

RICOH

Sustainability Report 2011



Taking nothing for granted



Helpers at Motuihe Island's Ricoh Valley in June 2010

Our Mission:

The supply and support of innovative value-adding document solutions.

Our Vision:

To be the undisputed market leader in document solutions.

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 Values:



Remarkable
people



Innovation
everywhere



Customers
for life



Outstanding
performance



Harmony 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.

To achieve our vision we strive to:

- Be a values based organisation
- Be one team
- Be focused on innovation and reliability
- Have exceptional relationships with our customers and partners
- Be the document solutions provider of choice.



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Scope of the report

This report details Ricoh New Zealand's economic, social and environmental sustainability performance from 1 April 2010 to 31 March 2011.

The fourth annual Sustainability Report provides our customers, shareholders and other stakeholders with information about our performance during the reporting period. It contains some financial information, but its key purpose is to demonstrate the ways in which sustainability is an integral part of all our business activities.

“Ricoh's energy efficient multi-function devices and software solutions help reduce electricity consumption, toner and paper use – features which have been important in helping New Zealand businesses reduce everyday office expenses.”

The content of this report was shaped in part by a major stakeholder survey carried out prior to its preparation. 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 Adviser.

The report covers the activities of Ricoh New Zealand, including the head office, sales team, and six branches throughout the country. The data does not include the activities or results of the 14 dealerships, though in some cases they are discussed as they are an integral part of the delivery of Ricoh's business in New Zealand.

This report applies the Global Reporting Initiative (GRI) framework, which is considered the world's leading framework for corporate responsibility reporting.

Ricoh's business model focuses on constant innovation to provide customers with value-adding business solutions. Our document solutions and services help clients to increase productivity and reduce costs. Ricoh's energy efficient multi-function devices and software solutions help reduce electricity consumption, toner and paper use – features which have been important in helping New Zealand businesses reduce everyday office expenses.

All Ricoh employees understand how they can contribute to our ambitious goals to reduce emissions and resource consumption, and our impact on the wider environment.

Our strategic objectives are defined every three years in a 'mid-term plan'. This report is the first in a new three-year cycle. Each division is required to detail its plans and strategies for the next three years, and how they support Ricoh Japan's key objectives. Annual budgets and objectives are then agreed, 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 derived from this – ensuring Strategic Management Objectives are consistent for all directors, executives and senior sales management.

By building long-term goals from the ground up – from our employees – Ricoh can be sure we are focusing on achieving sustainable long-term growth.

Ricoh New Zealand materiality assessment

In June 2011, we carried out a stakeholder materiality survey to ensure Ricoh New Zealand's 2011 Sustainability Report addressed the needs of our stakeholders, the issues relevant to them, and to identify areas for improvement.

This involved an email questionnaire sent to 175 stakeholders representing 50 staff, 10 suppliers, 14 dealers, and 101 customers. More than 60 per cent completed the survey, which is a high return for an online survey.

The survey consisted of nine questions relating to Ricoh New Zealand's economic, environmental, social and customer performance, and one question about its ranking among document solutions companies. To ensure the report was as relevant for them as possible, stakeholders were also asked to list key issues which they felt had affected Ricoh New Zealand in the reporting period and which they expected us to include in our report.

On a rating scale of 1-10, stakeholders gave Ricoh New Zealand the highest average rating for its environmental performance (8.05 out of 10), and the lowest of 6.52 for the frequency and effectiveness of its communication with them. Improved customer communication is something we will look at in the coming year.

Stakeholders identified three major material issues for the 2011 report to address – the Christchurch earthquake was by far and away the most material issue nominated, followed by the Japan earthquake and tsunami, and then the overall economic climate.

Eight other topics were noted, but with a low level of frequency compared to the other key issues:

- Compliance regulations
- Financial services (see case study on Ricoh Finance)
- Public Records Act
- Real Estate Act
- All-of-Government contract
- Industry trends
- Sustainability targets (see throughout report)
- Changes in technology (see Managing Director's statement and case study on Ricoh Consulting Services).

The results of the survey were added to feedback received during our ongoing stakeholder engagement throughout the year (see p52), and these shaped the content of this year's report.

Ricoh New Zealand has chosen to include a feature on the effects of both the Christchurch and Japan disasters in this report because of the far-reaching consequences of these events.

Stakeholder survey results

Area of performance	Rating average (out of 10)
Positive environmental impact	8.05
Service delivery	7.82
Technology	7.67
Economic performance	7.63
Brand visibility	7.53
Customer care	7.21
Overall value for money	7.21
Community support	6.98
Frequency and effectiveness of communication	6.52

2011 Highlights

Revenue rises

Revenue increased 12.1 per cent to \$104.6 million for the year to March 2011, producing a record pre-tax profit of \$6.17 million.

Earthquake response

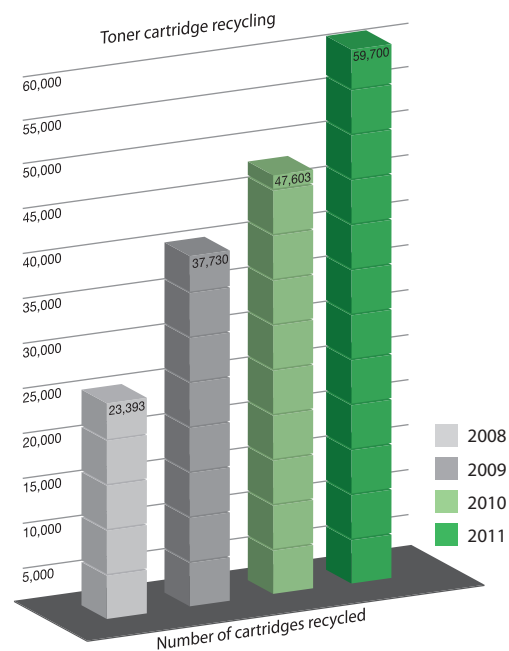
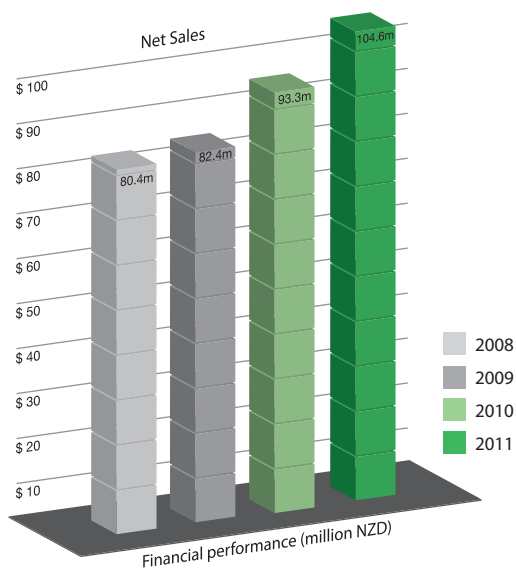
Ricoh successfully managed issues created by the earthquake disasters in New Zealand and Japan, supporting team members and customers, and ensuring supplies were well managed.

Ricoh Consulting Services

A new division was formed, reflecting the ongoing expansion of Ricoh New Zealand's operations into expert business analysis and the transformation of clients' document systems.

Product stewardship improved

Ricoh collected and recycled more than 59,700 used toner cartridges from customers – 25.5 per cent more than the previous period – which diverted about 14,000kg of waste from landfill.



Key concerns in 2011



An increase in greenhouse gas (GHG) emissions

Total GHG emissions for the year to March 2011 were 3,350 tonnes carbon dioxide equivalent (CO₂e), an increase of 846 tonnes CO₂e on the year earlier. Much of the increase resulted from sales growth, which increased the number of machines included in the carbonZero^{Cert™} data, magnified by the fact 2009/10 was an anomaly year, due to the recession.



Growth projections

The 2010/2011 year marked the start of Ricoh Global's three-year 'mid-term plan', which set a target for Ricoh New Zealand of a 100 per cent increase in turnover by March 2014. This will challenge all areas of Ricoh's business to continue the impressive results in a stagnant economy.



Incorporating a new division

The formation of Ricoh Consulting Services required the company to re-train some of its staff, and to successfully integrate a new and growing division into its operation with innovation and team-work.

Goals for 2012



Managing stock supply post Japan earthquake

The earthquake in Japan in March 2011 had a significant effect on Ricoh's global production, and caused supply issues which Ricoh New Zealand needed to manage.



Renew focus on emissions reduction

Much of the increase in emissions in the 2010/11 year related to factors such as increased machine imports, and bringing the sales vehicle fleet into the overall total – but Ricoh will assess all contributing factors and put new reduction plans in place where necessary.



Continue sharp growth

Ricoh has an ambitious plan to double revenue within three years, and senior management will ask staff to find innovations and identify opportunities, including the formation of a new IT services division.



Adapt to a swiftly changing industry

The office printing and photocopying industry has become commoditised, with low margins, requiring continued innovation and efficient systems to ensure these areas of the business remain profitable.



"Perhaps the natural disasters which occurred this year made people stop and think about renewal and change, and about taking nothing for granted."

Mike Pollok, Managing Director

From the Managing Director

The 2011 Sustainability Report comes at a time when we are experiencing the greatest ever change in the document solutions industry – a period of transformation that is accelerating daily.

Ricoh New Zealand is reacting to this change and challenge to its future sustainability, with the ongoing development of the Ricoh Consulting Services division. This expansion is seeing Ricoh New Zealand rapidly becoming a service-based software and business improvement provider, alongside its historical core business as a product and hardware-based supplier.

I am happy to report that Ricoh New Zealand's market share is the highest it has ever been, and the company had its most profitable year. These achievements reflect a business which leads the industry in identifying and adapting to change, and is able to manage external factors which threaten business continuity.

When I also consider the impact of two devastating natural disasters which affected Ricoh's New Zealand and Japan operations, we are reporting on a period which truly tested the meaning of business sustainability.

The two earthquakes in Canterbury – in September 2010 and February 2011 – and the Japan earthquake and tsunami in March 2011, were tragedies first and foremost. Ricoh colleagues in both countries were united in their very human reaction to the devastation.

The first focus was obviously the wellbeing of our people. The messages and financial support as each event unfolded demonstrated the international bond which makes Ricoh what it is.

Beyond the human toll, there was obviously a business impact. The economic costs from the Canterbury earthquakes will remain with New Zealand for some time to come. There were lessons for Ricoh and many of its clients in the requirements of disaster recovery. The earthquakes highlighted the way many businesses store data. Later in the report, we focus in more detail on the effects of the Canterbury earthquakes and the supply issues from the Japan disaster.

I would like to acknowledge the Ricoh staff in Canterbury who battled through tremendous adversity and demonstrated phenomenal dedication to Ricoh and its clients despite their own personal situations, and I personally thank our colleagues in Ricoh Asia/Pacific and Japan who sent financial aid to New Zealand.

I believe that in five years, we will look back on a stronger and more sustainable business than existed

before the earthquakes. The disasters emphasised that being able to innovate and change is more important now than ever. Right now, Ricoh New Zealand is transforming and expanding.

The company's senior management recognised some time ago the goalposts are shifting in our industry, and shifting rapidly. New revenue streams were needed to replace reducing income from traditional business areas such as printers.

Ricoh Consulting Services was formed during the reporting period and within three years is expected to provide a third of our revenue, alongside the core hardware supply and servicing business.

We are re-training staff to the new way of thinking and working, and bringing in experienced people from outside the company.

The task is to help our clients save space, time and money through analysing their business and providing innovative digital solutions which will reduce paper use, and replace labour-intensive manual tasks with efficient, automated processes.

Printer hardware, where Ricoh has a global competitive edge, is now a commodity. This is a challenge we have to face head-on. Ricoh will have some incredible technology releases within the next year to help us transform the business further away from a reliance on multi-functional devices and printers.

People are increasingly looking for access to information, when, where and how they want it. New Zealand urgently needs effective broadband infrastructure in place if we want to be able to market ourselves globally and use the technology which is available.

This year, it has become clear the pendulum has well and truly swung towards the mainstreaming of corporate responsibility. As a company which has championed sustainability, this has been an interesting change to watch.

Ricoh New Zealand's leadership team knows businesses need to be robust and flexible, and I believe we are in a strong position to react to the pace of change occurring around us.



Mike Pollok
Managing Director, Ricoh New Zealand



“Crucially, Ricoh New Zealand was successful in the All-of-Government tender for single and multi-function print devices.”

Mike Pollok, Managing Director

The Bottom Line

Increased sales

Revenue rose \$11.27 million to \$104,626 million for the year to March 2011; Ricoh New Zealand's 12.1% revenue rise in the uncertain economic conditions compared well with Ricoh globally.

Ricoh Consulting Services

This new division within Ricoh is expected to expand and provide about a third of revenue within three years.

Machines in the field (MIF)

Ricoh's MIF base increased by 16% overall (printers by 30% and MFDs by 12%).

Responding to a rapidly changing industry

A New Zealand economy which struggled to emerge from recession provided a challenging business environment. Ricoh New Zealand was able to thrive despite the conditions, again increasing its revenue, up more than \$11 million to \$104.6 million for the year to March 2011, producing a pre-tax profit of \$6.17 million.

In addition, we reached a record multifunction device (MFD) market share by the end of the period (an industry agreement prohibits Ricoh from disclosing market share figures and rankings).

While tough economic times persist, all businesses examine costs and inputs, and look for areas where savings can be made.

The smart features in many of Ricoh's top selling printers and MFDs help streamline clients' document flow and make energy and paper use more efficient, leading to cost savings.

This means demand for our products and services has increased, when recession would normally mean companies reducing their spending on technology and services.

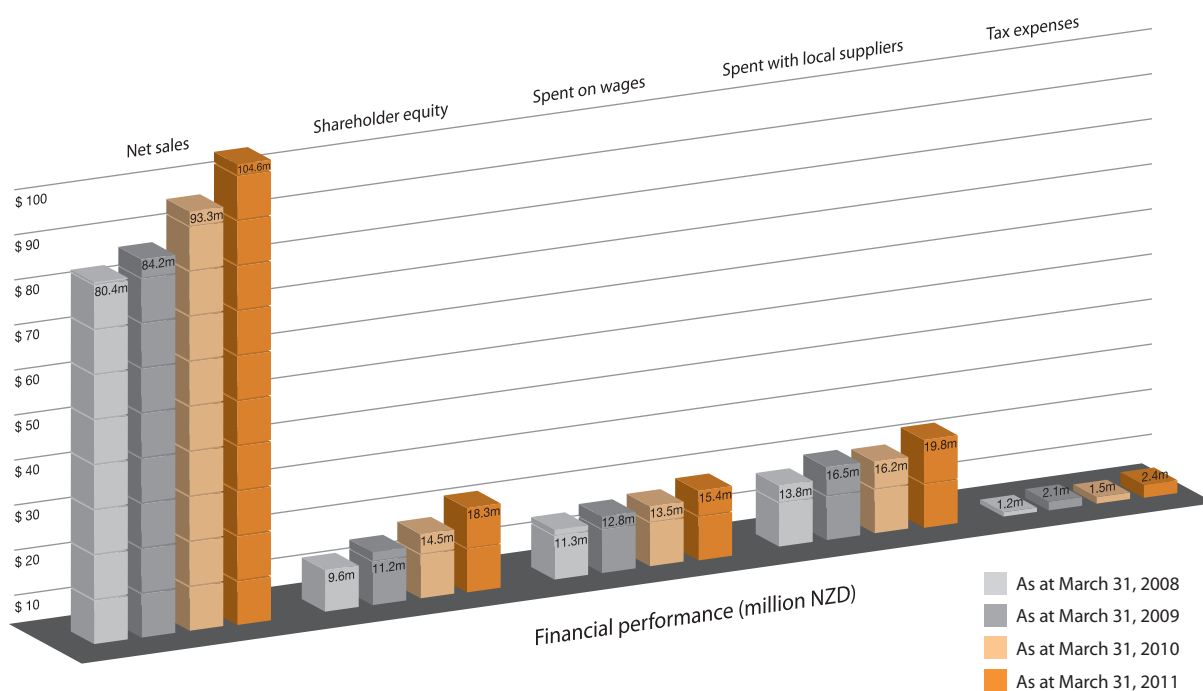
Crucially, Ricoh New Zealand was successful in the All-of-Government tender for single and multi-function print devices. This means Ricoh is one of a select number of providers which government departments can use when purchasing multi-function devices, and document management and storage expertise.

"A key part of this is ongoing expansion of the document solutions business. The formation of Ricoh Consulting Services, a standalone division, was a major milestone in the growth plan."

Ricoh is on an ambitious growth plan, with revenue expected to double in three years.

A key part of this is ongoing expansion of the document solutions business. The formation of Ricoh Consulting Services, a standalone division, was a major milestone in the growth plan (see case study, p21).

Financial performance – key figures



Financial Performance – Ricoh New Zealand

	As at March 31, 2010	As at March 31, 2011
Net sales	\$93.3 million	\$104.6 million
Shareholder equity	\$14.5 million	\$18.3 million
Offices nationwide	6	6
Regional offices (dealers) nationwide	14	14
Percentage increase in Machines in the Field (MIF)	9	16
Employees	242	272
Spent on wages	\$13.5 million	\$15.4 million
Spent with local suppliers	\$16.2 million	\$19.8 million
Tax expenses	\$1.5 million	\$2.4 million

Financial Performance – Ricoh Group

	As at March 31, 2010	As at March 31, 2011
Net sales	¥2,016.3 billion	¥1,942.0 billion
Shareholder equity	¥973.3 billion	¥929.8 billion
R&D Expenditure	¥109.8 billion (5.4% of net sales)	¥110.8 billion (5.7% of net sales)
Number of employees worldwide	108,500	109,500

(Exchange rate at time of print: ¥100 = NZ\$1.56)

Tenders

In previous years, we have reported the total number of tender proposals responded to and successfully won. Due to a complete change in the key government department sector, which previously accounted for a high percentage of requests for proposals, this number is no longer meaningful.

As noted, during the reporting period Ricoh was successful in its application to be one of the suppliers for the All-of-Government tender. Government agencies no longer call for tenders, they procure equipment directly from their chosen provider.

The table below shows Ricoh New Zealand's ability to grow its contracted Machines in Field (MIF) base. We report multifunction device MIF growth and printer MIF growth in percentage terms. This is the first time we have reported this data, but we are able to show a history going back several years and this really is a true reflection of retaining customers and winning new business. Merely showing an account win or loss does not reflect the size of the account and the number of machines affected.

The data shows that even during the height of the recession, Ricoh was still able to grow its overall MIF considerably.

During the 2010/11 reporting period, the average monthly retention rate of MIF contracts was 88 per cent each month.

Changes to Ricoh Machines in Field numbers

Date	MFD % increase	Printer % increase	Total % increase
March 2011	12	30	16
March 2010	4	26	9
March 2009	8	28	12
March 2008	12	93	22
March 2007	12	45	15

Responsible investing

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

In 2011, Ricoh Company Ltd was selected as one of the Global 100 Most Sustainable Corporations in the World, for the seventh consecutive year, by Corporate Knights Inc. of Canada.

Ricoh Company Ltd has been included in the Morningstar Socially Responsible Investment Index since it was established in 2003. This provides an index of companies in Japan performing highly in the following five areas: corporate governance, employment, consumer services, the environment, and social contributions.

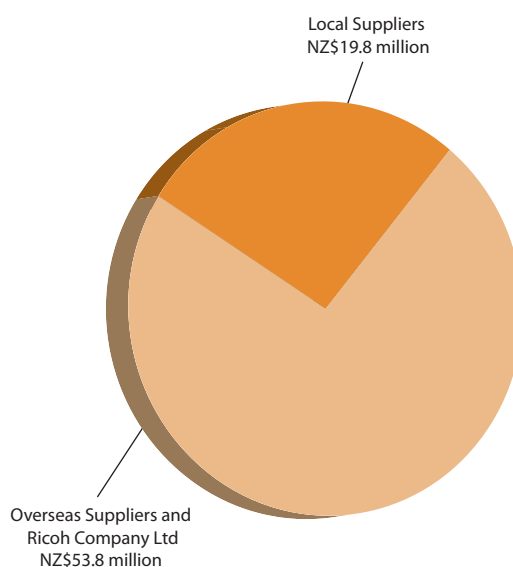
In addition, Ricoh has been a constituent member of the Dow Jones Sustainability Indexes (DJSI), which is provided by Dow Jones & Company (USA) and SAM Group (Switzerland) for five consecutive years.

Ricoh has also been a member of the FTSE4 Good Global Index for six 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\$73.6 million purchasing products and services in the year to March 2011, predominantly from our parent company as well as other overseas suppliers.

Spending with local suppliers totalled NZ\$19.8 million, an increase of NZ\$3.6 million on the year earlier. This figure is mostly made up of professional services and business expenses such as rent, utilities, travel, freight, logistics and warehousing, telecommunications and stationery.





"We had to work with whatever stock we could get, with the focus on providing devices to as many customers as possible and minimising any disruption to them."

Neil Johnston, Logistics Manager

Reducing the business impacts of natural disasters

The earthquake which struck Canterbury in September 2010 affected many of Ricoh's customers in the region, but it was the devastating Christchurch event of 22 February 2011, and the disaster in Japan just a few weeks later on 11 March, which became tragedies for two nations.

Ricoh's Christchurch operation briefly closed after the first earthquake in September, which sadly was a minor event in the context of what was to follow. In the second Christchurch earthquake, which tragically claimed 181 lives, some Ricoh staff lost their homes, but none were seriously injured.

Unfortunately, this paled in comparison to the devastation and death toll in Japan's earthquake and tsunami. Beyond the immediate humanitarian disaster, the earthquakes were huge economic setbacks, and in the case of the Japan event, caused significant supply chain effects for businesses all around the globe.

Even though the second Canterbury event and the Japan disaster occurred a short time before the end of this reporting period, it is important to report on them in depth because Ricoh New Zealand was affected considerably by both in the weeks and months which followed. In this feature, we explore the immediate and ongoing effects.

"The key impact was caused by the destruction of component manufacturers whose parts are critical for the production of Ricoh devices."

Japan reels from utter devastation

Ricoh has one major manufacturing plant in the area of north-east Japan which was worst affected by the massive earthquake and subsequent tsunami. As with many other technology and motor vehicle companies, the key impact was caused by the destruction of component manufacturers whose parts are critical for the production of Ricoh devices.

Lack of parts adversely impacted Ricoh's production capability, including in Thailand where laser printers are manufactured. Seven plants were affected short term.



Ricoh Christchurch Offices

One plant completely halted production from June to mid-August 2011. Production returned to normal by September 2011, but the interruption created stock supply shortages and management issues for Ricoh's global operations. Ricoh New Zealand had no new supplies of its biggest selling multi-function device for two months.

Neil Johnston, Ricoh New Zealand's logistics manager says "we had to work with whatever stock we could get, with the focus on providing devices to as many customers as possible and minimising any disruption to them".

"Effective liaison with our Ricoh suppliers in the Asia Pacific region was crucial, backed up by efficient stock management".

Neil Johnston says some customers agreed to have installation of new devices deferred for several months.

Ricoh New Zealand was fortunate in that it had sufficient colour copiers and large multi-function devices on hand before the quake. It was a similar situation with parts.

"We watched orders received carefully to ensure clients continued to order parts sensibly rather than try to stockpile, but we communicated effectively with our customers and they understood there was not likely to be an issue with parts."

At the time of this report's publication, the supply chain has recovered strongly, and there is expected to be no material impact on Ricoh New Zealand's sales volumes or revenue in the 2011/12 period.

Canterbury

Ricoh donated \$200,000 to the Red Cross Christchurch earthquake appeal, with contributions from its Japan,

Reducing the business impacts of natural disasters

Asia-Pacific, and New Zealand divisions. In addition, Ricoh New Zealand set up a fund for staff to donate to from their payroll and matched staff donations at a rate of \$3 for every \$1 donated.



Temporary facilities established in garage

Ricoh immediately guaranteed the incomes of all Christchurch staff and reassured them that their jobs were safe, and Ricoh was committed to the city. It also provided special payment terms to many Christchurch customers.

Christchurch branch manager Matt Woolston says: "It was great for the team to hear Ricoh was absolutely committed to rebuilding the branch. That was very reassuring, because many of the team were going through very tough times with their homes or personal situations."

"Even though we encouraged people to take as much time as they needed, many of them still came to work because they wanted to help their colleagues and our customers."

Christchurch is the distribution centre for Ricoh's South Island operations, including all consumables such as toner. Most transport company hubs in the South Island are also in Christchurch, which added to the immediate issues caused by the disaster.

Ricoh's Christchurch operation closed for a week following the earlier quake in September, but the 22 February disaster was in a different league.

The level of damage to Ricoh's warehouse facility and the city in general, meant Ricoh diverted all supply management for South Island customers outside of Christchurch to the Auckland warehouse.

Ricoh put in place the same smooth-running alternative process it uses when the sole warehouse operator in Christchurch goes on leave. "Any fine-tuning to this system had been identified and eliminated prior to the earthquake forcing us into an extended use of the back-up process," says Neil Johnston.

The real problem which emerged was that more than 100 Ricoh customers were in the 'red zone' that was cordoned off by emergency services.

Matt Woolston says there were only two priorities following the earthquake: "The wellbeing of staff, and the wellbeing of our customers."

"We had to get a lot of machines to customers in a very short space of time. All of the branches around the country rallied to ensure any spare machines were available to get to Christchurch."

Many customers relocated to temporary premises soon after the earthquake and needed MFDs for recovery support. Ricoh transported as many new and reconditioned machines as it could to Christchurch in the immediate aftermath of the disaster, and supplied all the toner they needed.

"The details were worked out later. If they needed it, they got it."

As Neil Johnston explains: "The key was to get them an MFD to get them up and running as fast as possible, so they could communicate and were able to print, copy, fax and scan."

Loan machines worth more than \$1 million were made available to customers, and two months' normal delivery of machines was sent to Christchurch in three weeks, without access to the Christchurch warehouse.

"We had to get a lot of machines to customers in a very short space of time. All of the branches around the country rallied to ensure any spare machines were available to get to Christchurch."

Matt Woolston says the arrival of new machines caused a related issue.

"The brand new equipment needed to be commissioned, so we were grateful for the Ricoh technicians from around the country who volunteered to come to Christchurch to help us to set them up. And that was while the earth was still shaking."



Consumables could be shipped from Auckland by courier overnight, ensuring a constant supply

Ricoh's two buildings in Christchurch are about 150m apart. Once they had recovered from the initial trauma of the big quake, the first task for Operations Manager Warren Riley and other managers was to check both buildings and make sure all the staff were safe. One staff member was eating lunch at a restaurant in Colombo St, and unfortunately witnessed fatalities caused by the façade of a building across the road falling on people. He was eventually accounted for, and it became clear there were no casualties at Ricoh's two properties.

Buildings nearby had collapsed, but Ricoh's showroom stood up very well. It suffered cracks in walls, and other superficial damage.

The workshop and warehouse was more badly hit, as it sank an estimated 60cm. Though only one pallet fell over, there was considerable liquefaction and water damage. In some places this occurred rapidly, and continued during the repeated aftershocks. The floor of the building buckled, and in many places was covered in about 30cm of liquid mud and sand.

The immediate problem was to deal with having no cellphones, no landlines and no power. The team moved into survival planning mode.

Staff were sent home to be with their families, and Ricoh's managers ensured the premises were secure. Both have roller doors which would not operate due to the power cut, and had to be manually closed with chains which are not normally attached to the doors. This involved people having to climb several metres up ladders while aftershocks were going on.

By this stage water about 4cm deep was welling up through the warehouse floor and running out of the building like a stream.

The site was later cordoned off by Civil Defence and the Army, until 8 March. Before this happened, Ricoh staff were able to retrieve some computers, phones and part of the computer server.

While the bulk of the Ricoh team were told to stay at home and be with their families, Warren and his senior colleagues remained in contact with Head Office in Auckland, and kept in touch with each other by text and email once services were restored.

A story from a Ricoh Christchurch team member



"I describe myself as one of the embarrassingly fortunate, because I was lucky enough to have nothing really bad happen to me or my family."

Warren Riley started work at Ricoh in Christchurch at the end of January, and was just starting to get to grips with the newly created role of Operations Manager, Christchurch, and learning the Ricoh way when the February quake hit.

By the end of that terrible day, with his car out of action at work, he found himself heading home on foot through the devastated city with Christchurch colleague Richard Spackman for company.

Fortunately, his house was not affected, but his elderly neighbours had been deeply traumatised, and ended up staying with Warren and his wife for many weeks. In a scene repeated across the city, Warren's family at times hosted about 15 people for meals.

Reducing the business impacts of natural disasters

In a bid to return to some kind of normalcy, thoughts turned to the business by the first weekend, when managers got together for a 'branch meeting' at Rangiora which Ricoh New Zealand Managing Director Mike Pollok attended. The crucial priority was to try to find temporary office and warehouse space, so that help for customers could be effectively co-ordinated, and machines received from other parts of the country.

A week after the quake, Ricoh Christchurch staff member Mark O'Connell's garage in Halswell became the nerve centre of Ricoh's temporary operations, with Christchurch team administrators Jenny Benjamin and Mandy Thomson in a loft upstairs taking calls from customers, the garage used as a warehouse and technical centre, and sales staff in Mark's kitchen. Technicians were constantly on the road, attending customer calls.



Richard Spackman's parents had some spare warehouse space, and this became a second storage and workshop facility, once data cabling, power, and storage racks were put in place.

When Ricoh's sites were eventually 'green stickered' as safe for people to return to, and the cordon lifted, staff faced a week-long clean-up trying to remove fine sand and mud using wheelbarrows, shovels and water blasters. They all ended up caked in dust. Locksmiths had to fix locks smashed by search teams looking for casualties, and glaziers were called to repair windows broken by the quake.

The stock in the warehouse when the quake struck remained relatively undamaged.

Ricoh's team was eventually able to leave its temporary homes behind by the end of March, and is back in the Montreal Street premises.

Warren says the lucky ones in Christchurch who survived the quakes relatively unscathed refer to themselves as the "embarrassingly fortunate". Many have friends, colleagues, and family who are still homeless, or have lost loved ones.

But all were affected to some degree, if nothing else by the mental stress and exhaustion caused by ongoing aftershocks.

"We can't say things have returned to normal," says Warren Riley. "There is no such thing as normal anymore."

Building for the future

After the second Christchurch earthquake, Ricoh New Zealand instigated its 'Up and Running' campaign, which encouraged Canterbury based organisations to turn to new technology for document management rather than revert to using previous paper-based systems.

Disaster recovery was a hot topic in the region, and the media covered stories such as cranes being brought in to retrieve important paper files from inner-city buildings.

The message Ricoh conveyed to businesses was to "rebuild right" – without a reliance on paper documents – and avoid some of the problems experienced in the earthquakes.

Some customers who had been affected in the first Canterbury quake, for example with paper wills and deeds which were lost, were able to get up and running faster following the second disaster because they had installed different document management systems.

Christchurch branch manager Matt Woolston says there has been a major change in business mindset in Canterbury following the earthquakes.

"After the September 2010 quake, everyone was quite shell-shocked and there was a bit of a lull in business. But after February, because it was so dramatic, businesses couldn't afford to do nothing. That's the whole way of thinking now – you have to be innovative and make decisions."

"We don't know what tomorrow will bring, but that's okay. Everyone here wants to get on with making things happen, and building a bigger, better Ricoh Christchurch."

Jenny Benjamin

Christchurch Branch Administrator



In the days and weeks in the quake aftermath, Jenny and her colleague Mandy became a crucial link between Ricoh and customers trying to recover.

Like the rest of Christchurch, Jenny's initial frightening experience during the quake gave way to trying to come to terms with the major disruption: "After the big shock, things did start to settle down."

She joined her stunned colleagues in the car park outside, the designated emergency rally point. Like all of Ricoh's staff, her immediate thoughts were for family and friends, and there was no way of contacting many of them.

"You actually feel very alone, even though you are surrounded by people," she says.

As fate would have it, she had a loan car at work the day of the quake, and it unfortunately had little petrol in the tank. With stations only providing emergency supplies, it was not an ideal situation to face the journey to her rural home, which took 2.5 hours, rather than 40 minutes, through gridlocked traffic and damaged roads.

Once she came back to work, making do with limited communication resources became a fact of life as Jenny and Mandy were inundated by requests from clients following the disaster. It was just a matter of doing their best to help, and deal with requests as they came rolling in.

They tried to get as many machines, and as much toner, as they could get their hands on from other parts of the country. They were an integral part of Ricoh's team which proved a tremendous help for many customers during this difficult period.

Christchurch SoLOOtions competition

Unfortunately, several Ricoh staff members lost their homes following the February earthquake. They and many other team members' lives were severely disrupted by the loss of essential services (power, water and sewerage) which caused hardship seldom seen in this country.

They had to find innovative ways to cope without everyday necessities. Among the most urgent tasks was to devise new toilet arrangements. In the face of adversity, several staff proved the Kiwi 'can do' attitude and 'number eight wire' mentality is still alive and well.

Once the worst was behind them, in March the Christchurch team showed their sense of humour was intact. They decided to share photos with the rest of Ricoh which captured their impressive temporary toilet design solutions.

Innovation is one of our core values, so we decided to recognise the Christchurch staff members' resilience by running a nationwide competition in which everyone could enter a 'Features and Benefits' description for one or more of the 'SoLOOtions' – how they imagined it worked, its key features and benefits, and why it was better than alternatives.

The Christchurch team had the honour of judging the entries, and said the competition helped to raise their morale and connect them to their colleagues around the country.





"This is really the last frontier of business cost reduction. By reducing time-consuming or costly processes, Ricoh Consulting Services will improve clients' productivity and reduce their costs"

Cameron Mount, General Manager, Ricoh Consulting Services

Case Study: Ricoh Consulting Services and the future of document solutions

Ricoh New Zealand is experiencing the greatest change ever in the document solutions industry. Printer hardware, where Ricoh has had a global competitive edge for some time, is now a commodity and the profit margins from paper printing have been squeezed.

Our leadership team has put a lot of strategic thought into ensuring the long-term sustainability of the business in the face of the rapidly changing industry. To stay still would threaten our viability, so we have targeted expansion in growth areas of the industry.

We are securing our future by rapidly becoming a service-based software and business improvement provider, while maintaining Ricoh's leadership in the hardware-based supply business.

In the reporting period, we formed Ricoh Consulting Services, which within three years is targeted to account for about a third of overall revenue.

“The challenge is to help Ricoh's clients save space, time and money through analysing their business and providing innovative digital solutions which reduce paper use, and replace manual tasks with efficient, automated processes.”

The new division requires different skill sets. Some staff are being re-trained into a new way of thinking and working, and Ricoh Consulting Services is also recruiting experienced business analysts to help strengthen its core expertise.

The challenge is to help Ricoh's clients save space, time and money through analysing their business and providing innovative digital solutions which reduce paper use, and replace manual tasks with efficient, automated processes.

Ricoh's business analysts already have a range of tools to help clients, and will have some incredible technology releases in the next year to help them transform the companies they work with.

Ricoh Consulting Services helps Croxley make notable improvements



David Dewse, Kelly Beedie and LeeAnne Hau at Croxley Head Office

Croxley Stationery Ltd is New Zealand's largest manufacturer of stationery products, and also distributes a wide range of quality office products to resellers and retailers nationwide.

Croxley's largest customers send the company consolidated purchase orders as PDF attachments to emails. These orders are often multi-page, with as many as 350 individual line items. Each line item contains several pieces of vital information, such as SKU number and quantity.

These orders were manually keyed in to Croxley's ERP system; a process which took a considerable amount of time, and errors could be hard to spot.

Before recommending a solution, Ricoh Consulting Services gained a thorough understanding of Croxley's processes and challenges. Ricoh's consultants then configured business process automation software to the client's requirements.

The software carries out tasks including monitoring 24 hours a day for incoming order emails from suppliers, extracting all the relevant information and carrying out three-way validation of the resulting order data, and presenting the information to Croxley's Customer Services Team for validation of exceptions.

The order is then passed through to the warehouse team for picking. LeeAnne Hau, Systems Business Development Manager at Croxley says: “We are now able to provide our Customer Services Team with a tool which allows them to process an increased volume of orders.”

Case Study: Ricoh Consulting Services and the future of document solutions continued

Ricoh's solution has delivered significant efficiency benefits, including:

- Staff can now process large orders with one key press, rather than painstakingly keying in every item.
- Business rules are consistently applied to orders, no matter how complex.
- Business peaks can be handled far more easily; during a peak seasonal period, Croxley were able to process 30,000 order lines in just eight hours.

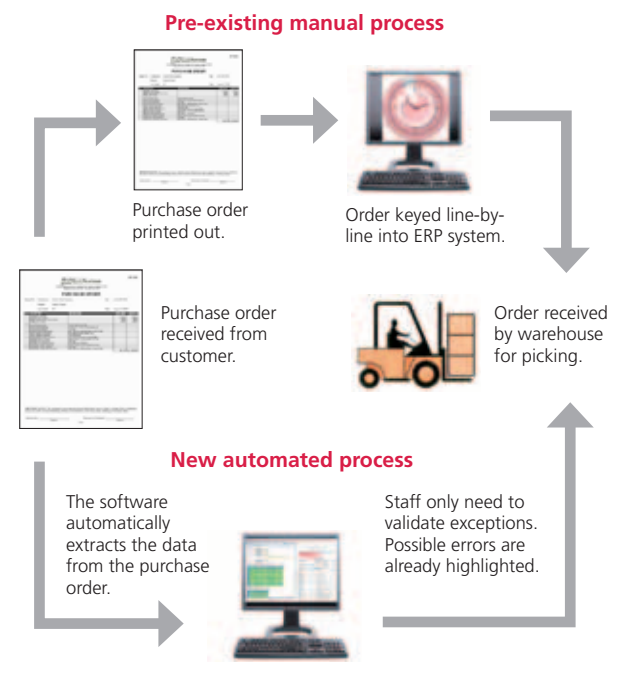
"Orders which previously took up to three hours to process are now completed in four to five minutes," says Kelly Beedie, Croxley's Customer Services Manager. Quicker order processing means customers receive their goods sooner, and the chance of any error occurring with a customer order is significantly reduced.

Jonathan Gabriel, Chief Financial Officer at Croxley, says the project has enabled Croxley to better manage the accuracy of order entry, anticipate stock shortages, and as a result, provide an increased level of service to its customers.

He says the guidance and expert management of Ricoh's Solution Support Specialist David Dewse means the project ran in a seamless way. This included training Croxley's staff to ensure a smooth transition to the new system.

"We are now looking at extensions of the system to further automate other tasks," Jonathan Gabriel says.

Ricoh's order processing solution for Croxley



"Orders which previously took up to three hours to process are now completed in four to five minutes," says Kelly Beedie, Croxley's Customer Services Manager.



Case Study: Ricoh Finance evolves to meet changing client needs

Since its inception at the start of the 2006 financial year, Ricoh Finance has grown to become a key division of Ricoh New Zealand, with a team of six staff managing a profitable loan book of more than \$100 million across several thousand separate contracts.

Colin Wilson, Manager Ricoh Finance, says the division is focused on ensuring efficiency in its systems and processes and has therefore been able to operate successfully with a small staff complement.

Ricoh Finance plays an important role, supporting Ricoh's sales team by providing market-leading finance products, such as leases and print management plans, while at the same time ensuring compliance with Ricoh New Zealand and Ricoh Group's laid down risk policies.

It also supports the Ricoh's overall corporate and social responsibility focus in relation to customers. For example, many Canterbury customers were seriously affected by the Christchurch earthquakes in September 2010 and February 2011.

As with the rest of the company, Ricoh Finance worked with clients to understand their individual situations, and where required put in place special procedures (such as payment holidays) to assist them over this difficult time.

In the reporting period, Ricoh Finance continued its innovative approach by introducing finance options for software and document solutions – an increasing

business segment – and also by adding its Print Plan product in August 2010.

Ian Wallis Credit Supervisor



Ian has been with Ricoh Finance since 2008. After previously working in personal banking and motor vehicle financing, Ian joined Ricoh Finance as a loans officer and was promoted to his current position in early 2011.

His role is to assess and approve finance applications from his designated Ricoh branches, and the supervision and training of the loans officers reporting directly to him. Ian is the first point of contact within Ricoh Finance for all matters of a credit nature.



“Ricoh has had a huge focus on sustainability for more than 10 years. Key parts of this are to partner with suppliers which are also serious about reducing their environmental impact, and focusing on how we can help customers to become more sustainable”

Margie Barriball, Sustainability Advisor

Our World

Toner cartridge recycling

59,736 used toner cartridges were collected from customers and recycled.

Carbon emissions

An increase in total CO₂e emissions to 3,350.05 tonnes (33.8% increase).

Toner Cartridge Recycling

A 25.5% increase in toner cartridge recycling shows customers are embracing our recycling systems.

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 2011, TRC recycled 59,736 toner cartridges used in Ricoh machines, 25 per cent more than the previous 12 months, diverting more than 14,000kg of waste from landfill.

"Ricoh spent approximately \$125,000 in the last year on toner cartridge recycling."

This equates to an average of 4,978 cartridges a month, which was 60 per cent of all toner cartridges used by customers for the period – the target is 50 per cent. One hundred per cent of all cartridges collected are recycled.

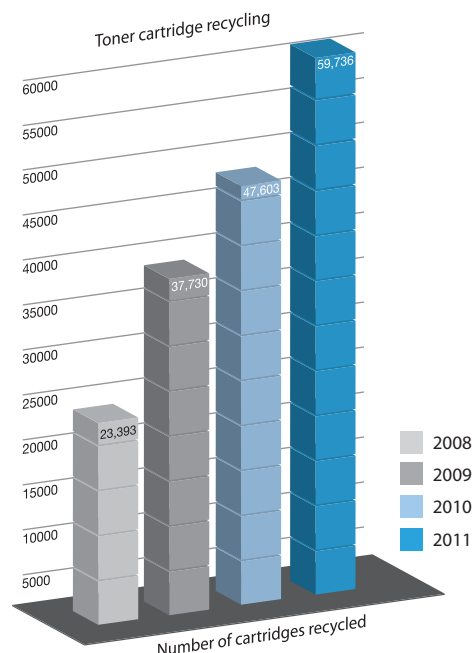
We encourage our customers to use this service by providing them with boxes for convenient cartridge collection. These boxes are increasingly provided by TRC, which has collection centres right around New Zealand.

Once at the TRC 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 supplied to Astron Plastics, which processes it into resin pellets for resale or remanufacture into cable covers.

All cartridges are dismantled locally by TRC. One hundred per cent of each cartridge, including components such as plastic casing, steel and aluminium, is then recycled.

Along with research partners Croxley Stationery and Downer, we are investigating whether waste residue toner recovered from recycled cartridges can be re-used in improving the quality of New Zealand roads. (See Case Study overleaf)

Ricoh spent approximately \$125,000 in the last year on toner cartridge recycling. We believe this is an important investment in assuming greater responsibility for the environmental impact of our product and to show sound product stewardship.



Case Study: World-first research adds waste toner to roads



John Vercoe – Downer's Technical Manager, Bitumen Supply – with a sample of bitumen mixed with waste toner at Downer's plant in Tauranga

A unique collaboration between Ricoh New Zealand, Croxley Stationery and Downer could result in diverting as much as 15 tonnes of waste residue toner a year away from landfill and into roads.

In mid 2009, the companies began investigating if waste residue toner recovered from recycled cartridges can be re-used in New Zealand roads.

Early testing has seen the successful inclusion of waste toner, recovered as a result of the cleaning process of toner cartridges from photocopiers and other Ricoh devices, into both bitumen and PMB (polymer modified bitumen). PMB has a high resistance to wear and tear and is used in heavy traffic areas such as ports and airports.

Ricoh New Zealand Managing Director Mike Pollok says the project is a fantastic fit with the company's focus on reducing environmental effects from its business.

"This is a superb example of Ricoh taking responsibility for the whole-of-life impacts of its products. Finding a destination for un-used toner is a great step forward."

The Ministry for the Environment awarded \$45,800 from the Waste Minimisation Fund to the project.

Croxley's subsidiary, the Toner Recycling Centre (TRC), which operates a cartridge collection and recycling

programme for document solutions companies including Ricoh, collects the old toner cartridges – recycling more than 500,000 cartridges annually.

"This is a superb example of Ricoh taking responsibility for the whole-of-life impacts of its products. Finding a destination for un-used toner is a great step forward."

Should the project be successful, other manufacturers would be invited into the scheme to achieve the goal of 100 per cent recycling of waste toner in New Zealand.

The trial will continue testing waste toner in both bitumen and PMB, the preferred option.

Downer is one of the country's leading builder of roads. Should the project be successful, waste toner which is currently sent to landfill could be converted into a useable product, making the cartridges and toner within them 100 per cent recyclable.

Our World

Managing waste to landfill

This year we are pleased to report further reductions in the volume of waste to landfill across three of the six branches.

But overall, Ricoh sent 92.2 tonnes to landfill, a slight increase on the 90.13 tonnes of waste in 2010. Our emissions from waste to landfill rose for the first time in four years.

Increases in waste in Palmerston North and Dunedin were due to a significant increase in business. Some of the increase in waste from the Christchurch office was due to the earthquakes.

Polystyrene, which previously formed half of our landfill volume, has largely been eliminated as recyclers have been found in each region. Ricoh has been able to find an expanded polystyrene (EPS) recycler in Dunedin, but this deal began after the reporting period. This is expected to reduce waste from the Dunedin branch.



Managing our carbon footprint

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

Reducing this footprint is an ongoing part of the business plan, with key steps to cut emissions outlined in the Greenhouse Gas (GHG) Emissions Reduction Plan.

Total GHG emissions for the year to 31 March 2011 were 3350.05 tonnes CO₂e, an increase of 846 tonnes CO₂e on the year earlier (33.8 per cent).

In some ways, the 2009/10 year data, which showed considerable reductions in emissions, was an aberration due to the economic downturn.

Ricoh's ongoing emphasis on improving its emissions reporting and capturing business aspects in the reduction plans accounts for much of the increase in this period.

The single highest contributor to the company's emissions was petrol, with emissions rising nearly 57 per cent. This increase is due to our decision to measure and offset sales fleet petrol emissions for the first time. This meant the addition of about 60 sales representatives' fuel use, effectively adding 50 per cent to the previously 120-strong company fleet. Diesel use contributed 30 tonnes.

It is our policy to offset the emissions of all financed machines which have energy efficient technology, and this is one of our top four emissions sources. This total was up 75 per cent on the previous period due to:

- Ricoh financing more new multi-function devices for customers. This has the environmental benefit of removing older, less-energy efficient models from the fleet. But as only models with energy-efficient technology are included in the offsetting for carboNZero, this means the number of machines which features in the calculations has increased.
- The All-of-Government tender, and other new finance business, similarly has increased the emissions from new machines.
- The success of Ricoh's production (Pro) print devices, which are much larger energy users than MFDs (may use 20 times more energy in a day if used at full capacity).

Other factors:

- Growth in sales requiring an increase in machinery importation (for example, 41 'Pro' machines were imported this period, compared to 16 in the previous year, substantially increasing the shipping required).
- The increase in machinery manufactured in Thailand accounts for some of the increased emissions from sea transport, as the journey to New Zealand is longer than from other sources and emissions are calculated from a base of kilometres travelled.

Our World

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

carboNZero^{Cert™}

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

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

We offset our GHG emissions by purchasing credits from renewable energy sources. An example of this is the 2,658 Voluntary Emissions Reductions (VERs) from Beijing 48MW Guanting Windpower Project, serial numbers 10009310 – 10011967.

Ricoh has large production plants in this area, using considerable amounts of electricity, so we chose to support a project which brings renewable energy to the region where some of our products are made.

Not only do we offset emissions generated through the operations of our head office and national branch network, we also offset electricity use associated with financed machines – a voluntary move to help customers reduce their carbon footprint.

From April 2008, Ricoh began incorporating our national dealer network into the carboNZero^{Cert™} programme; we're delighted to report that more than 90 per cent of our fleet of machines in the field are carbon neutral because they use energy efficient technology. All of our dealers now have GHG reduction plans in place.

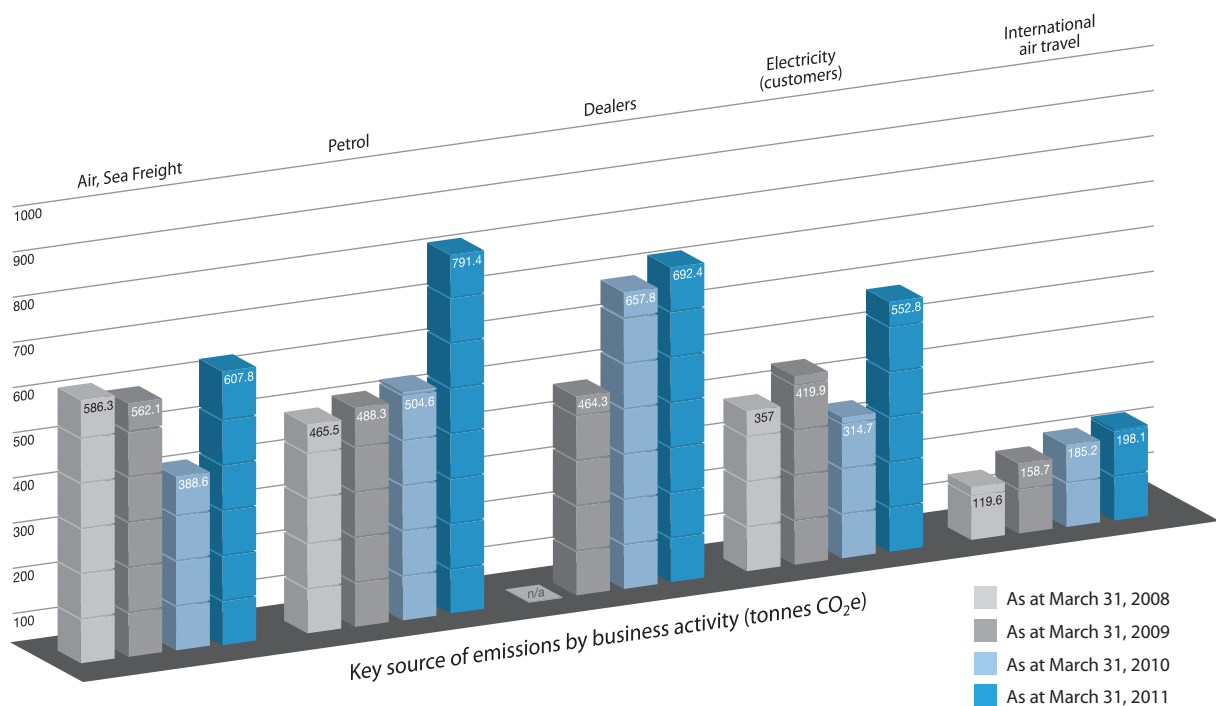
We have worked closely with Landcare Research to develop an accurate and streamlined process to measure emissions, using monthly meter readings from Ricoh machines.

The Auckland office contributed 44 per cent of Ricoh's GHG emissions. This is where the majority of our staff and the largest number of our customers are based. All our freight, courier and taxi emissions occurred in this office.

Freight costs

Business activities which require fuel consumption, including freight and also that of company owned and leased vehicles, account for 57 per cent of Ricoh's emissions.

Overall freight emissions increased 56 per cent compared to the 2009/10 year. Emissions from freight transport by road continued to drop (31 per cent), as a result of warehouse consolidation. The Penrose site is much closer to Auckland's freight hub, cutting the need for trucking goods around the city. It also has a purpose



built workshop – previously goods had to be moved to a different site before being modified. Multiple movements of machines have been eliminated.

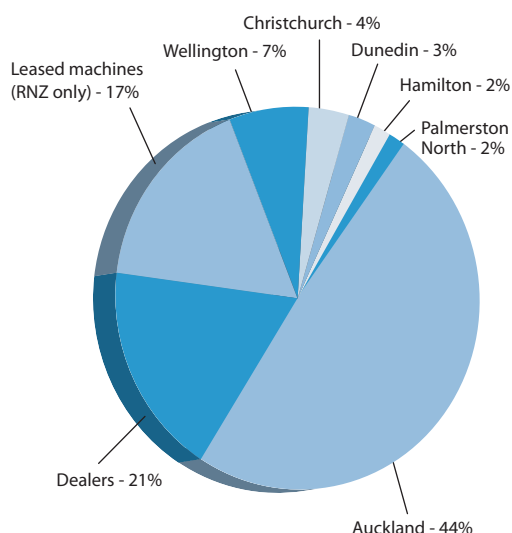
However, emissions from air freight rose 77 per cent, and from sea freight by 42 per cent. Ricoh air freights parts that are required urgently to fix machines – typically from Tokyo or Shanghai. Flying in urgent parts required after the two Canterbury earthquakes accounts for some of the air freight increase. Another contributor was a change to the way machines are serviced in the field. Rather than supplying a lot of small parts, Ricoh Japan now supplies built-up units. This makes servicing of machines in the field a lot more efficient,

but the weight and size of the spare parts supplied has increased – resulting in an increase in emissions.

With sea freight, there was a large increase in machinery imported in the 2010/11 year in anticipation of a successful tender for the All-of-Government contract. About 6 months' worth of stock was freighted early.

As noted, 2009/10 was an anomaly due to the slow economy. Supply required fell, and so did 2009/10 emissions from shipping (down 30 per cent). That fall accentuates the increase in this period.

Key sources of emissions by business location



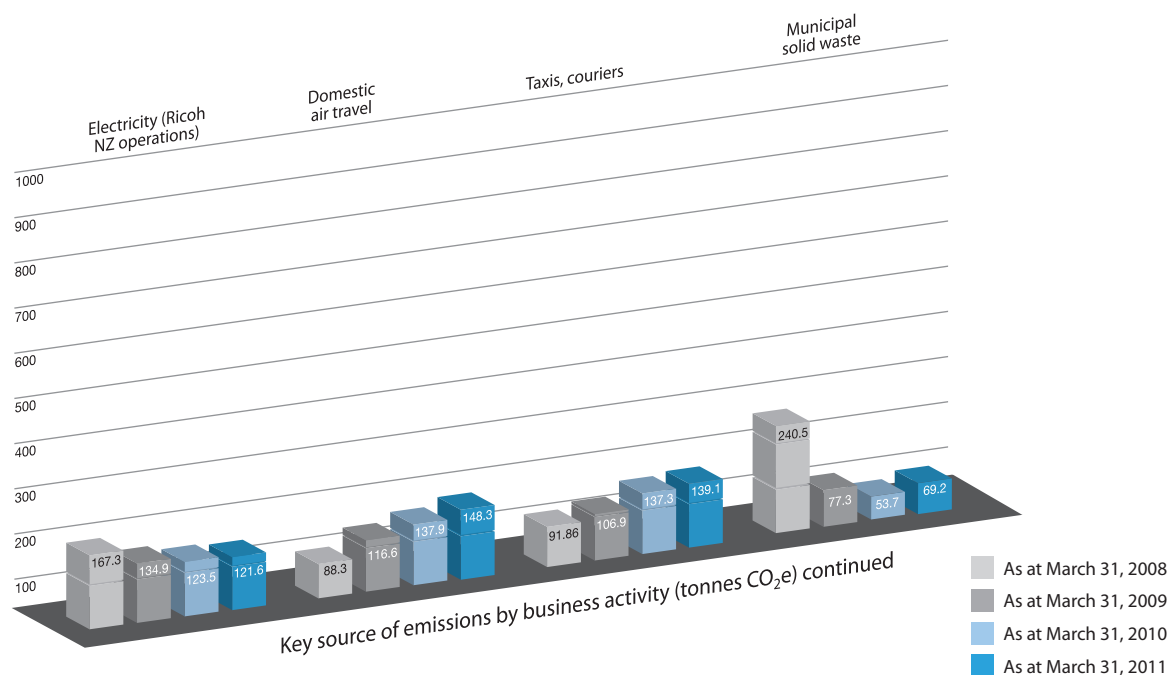
Travel

Ricoh New Zealand saw a slight increase in GHG emissions related to travel. Both international and domestic air travel emissions were up about 7 per cent.

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 year. Our policy is for staff to use teleconferencing where possible, and new staff now receive an induction DVD rather than being flown to an all-new-staff induction day in Auckland.

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



Our World

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 – we have increased our exports to the Pacific, so this has resulted in increased travel to Fiji, Tonga and the Solomon Islands.

Electricity

Total kilowatt power use from business operations (excludes financed machines) rose by 12 per cent. This was mostly due to the first full year's operation of the new warehouse, which was only in use for five months in the previous period. It should be noted that our emissions from operations electricity actually fell by nearly 2 per cent, because of a lower emissions factor due to high storage lake levels.

Environmental management

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

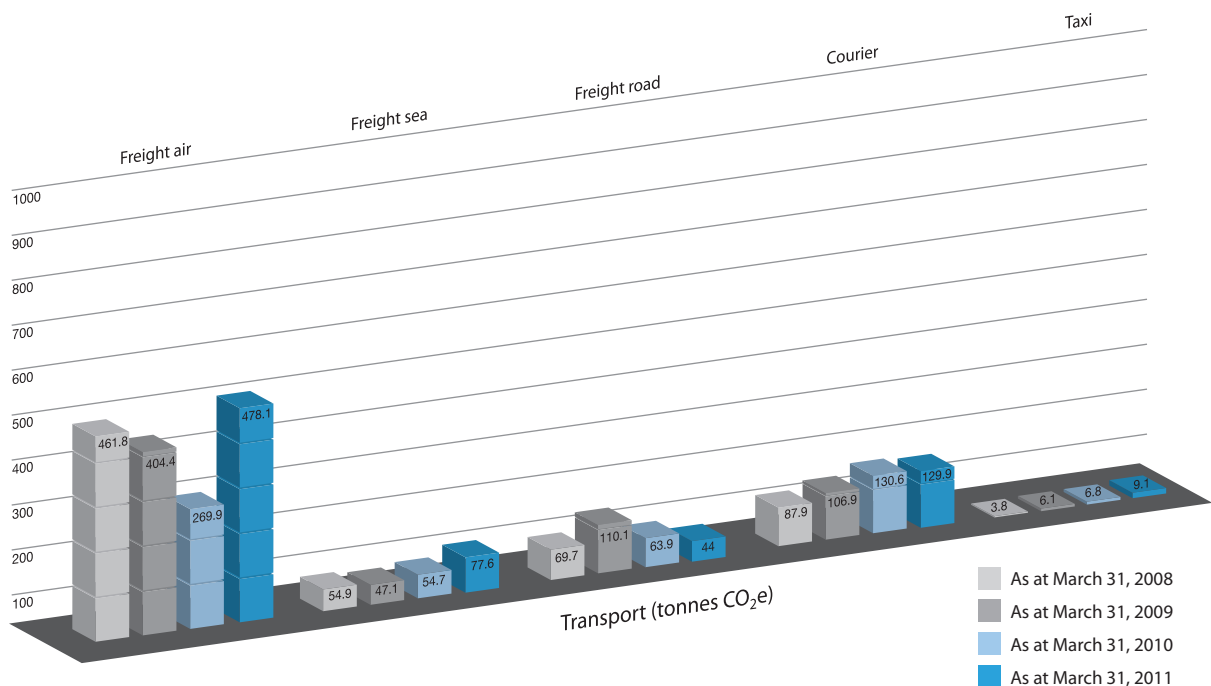
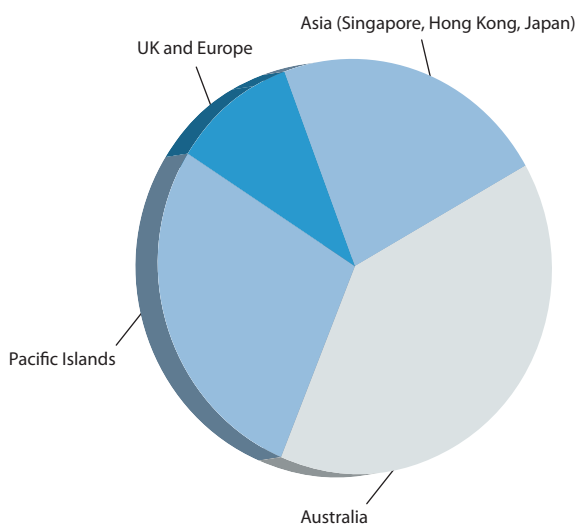
Ricoh is working to reduce the environmental impact of everyday document flow within organisations by providing tools to help our customers send and view

information electronically, print smarter and minimise waste.

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

Travel destinations

Ricoh staff made 76 unavoidable international trips during the year, to a range of destinations.



We are also proud to be the first in the document solutions industry to measure and offset our carbon footprint with the carboNZero^{Cert™} 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 products and components for their full life cycle – or cradle to cradle.

Ricoh sends end-of-life machines to Sims Recycling Solutions (SRS), where up to 98 per cent is recycled. 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. SRS also recycle the the stretch plastic wrap that the machines are covered with for transporting.

In October 2010, Christchurch branch changed machine recycler to Metacorp NZ's E-Scrap Recycling. Like SRS, E-Scrap Recycling will recycle up to 98% of a machine by breaking it down into materials and parts to sell as

commodities. E-Scrap Recycling also processes plastic panels removed from Dunedin branch machines, which were previously sent to SRS in Auckland.

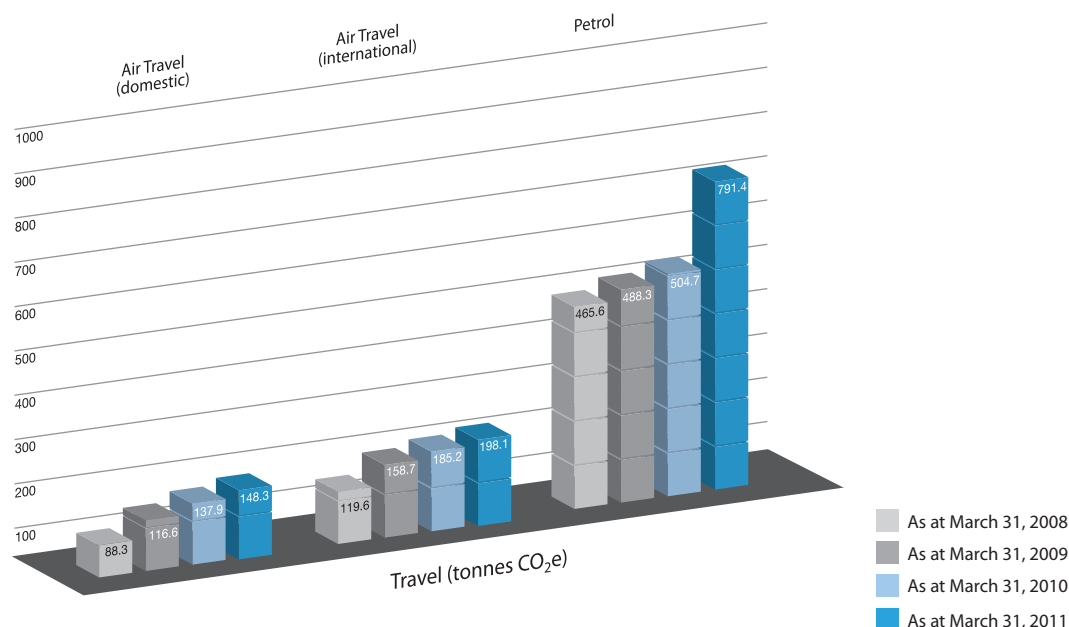
Panels from North Island machines outside of Auckland are stripped and sent to SRS for recycling. The remainder of these machines are sent to either Sims Pacific Metals in Wellington or Hamilton, or Strong Metals in Palmerston North, for processing. The recycling rate in the last year for branches outside of Auckland was about 40 per cent.

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 that will strip machines and find markets for all components. Currently some components, such as panels from North Island machines, are sold to a plastics company for export to China for processing. Our goal is to achieve 100 per cent recovery 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.



Our World

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 1845 machines, an increase of 343 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.

Challenging operating conditions for business in the previous period saw a reduced volume of machines sent for recycling, but this bounced back in the 2010/11 period, with 991 machines recycled, 416 units more than the previous year.

Particulate emissions from printers

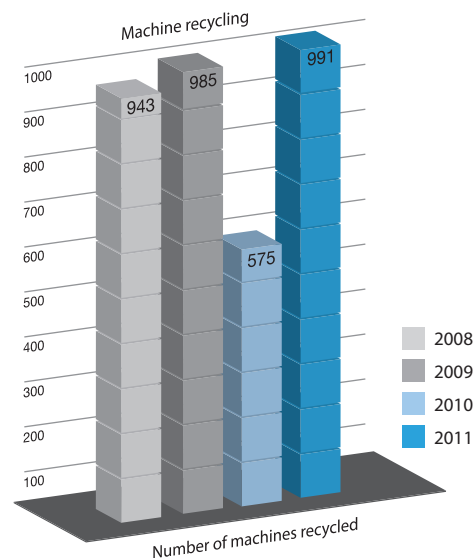
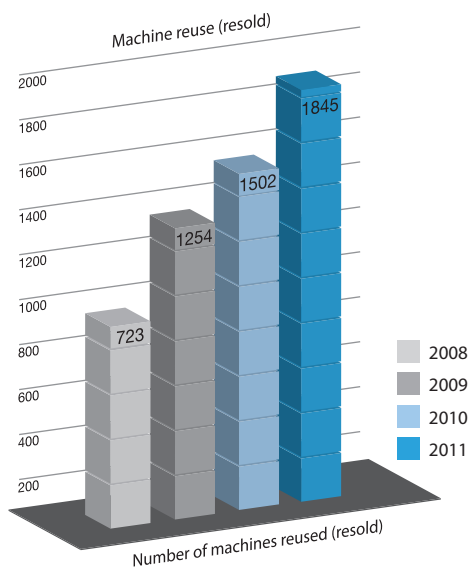
Printers and MFDs are generally known to emit substances such as ozone, dust and volatile organic compounds. However, we are pleased to report there is no known adverse health risk from particulate emissions associated with Ricoh machines installed and used in accordance with the operating instructions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

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

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.



Case Study: Eco Action Day reveals 'Watt-z-it' cost



Ricoh New Zealand marked our annual Eco Action Day in 2010 with a focus on energy consumption both at work and in the home by giving away 1,000 plug-in power meters it dubbed Watt-z-it (CO\$T)s to all staff and customers purchasing new machines in June.

Short for 'What's it cost?', the meters showed the amount and cost per minute of electricity being used by appliances around the home.

Ricoh tries to mark Ricoh Global's Eco Action Day – held on the closest business day before UN World Environment Day – with something thought-provoking and memorable.

New Zealand's rising power consumption and greenhouse gas emissions are not humorous, but Ricoh believes it helps to motivate change if there is some fun involved in motivating people to consider reducing their individual energy use.

For the previous two Eco Action Days, Ricoh used modified exercycles, which staff, customers and special guests took turns to ride to generate power in our offices. The Watt-z-it (CO\$T) took awareness into staff and customers' homes.

Ricoh challenged staff to become more energy aware at home by giving them a Watt-z-it so they could see for themselves the actual running cost to run each of their plug-in electrical appliances.

"Short for 'What's it cost?', the meters showed the amount and cost per minute of electricity being used by appliances around the home."

EECA data shows appliance use accounts for about 40 per cent of an average New Zealand household's annual electricity bill. New Zealanders who leave appliances such as DVD players and televisions on standby instead of turning them off pay \$100 million a year for pointless electricity use.

Not only is that a waste of money, the electricity could otherwise be used to power about 55,000 homes.

This means New Zealand power stations have to produce a lot more electricity than they really need to, which means higher greenhouse gas emissions for the entire nation.

The Watt-z-its highlighted how anyone can become more energy efficient without altering their lives very much, and at the same time lower their household power bill.



Our World

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 duplex 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 would have the potential of harming the environment at end-of-life and 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.



Peter Cully

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



Dismantling machines at SRS

Looking ahead

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

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

Objectives of the GHG Emissions Reduction Plan for the year 2011/12 include:

- Achieve 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 implementing systems for ongoing monitoring.
- Continue to reflect Ricoh Group's global commitment to environmental sustainability.

- Promote/effect Ricoh New Zealand's commitment to sustainability in its New Zealand operations, including taking responsibility for its impact on climate change.

The plan includes a specific focus on:

- Reducing the overall emissions intensity per financed machine.
- Implementing ongoing initiatives to reduce petrol consumption in company owned vehicles and reduce air travel use.
- Improving the ability to report fuel use for non-company vehicles used in the course of Ricoh business.
- Advising Ricoh dealers on ways to reduce their emissions, and inform them as to what Ricoh New Zealand has achieved in this area.

Our World

Reduction management plan				
Initiative	Objective	Action	Responsibility	Status/target date
Customer supplied machines				
Electricity use in financed customer machines.	Reduce the amount of electricity consumed during day-to-day use.	Ensure that prior to leaving the Ricoh premises, all machines have energy save and auto timer modes activated.	Workshop staff	Ongoing -now standard practice.
	Reduce the amount of: 1. Electricity consumed during day-to-day use and 2. Reduce the amount of technician visits when customers mistake ES setting times with machine faults.	For existing machines at customer sites where energy save (ES) modes are not activated, technicians completing a service call will leave a form so customers can request to have the setting changed to ES modes when the technician next visits.	Technicians	Implementation of forms by 30 September 2011
Operations - travel and transport				
Fuel: To promote awareness of better driving habits in all staff, including fleet vehicles and privately owned vehicles.	Reduce fuel consumption through more efficient driving practices and correct vehicle tyre pressures.	On Ricoh Eco Action Day (June 3rd 2011) promote the importance of correct tyre pressures and fuel use. Digital tyre pressure gauges with an information card detailing efficient driving techniques given to all Ricoh staff. Random check of fleet cars to see if there is an improvement in litres consumed vs kms travelled.	Branch service managers	31 October 2011
Fuel: Ricoh Annuity Programme	Reduce the number of older model machines that have a higher electricity usage and require more service callouts	Push to remove older machines models from customer sites by upgrading to energy efficient models.	Mike Buczkowski	Ongoing
Fuel: New fuel supplier	More accurate measurement of fuel used in privately owned vehicles	Change to Rural Fuel Services. Improved reporting for fuel used in non-Ricoh company vehicles for Ricoh business inc. sales and dealers, through fuel card system.	Murray Clark	31 December 2011
Fuel: Ricoh Rifle	To reduce fuel consumption of customer technician visits	Develop and implement Ricoh Rifle, an interactive service response tool that can streamline service requirements and therefore reduce the amount of technician callouts or repeat calls.	Mike Buczkowski	31 March 2012
Road freight	Reduce GHG emissions	Where practical for large shipments to branches/dealers goods to be sent by rail in shipping containers.	Neil Johnston	Ongoing
Freight couriers	Reduce GHG emissions	Investigate which parts are moved by courier and reassess efficiency	Neil Johnston	Ongoing

Air freight	Reduce GHG emissions	Investigate what cargo is shipped by air freight and consider other options	Neil Johnston	Ongoing
Air Travel: Annual incentive trips	Reduce the amount of air travel applicable to incentive trips overseas	Limit distances travelled to within the Pacific region	Murray Clark	31 March 2012
Operations - offices and buildings				
Reduce waste to landfill at Auckland distribution centre	To reduce the amount of waste sent to landfill and improve accuracy of volumes reported (eliminates estimates)	<p>Installation of compactors/balers for cardboard, and polyethylene recycling and compactor for landfill waste. Cardboard and polyethylene baled will become a saleable commodity, so there will be an incentive to keep any from being landfilled.</p> <p>Landfill waste will need to be carefully monitored to ensure that all recyclable materials are omitted. Compacted landfill will be easier to estimate the weight of.</p>	Neil Johnston Anyah van der Putten	30 September 2011
Operations – culture change				
Staff culture - knowledge	Increase staff knowledge of sustainability	Internal induction information to include sustainable policies and activities. Sustainability messages are included on an induction DVD.	Margie Barriball, David Luttig	Ongoing
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 Submit Ideas portal on the Ricoh Intranet	Margie Barriball	Ongoing



"Every time we return to Motuihe Island it's exciting to see the growth of trees we planted previously in the 'Ricoh Valley'. I've seen an amazing transformation from farmland to lush emerging forest since our first visit in 2004. For Ricoh to be a part of this is very satisfying"

Margie Barriball, Sustainability Advisor

Case Study: Motuihe Island's 'Ricoh Valley' gets another boost



Ricoh New Zealand's 'Big Green Day Out' at Motuihe Island in Auckland's Waitemata Harbour in June 2010 saw staff, family and customers – including a fantastic number of youngsters – take the total number of trees we have planted since 2004 to more than 14,000.

Classic winter weather added to the excitement, with passing rain squalls interspersed with warm sunshine. As usual, the barbecue was enthusiastically greeted by the weary planting gangs.

“The volunteering day to help the Project fits with Ricoh’s commitment to social responsibility, including a strong environmental focus.”

Ricoh Managing Director Mike Pollok said: “It is fantastic to continue our support of the Motuihe Island Restoration Project. We get a real sense of achievement to see the saplings we have planted thriving and know that in the years to come, the island will return to being an authentic natural haven for endangered birds and native insects.”

“The volunteering day to help the Project fits with Ricoh’s commitment to social responsibility, including a strong environmental focus. I’m sure the promise of our famous spit roast at lunchtime helps motivate people as well.”

Authorities eradicated the island’s pests by 2005, and the extensive tree planting programme Ricoh takes part in will provide a perfect habitat for rare native birds – such as little spotted kiwi, saddlebacks and kakariki – which have been released on Motuihe.

About 2,500 native shrubs, from a nursery on the island, were planted by Ricoh in 2010. ‘Ricoh Valley’ vegetation now includes plants which would naturally feature in a coastal forest: flax, taupata, karamu, akeake, karo, ngaio, karaka, puriri, haupara, manuka, tawapou, and mahoe.

See www.ricoh.co.nz/about/environment for more on Ricoh New Zealand’s focus on the environment.



"I have been working for Ricoh for five years, alongside a great team of people at Penrose. We all work well together, and we have got an exceptional group of people, which makes my job in the warehouse much easier."

Tim Chan, Warehouse Team Leader

Our people and customers

Staff

Ricoh New Zealand continues to build its staff levels.

Training

Introduction of in-house ongoing training and customised coaching programmes, and the appointment of a National Training Coach.

Customers

Excellent results in the IPSOS Benchmarking Survey.

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 272 people throughout the country, from a diverse range of backgrounds. We added 30 employees to our total staff numbers in the year to March 2011 as the business expanded and grew revenue. Employees were added across all departments and especially for the growth of Ricoh Consulting Services.

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

"The largest proportion of our staff remain involved in directly selling or servicing Ricoh equipment."

during the year, with the resignation of 47 staff (14 of those were women). The total comprised 15 service staff, 14 sales staff, seven finance and administration staff, four customer centre employees, two IT employees, three logistics workers, and two business solutions employees.

That's a turnover of about 17 per cent.

Males still make up the majority of our staff, at 75 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 66 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 164 staff or 60 per cent of Ricoh's workforce is based. The next largest branch is Wellington, employing 38 staff. Palmerston North is the smallest office with nine employees.

Human resources

Ricoh New Zealand has a Human Resources Manager, based in the Auckland head office, 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.

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

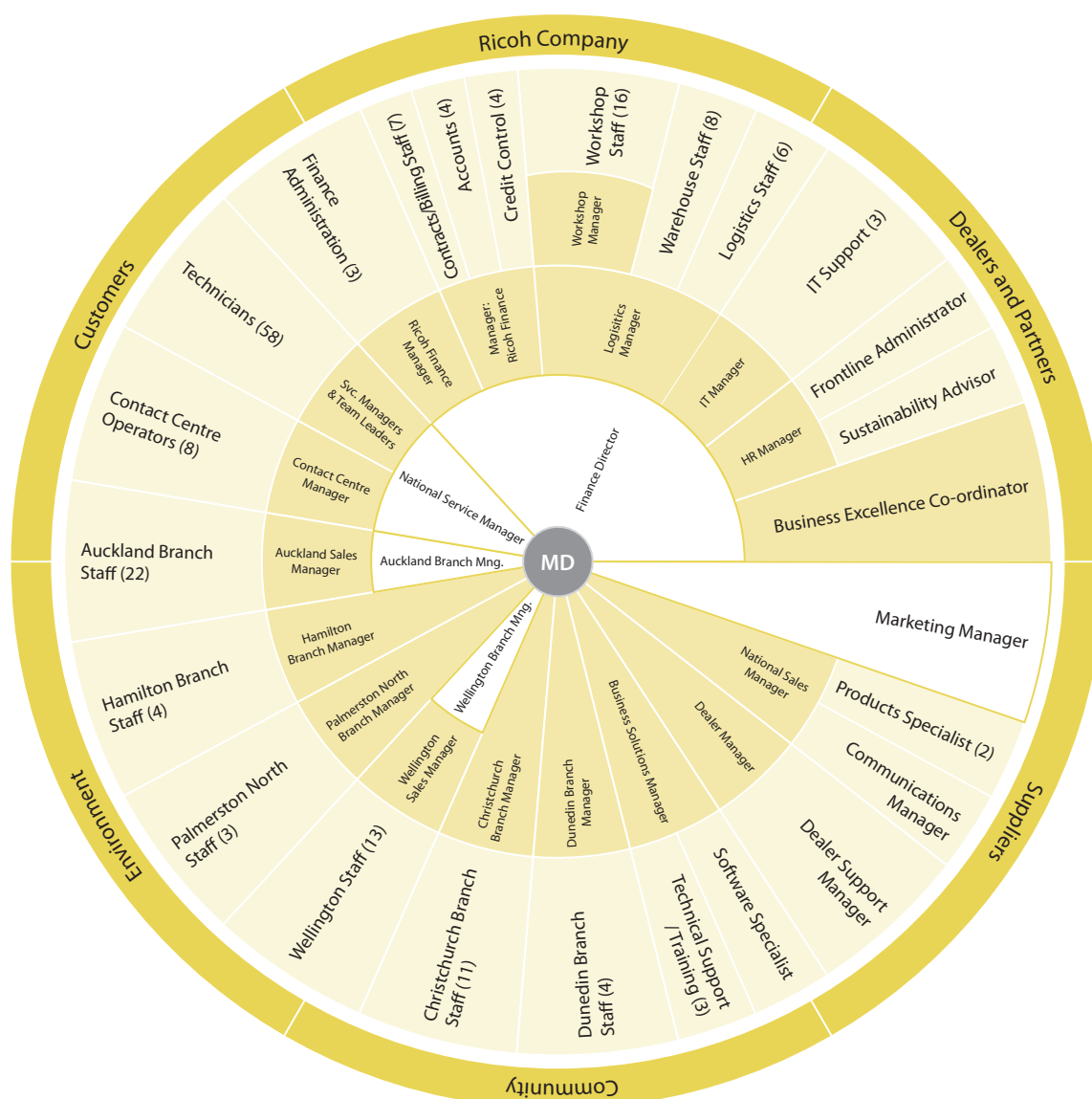
The Code of Conduct outlines Ricoh's expectations for behaviour and attitudes in four areas:

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 agree to meet the requirements of

Our people and customers continued



Employee profile – as at 31 March 2011

Categories:	Staff		Diversity						Service	
Sub-category:	Total		Male %		Female %		Average age		Average years	
Year	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Sales	92 (33%)	58 (25%)	96	98	4	2	39	38	5.9	5.2
Service technicians	85 (31%)	85 (35%)	100	99	0	1	34	36	5.1	4.6
Other customer facing	26 (10%)	30 (12%)	54	57	46	43	34	33	4.3	4.4
Support (non customer facing)	69 (26%)	67 (28%)	58	66	42	34	34	32	4.2	3.85
Total	272	242	80	84	20	16	35	35	4.8	4.5

the Code of Conduct. The declaration is kept in their personnel file.

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 – our branches are located in the CBDs of 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.

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

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 means that inductees around the country don’t have to travel to the Auckland head office .

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.

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 commercial law.

Training

Ricoh is committed to ensuring the professional development of our staff. Ricoh has a trainee

programme designed to boost the number of our customer service engineers. This initiative in the Penrose warehouse lifted the skill levels of junior technical staff to the level of qualified customer service engineers.

There were no graduates during the reporting year, but there were 8 trainees enrolled in the scheme as at March 2011.

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



Technical training session in progress

A need was identified for in-house ongoing training and customised coaching programmes, and during the period this led to the appointment of a National Training Coach and ongoing training initiatives.

This provided someone who would drive, champion and run the programme on an ongoing basis. The initial focus has been sales based.

Phase one of the programme was to develop and design the Sales programme modules and deliver these through a series of workshops nationally to the sales teams.

The workshops give the participants the opportunity to be exposed to the concepts and ideas, assess what they want to improve, and what they would like to work on in the coaching sessions.

We believe the workshops have been a great success, mainly due to the delivery style which is more about facilitated learning, rather than presenter/lecturer style. This means there is more opportunity for the participants to get more involved, discuss and explore concepts, brainstorm and exchange ideas in an open environment.

Follow up Review workshops are being run alongside the coaching to ensure retention of ideas, following the

Our people and customers continued

principle that “the motor of learning being repetition”. Phase two of the programme is one on one customised coaching with the sales teams and managers. We believe this is the most important aspect for the long term success of the programme, and is the missing link when outsourcing a generic sales training programme.

There are definite elements that point to the ongoing success of the programme:

- The ongoing buy-in, support and continued involvement from managers
 - The feedback has been very positive, with staff saying there is more awareness of the techniques they have been taught because every day they are reminded the principles work, and they are encouraged to use them.
 - Managers mirror more of the coaching style with their teams.
- Individual successes
 - This can range from increased sales, specifically when an individual calls or emails the trainer or mentions in their next session that a certain concept that they have started using has worked, (obtaining a sale for them or getting them closer to a positive outcome with a prospect. This gives the trainer the opportunity to encourage them to turn this into a habit.
 - Better working relationships between managers and individuals through more common communication and understanding
 - Increased confidence of individuals in the sales teams
 - A willingness to grow as individuals and create winning habits

In the next period, we will develop the Ricoh New Zealand Customer Service Programme, which will be rolled out to the teams nationally – alongside the continuation of the Sales Training and Coaching Programme.

Also in the concept and development stage is a Leadership/Management Programme for Line managers.

Occupational health and safety

Health and safety remains a central focus, 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 employees and work areas. This has been positively reviewed by an independent health and safety auditor.



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

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

We're proud of our health and safety record. In the year to 31 March, 2011 there were no days lost due to work-related injury. There were nine health and safety 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.
- 6-monthly evacuation drills are held in Auckland, Wellington and Christchurch sites and Dunedin has an annual one.
- 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 Ricoh's 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 to all staff through its Employee Assistance Programme. The counselling is offered to 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 contract employees qualify for this leave after six months service, as per the Holidays Act.

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

Ricoh New Zealand has no differentiation between gender groups when it comes to remuneration. Each employees' remuneration is based on merit.

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

The primary way we receive feedback about what our employees think is through line managers who relay staff needs to senior managers.

Exit interviews and questionnaires are also conducted with all staff who leave Ricoh. 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.

In the past, we have participated in the independent national 'best workplace' survey conducted by JRA. We did not take part in the survey undertaken in this reporting period. We are considering whether to participate in the survey in the next period.

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.

Customer service

Our national customer service centre is based in Auckland and the 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 processes web-based orders and automated orders placed via Ricoh machines and follows up on the estimated time of arrival for customer support engineers.

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



Ipsos Benchmarking survey

From July to September 2010, consulting firm IPSOS carried out the Ricoh Customer Satisfaction Benchmarking Study, commissioned by Ricoh Asia-Pacific. The resulting report, in October, compared Ricoh's performance to a large number of document solutions providers, and highlighted areas of good performance, and areas needing to be improved.



Ricoh's team at Cure Kids 'Walk on the Wild Side' fundraising event in November 2010, which involves a 17km trek or run in the Waitakere Ranges. Ricoh is a Cure Kids supporter.



"I really enjoyed the Walk on the Wild Side. The scenery was breathtaking and being a part of the Ricoh group was awesome. We had great team spirit completing the walk together. We had a lot of fun fundraising, and it was great to help Cure Kids."

Anyah Watt, Logistics Administrator

Our people and customers continued

The phone survey was of business decision makers on office equipment purchases, or users of office equipment, with a total sample of 451. They were a variety of business sizes. Of those, 151 were Ricoh users or purchasers. They were asked for evaluations on a 1-10 satisfaction scale.

Satisfaction increase

Ricoh had the highest level of brand satisfaction out of the major providers – at 95 per cent (either 'satisfied' or 'very satisfied'). Ricoh also topped the survey in 2009, with a lower total of 89 per cent for the same two categories.

The survey showed 87 per cent of Ricoh users would 'probably' or 'definitely' repurchase from the company. Ricoh finished first in three of the 11 brand perceptions categories (customer oriented, fast and efficient after-sales service, and deliver value for money), and second or second equal in a further five.

A key improvement which resulted from the survey was around customer complaint handling. Ricoh had a relatively low rating in terms of customer satisfaction in this category of key business service – only 76 per cent were satisfied (down from 78 per cent in 2009), whereas all other eight ratings were 90 per cent or higher.

Complaint handling was subsequently switched from a manual database to an electronic one, placed on the Intranet and noted by the responsible manager.

Complaints are referred to the team or staff member involved – for their attention – and are sometimes responsible for the formation of a kaizen (continuous improvement) team to prevent the situation recurring.

Pleasingly, Ricoh's satisfaction rating rose in six of the nine business categories compared to the same category in 2009.

In addition to satisfaction, the survey also measured brand awareness. Ricoh was the second most mentioned brand, unprompted – mentioned by 52 per cent of those surveyed.

Customer satisfaction

Ricoh New Zealand uses a comprehensive Customer Value Management System and Complaints Management System 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 78 service technicians and eight team leaders nationally who 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

Dealers

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

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

Suppliers

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

Community relationships and sponsorships

Organisations which Ricoh sponsors, or makes annual charitable contributions to, include:

- Diabetes Auckland
- Stuttering Research Foundation
- The Heart Foundation of New Zealand
- Cure Kids
- Motuihe Island restoration
- Auckland Rugby
- Wellington Rugby
- Canterbury Rugby
- Manawatu Rugby.

Ricoh employees raised money for victims of the Japan and Christchurch earthquakes. Staff can apply to have Ricoh New Zealand sponsor their child's sports team.



"Ricoh products enable our customers to effectively use, manage, store and distribute information and business documents. Our consultants provide full services to ensure customers have the most efficient document solutions system in place."

Murray Clark, Marketing Manager

Getting to know us

Part of a global group

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

Ricoh Company Ltd 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 234 consolidated companies which employ about 109,000 people (as at year end 31 March 2011).

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

Ricoh Group's commitment to sustainability

In 2011, Ricoh Group was again 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 MFDs, printers and innovative business software solutions which assist with information management. The Ricoh Consulting Services division provides consultancy services to improve clients' document systems.

Ricoh New Zealand has 272 employees, with a corporate headquarters in central Auckland and branch offices in the five main regional centres including Hamilton, Palmerston North, Wellington, Christchurch and Dunedin. In addition, we have a national network of dealers and service agents to provide sales, service and support in all areas of the country.

Our products and solutions: document and information management

The movement of information is a core activity for most organisations, whether that's internally within the

office or externally to customers and various company stakeholders.

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

Our consultants provide full services to ensure customers have the most efficient document solutions system in place.

Our MFDs and printers 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.

Ricoh products include: MFDs, printers, cameras, software, IT solutions and services, and related supplies and service and sales reports.

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



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.

Getting to know us

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 five directors, two based in New Zealand and three offshore. All directors are employed by Ricoh and are appointed by the existing board.

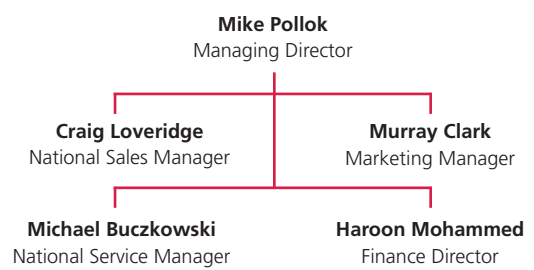
The New Zealand-based directors are Ricoh New Zealand's Managing Director Mike Pollok and Finance Director Haroon Mohammed.

Organisational structure

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

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

Ricoh New Zealand senior management



Our vision and values

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

As part of this process, we review our company mission, vision and values annually.

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.

In order to continually foster improvement and innovation the management team, with the help of all employees, review and update this policy annually.

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.

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^{CertTM} 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.

We offset our GHG emissions by purchasing credits from renewable energy sources. As well as offsetting the emissions from the operations of all six Ricoh branches

in New Zealand, we also offset the emissions associated with the electricity used by Ricoh's financed machines that have energy-efficient technology.

We also offset the emissions of our 14 dealers nationwide.

Participating in the carbonZero^{Cert™} programme is a significant financial commitment, amounting to \$78,451 for the year to March 2011. 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.



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 nearly 50 organisations that are engaged in managing resources, manufacturing, retailing and the services sector.

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

Stakeholders

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

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



Getting to know us

Stakeholder groups		Activities in 2010/2011
Employees		
272 staff working from six offices across the country.		<ul style="list-style-type: none"> • Department meetings with direct supervisors • Ricoh's intranet - InterCom • Half-yearly 'Communicator' newsletter • Monthly newsletters • Quarterly company update from the Managing Director • Biannual staff survey • Annual performance reviews for all staff • Exit interviews • Daily market trends and industry information • Staff social events.
Customers		
Thousands of customers ranging from small businesses to large corporates, education providers and Government organisations.		<ul style="list-style-type: none"> • Multiple touch points for customer engagement include: account managers, technicians, the customer service centre and online via email and the Ricoh website. • Ricoh also conducts ongoing online customer surveys. • Annual customer satisfaction survey and market survey. • CSR/environmental events e.g. tree planting days.
Dealers		
National network of 14 dealers		<ul style="list-style-type: none"> • Bi-annual dealer conference. • Regular dealer visits • Day-to-day communication via phone and email • Review meetings • Ad hoc meetings as and when required • Invitation to environmental and social activities
Suppliers		
Local suppliers for goods and services ranging from travel through to telecommunications.		<ul style="list-style-type: none"> • Invitations to environmental, conservation and social activities.
Ricoh Group and shareholders		
Ricoh New Zealand's parent company Ricoh Company Ltd is based in Japan.		<ul style="list-style-type: none"> • Annual financial forecast meeting • Half-yearly review • Managing Director Mike Pollok attends quarterly managing director's meetings • International product conferences • Visits from Ricoh group staff • Daily email and phone communication
Government		
During the period, Ricoh was successful in its tender application to be part of the All-of-Government contract for document solutions.		Ricoh is a supplier to a large number of government departments and local councils.
Industry groups		
Ricoh New Zealand is a member of a number of industry groups.		Ricoh continues to be a member of the Sustainable Business Network and the New Zealand Business Council for Sustainable Development.
Community		
Ricoh New Zealand is involved in a number of community activities, events and environmental activities.		Annual contributions to charitable groups.

GRI Index

Indicator	Description	Reporting Status	Page Number	Comment
1.1	Statement from the CEO	Y	9	
2.1	Name of organisation	Y	4	
2.2	Primary brands, products and/or services	Y	49	
2.3	Operational structure of organisation	Y	50	
2.4	Location of organisation's headquarters	Y	41,49	
2.5	Number of countries where the organisation operates	Y	49	
2.6	Nature of ownership and legal form	Y	49	
2.7	Markets served	Y	49	
2.8	Scale of the reporting organisation	Y	12,41,49	
2.9	Significant changes during the reporting period	N		Not applicable
2.10	Awards	Y	47	
3.1	Reporting period	Y	4	
3.2	Date of most recent previous report	Y	4	
3.3	Reporting cycle	Y	4	
3.4	Contact point for the report	Y	back cover	
3.5	Process for defining report content	Y	5	
3.6	Boundary of the report	Y	4	
3.7	Limitations on the scope or boundary of the report	Y	4	
3.8	Reporting on joint ventures and other entities	N		Not applicable
3.10	Explanation of re-statements	N		Not applicable
3.11	Significant changes from previous reporting periods	N		Not applicable
3.12	Table of standard disclosures	Y	53-55	
4.1	Governance structure	Y	50	
4.2	Chair of the highest governance body	Y	50	
4.3	Independent and/or non-executive board members	Y	50	
4.4	Mechanisms to provide recommendations or direction to the board	Y	50	
4.14	List of stakeholder groups	Y	52	
4.15	Basis for identification and selection of stakeholders	Y	51	
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	12	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Y	28, 51	See carboNZero ^{Cert} TM certification

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Indicator	Description	Reporting Status	Page Number	Comment
EC3	Coverage of the organisation's defined benefit plan obligations.	Y	45	
EC4	Significant financial assistance received from government.	N		Not applicable. Ricoh receives no government assistance.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Y	13	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Y	43	Ricoh New Zealand has no set policy regarding this practice, though hiring is predominately undertaken in urban areas.
EN3	Direct energy consumption by primary energy source.	Y	28/29	
EN4	Indirect energy consumption by primary source.	Y	28/29	
EN5	Energy saved due to conservation and efficiency improvements.	Y	27	
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	28, 34	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	36/37	
EN16	Total direct and indirect greenhouse gas emissions by weight.	Y	28	
EN17	Other relevant indirect greenhouse gas emissions by weight.	Y	28/29	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Y	28	
EN21	Total water discharge by quality and destination.	N		Not relevant
EN22	Total weight of waste by type and disposal method.	Y	27	
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 25	Throughout Our World section
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Y	31	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.

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		Not applicable
S03	Percentage of employees trained in the organization's anti-corruption policies and procedures.	Y	41	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	42	Excludes supply chain workers.
LA2	Total number and rate of employee turnover by age, gender, and region.	Y	41	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Y	45	
LA4	Percentage of employees covered by collective bargaining agreements.	Y	50	
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Y	45	
LA7	Rates of injury, occupational diseases, lost days, absenteeism, and work related fatalities by region.	Y	44	
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Y	44	
LA10	Average hours of training per year per employee by employee category.	Y	43	
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.		41/42	
LA14	Ratio of basic salary of men to women by employee category.	Y	42	



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