> certification.	Michael Nugent, Margie Barriball	Done. Certified in July 2010. Providing solutions to dealers for recycling is ongoing.



Through the use of @Remote™, we are providing a significant step-up in the quality of service and support we deliver to our customers.



## Case Study 4: Environmental efficiency at a distance with @Remote™

Ricoh New Zealand again demonstrated its industry leadership in green technologies by launching the Ricoh developed @Remote™ Enterprise PRO system. The intelligent remote device management system not only collects operational and performance information from Ricoh devices and printers, but also environmental data which is used to produce comprehensive 'green' reports showing how much electricity and paper each device has consumed.

@Remote™, which entered service early in 2010, allows organisations including University of Auckland to easily monitor the costs of printing and copying across their entire fleet of devices, so they can make the most effective use of their technology investment.

The @Remote™ Enterprise PRO system pin-points which devices on an organisation's network are being over or under-used, and even sends accurate service notifications to Ricoh's National Service Centre. The reports detail how much time each machine spends in operation, print-ready, sleep and other modes. It also lets organisations know if their staff are using double sided functionality, which reduces paper use.

"@Remote is a sophisticated tool for helping our customers monitor whether their Ricoh products are meeting their environmental and cost-saving expectations," said Ricoh New Zealand General Manager of Business Solutions, Cameron Mount.

"Through the system, we are providing a significant step-up in the level of service we offer our customers. With @Remote™, they can better manage their resources, increase productivity, and reduce costs to the environment and to their bottom line."

@Remote™ can manage up to 100 networked Ricoh devices, and even monitor usage of up to 500 Ricoh and non-Ricoh devices. The system also automatically issues monthly meter readings and alerts users when more toner is needed, cutting down time staff have to spend away from their core jobs.

**"Through the system, we are providing a significant step-up in the level of service as offer our customers."**  
Cameron Mount

"The reports produced will enable our customers to make better decisions related to their costs and sustainability policies," said Cameron.

A basic embedded version of @Remote™ comes free with new Ricoh machines, offering the customer automated meter readings, consumable supplies' requests, as well as error notifications. The Enterprise PRO version comes at a small monthly charge, and the system's reporting makes it simple to identify problem areas as well as opportunities for improvement and cost reduction.

### What would you like to know?

#### Ricoh @Remote™ can tell you:

- Which devices in your fleet are being over or under-utilised
- How much electricity and paper each device is using
- How paper is being used (e.g mono or double-sided)

#### It can also provide:

- Automatic alerts when toner is low or servicing is due
- Automatic and accurate meter reads
- Remote firmware upgrades
- Remote access to device reporting



@Remote™ Green reports make it easy to see CO<sub>2</sub> savings.





*Lindsay Osborne,  
Business Excellence Co-ordinator*

We're eager to retain the people Ricoh New Zealand already has on our payroll and recognise and reward employees wherever we can.

# Our people and customers

## Staff

Not only did we retain our employees during the recession, Ricoh New Zealand added staff.

We've implemented a trainee scheme in our Penrose workshop to lift the quantity and quality of customer service engineers.

## Training

JRA staff survey results showed a rise in employee satisfaction and engagement; next up, we aim to further improve levels of staff engagement and we need to do better in the areas of communication and cooperation, along with learning and development.

## Staff

Staff across the business are now contributing their ideas for continuous improvement in a dedicated innovation database on Ricoh New Zealand's intranet.

**It's not possible to build a sustainable society in isolation; 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 242 people throughout the country, from a diverse range of backgrounds. We added 26 employees to our total staff numbers in the year to March 2010 as the company expanded its business and grew revenue. Employees were added across all departments and especially in the areas of sales and service.

**Ricoh New Zealand employs 242 people throughout the country, from a diverse range of backgrounds.**

We're eager to retain the people Ricoh New Zealand already has on our payroll and recognise and reward employees wherever we can. During the period we paid a one-time profit bonus to all non-sales staff in recognition of their individual contribution to the company's achievement in hitting profit margin targets.

The largest 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 19 staff,

comprising 10 male service staff, five administration staff (four female and one male) two male workshop staff, one female contact centre employee and one male business solutions employee.

That's turnover of about 8.9 percent, compared with the industry-weighted turnover percentage for 2009/2010 of 18.1 per cent for the IT and telecommunications industry, according to Hewitts Associates' IT & Telecommunications Industries Remuneration report.

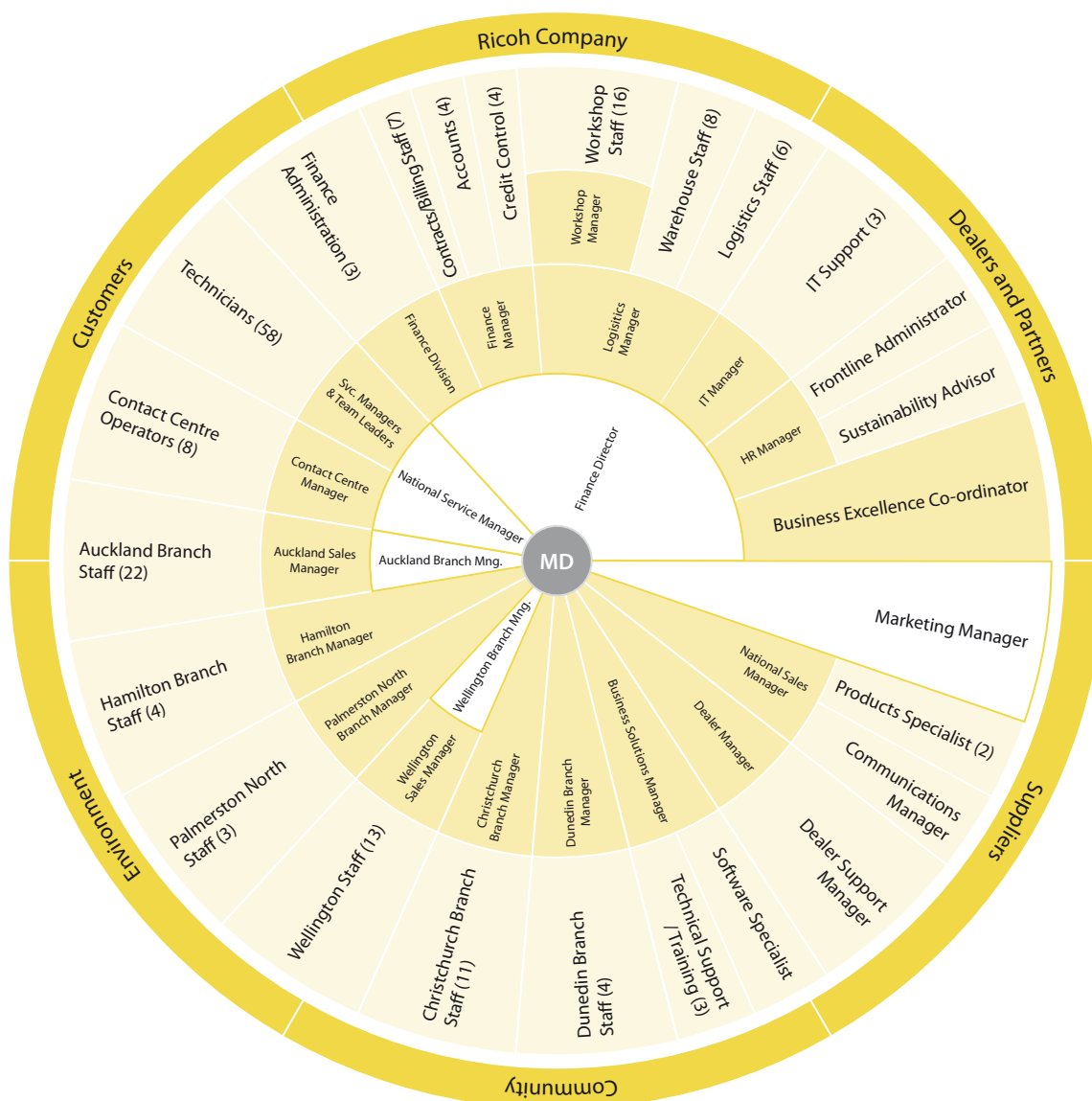
Males still make up the majority of our staff, at 84 per cent of our total workforce. While this is the case with most other companies in the printing and copying industry, Ricoh New Zealand recognises its lack of gender diversity is a challenge that needs to be addressed. Ricoh's female employees tend to be concentrated within roles providing customer service and business support, with no direct reporting lines to the leadership team.

The greatest numbers of Ricoh staff are employed in the Auckland region, where 148 staff or 61 per cent of Ricoh's workforce is based. The next largest branch is Wellington, employing 37 staff. Palmerston North is the smallest office with eight employees.

## 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 performance reviews, recruitment and employment relations matters.

# Our people and customers continued



Employee profile – as at March 2010

Categories:	Staff		Diversity						Service	
Sub-category:	Total		Male %		Female %		Average age		Average years	
Year	10	09	10	09	10	09	10	09	10	09
Sales	58 (25%)	53 (25%)	98	98	1	1	38	35.9	5.2	4.3
Service technicians	85 (35%)	82 (38%)	99	99	1	1	36	36	4.6	4.6
Other customer facing	30 (12%)	21 (10 %)	57	53	43	47	33	33	4.4	4.4
Support (non customer facing)	67 (28%)	58 (27%)	66	52	34	48	32	32	3.85	3.85
<b>Total</b>	<b>242</b>	<b>214</b>	<b>84</b>	<b>82</b>	<b>16</b>	<b>18</b>	<b>35</b>	<b>35</b>	<b>4.5</b>	<b>4.5</b>

### **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.

### **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 that they have read, understood and agreed to meet the requirements of the Code of Conduct. The declaration is kept in their personal file.

**Ricoh's induction process requires that new employees are informed of Ricoh's zero tolerance of all forms of harassment in the work place.**

### **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. This new initiative means that inductees around the country don't have to travel to the Auckland head office, alleviating the need for domestic air travel.

The presentation outlines key health and safety initiatives. After watching it employees complete a questionnaire covering key information about health and safety in the workplace.



**Paul Hartnell, Customer Service Engineer, Christchurch**

Ricoh's induction process requires that new employees are informed of Ricoh's zero tolerance of all forms of harassment in the work place.

In addition, employees in the sales team are briefed by the sales manager on consumer guarantees and commercial law (e.g. Fair Trading Act, Commerce Act).

### **Training**

Ricoh is committed to ensuring the professional development of our staff. A key training initiative in the period was to, in October 2009, institute a trainee programme to boost the numbers of our customer service engineers. This initiative, implemented in our new Penrose warehouse, lifted the skill levels of junior technical staff to the level of qualified customer service engineers.

We've had our first graduates from this training programme and six trainees were enrolled in the scheme for the period to March 2010.

# Our people and customers continued

Our National Credit Manager (see case study pg 41) this year attained the New Zealand Qualifications Authority (NZQA) Credit Administration qualification. And our service team leader gained the First Line Management certificate through the Employers and Manufacturers Association.

A focus on up-skilling 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.

Ricoh New Zealand also, during the period, negotiated with a training provider to offer the equivalent of a Level 3 NZQA qualification for our customer service engineers.

We keep a record of technician training and the average training hours per technician is 25 hours each year.

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

**We're proud of our health and safety record; in the year to 31 March, 2010 there were just four days lost due to one work-related injury.**

## 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. A new Health and Safety policy was introduced in September 2009, which revised health and safety performance criteria for all employee and work areas.

An independent Health and Safety auditor gave Ricoh a clean bill of health for its practises in this area.

In addition to receiving information about health and safety practices during induction, employees receive ongoing guidance about health and safety from the designated representative.

The company's health and safety committee, representing all staff throughout the organisation, meets



**John Blanchet, Service Manager, Christchurch**

annually in Auckland to discuss new initiatives, any incidents or to communicate major changes in health and safety practices.

We're proud of our health and safety record; in the year to 31 March, 2010 there were just four days lost due to one work-related injury. For the same period we had nine minor incidents across Ricoh New Zealand's six branches.

## 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.
- Six-monthly evacuation drills take place in the Auckland, Christchurch and Wellington branches, and annually in Dunedin, 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.

## Employee Assistance Programme

Ricoh New Zealand provides free, confidential counselling services through its Employee Assistance Programme to all its staff throughout the country. The counselling is sought for staff coping with issues such as



stress, marriage break-up, family disputes and substance abuse. The programme is administered by an external, independent company and all counselling is paid for by Ricoh New Zealand.

#### **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. Any other benefits available to full-time employees

**Our national customer service centre is based in Auckland and the nine-strong team is the primary point of customer contact with Ricoh.**

are also offered to part time and temporary employees. The minimum notice period regarding operational changes for Ricoh New Zealand employees is 30 days or as agreed during consultation about a restructure.

All employees are entitled to enrol in the New Zealand Government KiwiSaver Superannuation Scheme. Ricoh New Zealand contributes 3 per cent of an employee's remuneration to this scheme.

Ricoh New Zealand does not discriminate on the basis of gender and maintains a practice of remuneration parity for different genders.

#### **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.

Feedback is sought through a biannual staff survey, carried out by an external consultancy. Findings in this year's JRA survey show that significantly greater numbers of Ricoh staff understand what the company stands for, along with its aims and objectives. Far fewer

employees fell within the disengaged camp, and we feel this is a direct result of the effective communication of our newly defined values, vision and mission statements.

Through the effective use of communication, performance management and rewards and recognition, our aim is to engage with even greater numbers of Ricoh staff. We still have progress to make in the areas of communication and cooperation, along with learning and development.

The primary way we receive feedback about what our employees think 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.

Exit interviews and questionnaires are also conducted with all staff that leave the company.

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.



**Jenny Benjamin, Branch Administrator, Christchurch**

#### **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 based on our sustainability focus, a trend we project will continue in the long-term.

# Our people and customers continued

## Customer service

Our national customer service centre is based in Auckland and the nine-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 recycle boxes
- Collection of old machines for recycling.

The customer service team also process web-based orders and automated orders placed via Ricoh machines and follow 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 workshop and 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.

## Business partners

### Regional offices (dealers)

Ricoh's core business partners are our 14 regional offices (dealers) based throughout the country. They represent Ricoh in the following centres: Whangarei, Auckland (Export), Tauranga, Rotorua, Taupo, Gisborne, Hawke's Bay, New Plymouth, Whanganui, Nelson, Blenheim, Timaru, Queenstown and Invercargill.

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

## 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.

## Community relationships and sponsorships

Ricoh donates equipment and staff time to charities and other organisations including:

- Diabetes Auckland
- Stuttering Treatment and Research Trust
- The Heart Foundation of New Zealand
- Trees for Schools
- Motuihe Island restoration
- Wellington Rugby
- Canterbury Rugby
- Manawatu Rugby
- The Great Ride for Heart
- The Tour de Ranges
- Te Papa museum
- Fortune Theatre, Otago
- Wellington Free Ambulance
- Waikane Boat Club Search and Rescue

In addition Ricoh employees raised money for victims of the Haiti earthquake. Staff can also apply to have Ricoh New Zealand sponsor their child's sports team.



**Name: Robyn Ramsay**  
**Position: National Credit Manager**

During my time at Ricoh I have attained two NZQA qualifications; First Line Management and Credit Administration. I plan to sit a NZQA Credit Management paper early next year. Ricoh has supported me in all my studies and this has helped me greatly improve Ricoh debt collections and run a successful department.

We had challenges during the recession because of the number of liquidations and receiverships. But my team is excellent; they identify well in advance the customers who may have trouble with payment. Then we worked with those customers to set terms that they could meet and gave them additional support if deemed necessary.

**Name: Chris Thornton**  
**Position: Wellington Branch Manager**

At Ricoh Wellington we're heavily involved in community partnerships by contributing time or sponsorship to organisations in our community, especially those run by volunteers. This includes sponsoring the Wellington Free Ambulance and the Waikanae Boat Club Search and Rescue.

Working with our clients, by providing work experience opportunities for their people, for example, helps us better understand the realities of their business. Customers partner with Ricoh because they feel they are working with a company with integrity and that takes a genuine interest in them.



**Name: Anyah van der Putten**  
**Position: Logistics Administrator, Penrose Warehouse**

The Penrose site has been open for about five months and is a huge improvement over our old facility in Auckland. We've got all the stock in one place, which frees up a lot of time, is easier to manage and also means the dispatch of orders is a lot more accurate.

Containers now get delivered straight to our warehouse, which significantly reduces the waiting time for access to newly arrived product in New Zealand from close to a week down to as little as one day. These are efficiencies we can pass on to our customers.



## Case Study 5: Innovation at the heart of constantly improving Ricoh



Lindsay Osborne, Business Excellence Coordinator

**Late in November 2009, Ricoh employees began entering their ideas about how to create a better company through an ideas database on the company's staff intranet. This bank of practical, often simple, ideas being progressively built up is one example of a company that encourages innovation at every level of the organisation.**

The ideas database allows employees to contribute ideas for their own or other parts of the business. The database publishes which ideas were implemented and at what rate. It's a way for all staff to engage in and define their own workplace and, ultimately, the success of Ricoh New Zealand's business.

"The best ideas are simple, common sense concepts that can effect real change," says Lindsay Osborne, Ricoh New Zealand's Business Excellence Coordinator. "Staff ideas registered through the database are leading to the re-engineering of processes that improve Ricoh's productivity and reduce expenses for both our organisation and for our customers.

"Our people are themselves designing the Ricoh they want to see from the ground floor up."

We want all of our staff to be thinking about how to do things better. We're not looking for life-changing innovations. We're seeking small practicable improvements that make life easier for our people and our customers.

An idea for simplifying the way couriers are booked, for example, saves 37 hours every month. In the past the contact centre would receive a request for a courier. They would then phone the warehouse, which would pick the goods and ring the courier company to organise. Now the contact centre logs the request online with a 'hold' on the job. The warehouse picks the goods and releases the job online.

**We want all of our staff to be thinking about how to do things better. We're not looking for life-changing innovations. We're seeking small practicable improvements that make life easier for our people and our customers.**

By the end of 2010, Ricoh New Zealand will have a dedicated website open to all staff to lodge their ideas. Ideas will be recorded in perpetuity so all employees can read what their peers have submitted and learn from what's gone on before.

Around the same time that the ideas database was introduced, senior management went on a road trip around the country to explain to staff Ricoh New Zealand's new values, vision and mission statements. Again, innovation from Ricoh employees was instrumental in shaping the resulting vision of the company; staff were invited to make submissions telling the story of where they wanted to see Ricoh in the future.

Ricoh New Zealand now explicitly encourages innovation at every level of the company. The aim:

- All employees to become problem solvers
- Innovation to become part of daily activity for all staff
- To create an organisation where employees embrace change
- To foster an atmosphere of continuous improvement and learning
- Use the ideas system to build a culture of outstanding performance.

About 40 ideas are submitted in any given month, at an average of two ideas per staff member per year.

This adds up to a company that is going further to engage and listen to staff, and the ideas database is one factor that contributed to a rise in staff satisfaction in the 2010 Ricoh New Zealand staff survey. The area of 'common purpose' – that's all staff knowing where the company as a whole is heading – showed one of the biggest improvements over the 2009 survey.

The new Penrose warehouse in Auckland has been a big user of the database, says Anyah van der Putten, Logistics Administrator at Penrose. "Our move to Penrose coincided with the big push on innovation and launch of the database.

"We really had a blank canvas when we started out at Penrose, so we had to organise everything from the ground up. A lot of the old processes we had at other sites weren't going to work here so we had to make improvements as we moved across."

Penrose has instituted a shipping costs schedule to gauge the most cost- and time-effective means of sending product. Anyone in the logistics team can enter the weight and size of a package, and the schedule will automatically show the cost and time to send it via air or sea freight and courier from each country. The schedule also shows differences in prices among different courier companies.

"The staff at Penrose are keen to ensure their warehouse remains a world-class facility and so have established a new culture of constant improvement and innovation," says Lindsay. "There's a lot of momentum and a large number of ideas being logged there."

In addition to the ideas database, Kaizen (or continuous improvement) teams are also being instituted across the New Zealand business to foster greater communication and cooperation between staff. Ricoh New Zealand brought in business consultant Bryan Travers to conduct dedicated Kaizen training and workshops; overall, 42 staff have received the training.

In Dunedin, a team was formed in August from volunteers from the service, sales and administration departments. Staff in different departments are encouraged to know what's happening elsewhere in the branch via regular meetings and simple steps such as a notice board.

The staff at Penrose are keen to ensure their warehouse remains a world-class facility and so have established a new culture of constant improvement and innovation.

The goal of the team is, ultimately, to improve service to internal and external customers, says Russell McGarry, Dunedin branch manager. A second Kaizen team is being set up in Dunedin to improve the provision and efficacy of staff training.

Innovations such as the ideas database and institution of Kaizen teams help both Ricoh and its employees to achieve their professional goals. The company benefits from improved competitiveness in staff, business growth, improved efficiency and profitability, and retaining customer loyalty. Staff have another tool to enhance their skills, implement improvements in their own workplace and ultimately make their jobs more enjoyable.





*Wayne Riggall,  
Digital Media Group Manager,  
University of Canterbury*

"From a cost perspective, Ricoh has always been very competitive. Ricoh provides clear and concise usage reports for the entire campus."

# University of Canterbury: Q&A with Wayne Riggall

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

The University of Canterbury has been a customer of Ricoh since 2007, when Ricoh began providing the printers for our central print room. The following year Ricoh won the contract to provide multifunctional devices (MFDs) and laser printers to the entire campus and also our satellite branches around the country.

## **What solutions does Ricoh provide your organisation?**

We wanted to redesign our print solutions in order to rationalise the number of devices installed, especially personal printers. Ricoh carried out an audit of the

**Their service was superb and the whole team in Christchurch were just so easy to deal with.**

University, analysed the information and completed Total Cost of Ownership (TCO) calculations covering green savings such as carbon footprint, power and paper savings, then created a projected design and replacement road map for the University.

The target was to reduce the 1,800 devices identified in the audit, to about 640 devices, resulting in significant cost savings every year. More than 300 Ricoh MFDs and printers have been installed over the last 18 months to various campus locations.

## **What were the University's key reasons for choosing Ricoh as a supplier?**

We selected Ricoh for the whole of University MFDs and laser printers because we had already had excellent experiences with the firm from their provision of devices for the central print room. Their service was superb and the whole team in Christchurch were just so easy to deal with.

From a cost perspective, Ricoh has always been very competitive. Ricoh provides clear and concise usage reports for the entire campus. If we need more information, we just ask; nothing is a problem.

## **What are the highlights or strengths of Ricoh's service?**

Their promptness of attention and consistency of quality are definite strengths. Ricoh also keeps a good supply of parts in stock in Christchurch, which cuts down on ordering time. And their online device monitoring system is very efficient and proactive.

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

Ricoh have deployed their embedded enhanced lock print solution, which effectively provides users with their own personal mailboxes, removing the argument for personal printers (one of the objectives of the University of Canterbury's audit).

Ricoh has made a lot of world best practice information available to the University via its @Remote™ fleet management solution and this has been useful, particularly with quantifying sustainability efforts like duplex default and aggressive energy saver timer setting savings.

## **What are the most positive benefits for the University of Canterbury from your relationship with Ricoh?**

Ricoh significantly reduced the organisational cost of our MFD and laser printer programme. The detailed quarterly reports from Ricoh provide us information that is transparent as to where volumes are being printed. Because Ricoh is our single source of supply, we are able to promote common policies, messages and training.

## **In what ways could the service be improved?**

The area where we, as partners, can make improvements is getting University staff more familiar and confident with Ricoh products. Our staff need to get to a point where they are ready to use some of the more advanced features that the Ricohs can provide in terms of scanning, workflows and document management.

Ricoh has extended visibility to the University by now conducting engagement with each department and service centre twice a year.



Ricoh Group is ranked as one of the Global 100 Most Sustainable Corporations in the World at the World Economic Forum in Davos.





# Getting to know us

## Part of a global group

Ricoh New Zealand is owned by Ricoh Company Ltd Japan, a leading global manufacturer of office automation equipment. Ricoh multifunctional copiers and printers provide business solutions for document and information management.

Ricoh 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 about 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 practises 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 New Zealand

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

Ricoh New Zealand has 242 employees, with the company's corporate headquarters in central Auckland and branch offices in five regional centres Hamilton, Palmerston North, Wellington, Christchurch and Dunedin. In addition, we have a national network of regional offices (dealers) to provide sales, service and support in all areas of the country.

**We operate out of leased premises across the country:**

### Auckland Branch and HO

60 Stanley Street  
(1,911.60 sqm)

### Auckland Warehouse

12 Hugo Johnston Drive Penrose  
(1,881.5 sqm + 48 sqm canopies)

### Christchurch Branch

187 Montreal Street (567.04 sqm)

### Christchurch Warehouse

20 Halkett Street (285.71 sqm)

### Dunedin Branch

240 Hanover Street (388.39 sqm)

### Hamilton Branch

Cnr Anglesea and London Streets (473.31 sqm)

### Palmerston North Branch

81 Lombard Street (475.6 sqm)

### Wellington Branch

123 Taranaki Street (950 sqm)

**Ricoh New Zealand has six main centre offices and fourteen regional offices to provide nationwide coverage.**



## 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.

# Getting to know us

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

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

## Hardware, software and professional services

Our product range spans office printers and multifunctional devices, through to professional production printers. Our expertise is in five key areas:

- Document management
- Device fleet management
- Print and cost management
- Information security
- Document workflow analysis and change management.

## 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 Michael Pollok and Finance Director Haroon Mohammed.

## Ricoh New Zealand senior management



## Organisational structure

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

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.

## 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. In 2009, 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:

## Mission

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

## Values:

1. Remarkable people
2. Innovation everywhere
3. Customers for life
4. Outstanding performance
5. Harmony with the environment.

## Sustainability initiatives Internally

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, review and update this policy annually. The policy was updated in 2009.

### Externally

To help share what we're learning on our journey towards sustainability and to learn from others, Ricoh New Zealand is proud to be a member of the Sustainable Business Network and the New Zealand Business Council for Sustainable Development.

Ricoh New Zealand was also 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 2010 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.



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

Achieving carbonZero<sup>Cert</sup>™ 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 reduce emissions, where possible, through all practical methods available.

As well as offsetting the emissions from the operations of all six main centre offices, we also offset the emissions associated with the electricity used by Ricoh's leased machines that have energy-efficient technology – that means we offset the electricity used by more than 8,800 customers inclusive of regional offices (15,847 machines).

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

Participating in the carbonZero<sup>Cert</sup>™ programme is a significant financial commitment, amounting to \$72,289 for the year to March 2010. However, we believe the value it creates for the business, for the community and for the planet more than justifies the cost.



In 2001, Ricoh New Zealand became the first company in the office equipment industry 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.



Ricoh was also New Zealand's first office equipment supplier to be accredited 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.

# Getting to know us



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.

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 Michael Pollok.

## Stakeholders

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

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



Stakeholder groups		Activities in 2010
<b>Employees</b>		
242 staff working from six offices across the country.		<ul style="list-style-type: none"> <li>• Department meetings with direct supervisors</li> <li>• Ricoh's intranet – InterCom</li> <li>• Half-yearly <i>Communicator</i> newsletter</li> <li>• Quarterly company update from the managing director</li> <li>• Bi-annual staff survey</li> <li>• Annual performance reviews for all staff</li> <li>• Exit interviews</li> <li>• Daily market trends and industry information</li> <li>• Staff social events</li> </ul>
<b>Customers</b>		
7,100 customers ranging from small businesses to large corporates, education providers and Government organisations.		<ul style="list-style-type: none"> <li>• Multiple touch points for customer engagement include: account managers, technicians, the customer service centre and online via email and the Ricoh website</li> <li>• Ricoh also conducts ongoing online customer surveys</li> <li>• Annual customer satisfaction survey and market survey</li> <li>• CSR/environmental events e.g. tree planting days</li> </ul>
<b>Dealers</b>		
National network of 14 dealers		<ul style="list-style-type: none"> <li>• Bi-annual dealer conference</li> <li>• Regular dealer visits</li> <li>• Day-to-day communication via phone and email</li> <li>• Review meetings</li> <li>• Ad hoc meetings as and when required</li> <li>• Invitations to environment and social activities</li> </ul>
<b>Suppliers</b>		
Local suppliers for goods and services ranging from travel through to telecommunications.		<ul style="list-style-type: none"> <li>• Invitations to environmental conservation and social activities</li> </ul>
<b>Ricoh Group and shareholders</b>		
		<ul style="list-style-type: none"> <li>• Ricoh New Zealand's parent company Ricoh Group is based in Japan.</li> <li>• Annual financial forecast meeting</li> <li>• Half-yearly review</li> <li>• Michael Pollok attends quarterly managing directors' meetings</li> <li>• International product conferences</li> <li>• Visits from Ricoh group staff</li> <li>• Daily email and phone communication</li> </ul>
<b>Government</b>		
During the period, Ricoh participated in the Ministry for the Environment's IT/TV Product Stewardship Working Group.		<p>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.</p> <p>Ricoh is also a supplier to a large number of government departments and local councils.</p>
<b>Industry groups</b>		
Ricoh New Zealand is a member of a number of industry groups.		Ricoh continues to be a member of the Sustainable Business Network and the New Zealand Business Council for Sustainable Development.
<b>Community</b>		
Ricoh New Zealand is involved in a number of community activities, events and environmental activities.		<ul style="list-style-type: none"> <li>• Sponsorship of Trees for Schools programme</li> <li>• Annual contributions to charitable groups</li> <li>• Diabetes Auckland</li> <li>• Stuttering Research Foundation</li> <li>• The Heart Foundation of New Zealand</li> <li>• Motuihe Island restoration</li> <li>• Wellington Rugby</li> <li>• Canterbury Rugby</li> <li>• Manawatu Rugby</li> <li>• The Great Ride for Heart</li> <li>• The Tour de Ranges</li> <li>• Te Papa museum</li> <li>• Fortune Theatre, Otago</li> <li>• Wellington Free Ambulance</li> <li>• Waikanae Boat Club Search and Rescue</li> </ul>

# GRI Index

Indicator	Description	Reporting Status	Page Number	Comment
1.1	Statement from the CEO	Y	7	
2.1	Name of organisation	Y	3	
2.2	Primary brands, products and/or services	Y	9	
2.3	Operational structure of organisation	Y	48	
2.4	Location of organisation's headquarters	Y	35	And back cover
2.5	Number of countries where the organisation operates	Y	47	
2.6	Nature of ownership and legal form	Y	47	
2.7	Markets served	Y	47	
2.8	Scale of the reporting organisation	Y	3	
2.9	Significant changes during the reporting period	N		N/A
2.10	Awards	Y	47	
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	back cover	
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	N	3	N/A
3.10	Explanation of re-statements	N		N/A
3.11	Significant changes from previous reporting periods	N		N/A
3.12	Table of standard disclosures	Y	52-54	
4.1	Governance structure	Y	48	
4.2	Chair of the highest governance body	Y	48	
4.3	Independent and/or non-executive board members	Y	48	
4.4	Mechanisms to provide recommendations or direction to the board	Y	48	
4.14	List of stakeholder groups	Y	50	
4.15	Basis for identification and selection of stakeholders	Y	50	
EC1	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	10	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Y	49	See carbonZero <sup>Cert</sup> ™ certification
EC3	Coverage of the organization's defined benefit plan obligations.	Y	39	
EC4	Significant financial assistance received from government.	N		Not applicable. Ricoh receives no government assistance.

Indicator	Description	Reporting Status	Page Number	Comment
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Y	11	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Y	37	Ricoh New Zealand has no set policy regarding this practice, though hiring is predominately undertaken in urban areas.
EN2	Percentage of materials used that are recycled input materials.	Y	18	Amount recycled is an estimate, based on machines only, derived from an internal database.
EN3	Direct energy consumption by primary energy source.	Y	23	
EN4	Indirect energy consumption by primary source.	Y	23	
EN5	Energy saved due to conservation and efficiency improvements.	Y	20	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Y	21	See Ricoh's carbon neutral copying service. In addition, all energy (fuel) used in the servicing of customer machines is measured – tech cars, courier, freight, this includes the return of toner cartridges and machines for recycling.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Y	21	
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Y	47	
EN16	Total direct and indirect greenhouse gas emissions by weight.	Y	20	
EN17	Other relevant indirect greenhouse gas emissions by weight.	Y	20	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Y	20	
EN21	Total water discharge by quality and destination.	N		Not relevant
EN22	Total weight of waste by type and disposal method.	Y	20	
EN23	Total number and volume of significant spills.	N		Not applicable
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Y	From page 17	Throughout Our World section
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Y	24	We recycle all cardboard, polyethylene and polystyrene except for our Dunedin branch where polystyrene cannot be recycled. Machines go to customers wrapped in polyethylene wrap which should be returned by the delivery company for recycling.



# GRI Index

Indicator	Description	Reporting Status	Page Number	Comment
EN28	Fines and sanctions for non-compliance with environmental laws and regulations.	N		Not applicable
S02	Percentage and total number of business units analyzed for risks related to corruption.	N		
S03	Percentage of employees trained in the organization's anti-corruption policies and procedures.	Y	37	All new employees are presented with a copy of the Ricoh Code of Conduct. This code regulates and prescribe the standard of behavior expected from each Ricoh employee. The code of conduct is signed off as part as an individual's employment service conditions.
LA1	Total workforce by employment type, contract, and region.	Y	36	Excludes supply chain workers.
LA2	Total number and rate of employee turnover by age, gender, and region.	Y	35	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Y	39	
LA4	Percentage of employees covered by collective bargaining agreements.	Y	48	
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Y	39	
LA7	Rates of injury, occupational diseases, lost days, absenteeism, and work related fatalities by region.	Y	38	
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Y	38	
LA10	Average hours of training per year per employee by employee category.	Y	38	
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.		35 & 36	
LA14	Ratio of basic salary of men to women by employee category.	Y	39	



*James Parker,  
Sales Representative*



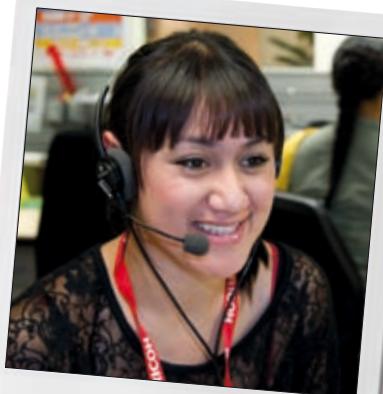
*Robyn Wyatt,  
Senior Credit Controller*



*Peter Pooran,  
Business Analyst*



*Rebekah Green  
Communications Assistant*



*Serene Gwalger,  
Contact Centre Representative*



*Sandra Harrison,  
Logistics Administrator*



*Wayne Leota,  
Warehouse Person*



*Naveen Gaxena,  
Junior Customer Services Engineer*



*Llaine Flutey,  
Shipping Clerk*



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