

Changing the
way we work

Sustainability Report 2013

RICOH
imagine. change.



Contents

2013 highlights	6
Goals for 2014	7
From the Managing Director	9
Getting to know us	11
The bottom line	15
Our world	31
Our people and customers	51
GRI Index	61



Front cover: Alan Jennings, Ricoh's Education Consultant, checks out the recycled plastic scooter docks with students at Stonefields School in Auckland.

Inside cover: Christian Churton taking part in the Big Green Day Out 2012



Mission – Vision – Values

Our Mission

The supply and support of innovative and 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 medium term (1-3 years) goals as part of our annual Strategic Planning Process (SPP). The foundation of the SPP is our corporate vision. This 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.

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.

Our Values

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



Remarkable people



Innovation everywhere



Customers for life



Outstanding performance



Harmony with the environment



Scope of the report

This report details Ricoh New Zealand's sustainability, in terms of its economic, social and environmental performance, from 1 April 2012 to 31 March 2013.

The fifth full annual Sustainability Report provides our customers, staff, dealers 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.

The content of this report was shaped, in part, by a stakeholder survey completed during its preparation. Wright Communications prepared the report on behalf of Ricoh New Zealand, gathering information from staff interviews, Ricoh documents, and data contributed by our Sustainability Adviser and Finance and HR managers.

This report covers the activities of Ricoh New Zealand, including our head office, sales teams, and six branches throughout the country.

This report covers the activities of Ricoh New Zealand, including our head office, sales teams, and six branches throughout the country. This includes the acquisition of three IT services companies whose activities have been integrated into our existing branch operations. The data does not include the activities or result of the 14 dealerships, although in some cases they are discussed as they are an integral part of the delivery of our products and services in New Zealand.

In line with the carboNZero^{Cert™} programme, we measure the impacts of our organisation and our service separately.

By organisation we mean the business operation of Ricoh New Zealand; all the things we as a business have direct control over, use or pay for. For example building electricity, travel (air, taxis etc.), landfill waste, freight and fuel. The boundary of our organisation (i.e. where it starts and stops), is defined by ISO 14064.

In contrast, the service aspect of our organisation looks at a business's function or in other words its products or services. The service aspect follows the PAS 2050 standard, which looks at the lifecycle of the relevant product or service. This means everything that goes into creating this product or user experience for the customer needs to be considered, whether or not the organisation has any control over it at all.

We define service as the life cycle of our leased machines in field (MIF), and we take into account electricity, paper, toner usage and freight from our warehouse to the customer's premises. Keeping track of these aspects is made possible by our remote technology - @Remote – which allows us to measure the number of prints made and the amount of paper and toner used by the machines leased to our customers.

This report applies the Global Reporting Initiative (GRI) 3.1 framework, which is considered the world's leading framework for corporate responsibility reporting.

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

Our strategic objectives are defined every three years in a 'mid-term plan'. This report is for the final year of the latest three-year cycle. Each division details its plans and strategies at the start of each three year period, and how they support Ricoh Japan's key objectives. Annual budgets and objectives are then agreed, so everyone in Ricoh New Zealand understands how his or her role fits into the bigger picture.

Progress towards objectives is reviewed, and annual objectives for employees are derived from this, ensuring strategic management objectives are consistent across the country.

Stakeholder survey

During the preparation of this report, we carried out a stakeholder survey to ensure our 2013 Sustainability Report best reflects the thoughts and concerns of our customers, stakeholders and staff.

We surveyed all three groups during the reporting period and received a response from nine dealers, 221 staff and 217 customers – one of the highest response rates from staff and customers we have ever had.

The survey consisted of five questions relating to our economic, environmental and social performance. Stakeholders were also asked to list key issues that they felt had affected the company in the reporting period – and that they expected us to include in our report.

There were some common themes amongst the brickbats and bouquets from all stakeholder groups. On the positive side, our move further into innovation in the IT space was frequently praised, as well as our commitment to environmental sustainability and “proactive and accommodating” service standards.

There was also frequent comment about our relative lack of brand awareness and advertising, our need to increase internal and external communications, and retain our most experienced staff.

Material issues arising from the survey include:

- The further integration of IT services into Ricoh’s core function, which all stakeholders believe is a positive move that will ensure the company’s future viability.
- The need for Ricoh to increase its brand profile against that of aggressive competitors.
- The backdrop of a global recession which is causing customers to look more closely at price considerations.
- Support for continued innovation such as the Remote Firmware and Smart Device print applications.

Survey results

Staff survey – performance area	Rating average (out of 10)	(2012)
Environmental responsibility	8.5	8.9
Level of community support	8.3	8.2
Brand and company profile in the market	8.5	7.6
Frequency and effectiveness of communication	7.0	8.1
Level of training and support	7.0	7.0

Dealer survey – performance area	Rating average (out of 10)	(2012)
Environmental responsibility	8.2	8.1
Brand and company profile in the market	8.1	7.8
Frequency and effectiveness of communication	7.3	5.8
Level of service and support	7.9	6.8

Customer survey – performance area	Rating average (out of 10)	(2012)
Environmental responsibility	6.8	6.3
Level of community support	6.4	6.0
Brand and company profile in the market	7.3	6.8
Frequency and effectiveness of communication	6.1	6.0
Level of service and support	7.0	5.3

Growth in Ricoh IT Services

We acquired three IT services companies – SCL in Dunedin, Trinity Systems in Christchurch and Zero Down in Auckland – which has seen the company grow its IT Services business throughout New Zealand.

Increased capacity and capability

We continue to build our capacity and capability with staff numbers increasing more than 10 per cent and surpassing the 300-person level for the first time. Ricoh provided employment for 336 full time equivalents (FTEs) as at the end of the reporting period.

Product stewardship

We collected and recycled almost 70,000 used toner cartridges from customers, a 17 per cent increase on the previous year. The process of recycling toner cartridges was made easier for customers with the introduction of a new online system.

Re-using waste – Scooter Dock

We put the plastic from recycled toner cartridges to good use within New Zealand through the development of Scooter Dock – a product which will provide an affordable storage solution for children's scooters at schools and homes around the country.



Ricoh's clever scooter docks use plastic from recycled toner cartridges. See case study on page 41.

Key concerns in 2013



Changes to contracts

A slight drop in reported net sales was due to a change in the accounting basis applicable to a new type of contract that was introduced to meet the needs of some government and major account customers. Revenue from this type of contract must be reported over the contract term rather than in full at the time of the initial sale, providing less certainty.



Competitiveness

The strength of the New Zealand dollar has seen industry pricing declining not only in hardware but also in cost per page rates. While costs have also reduced, revenue has reduced faster due to these factors and competitive pressures, leading to margins being difficult to maintain.



Major re-organisation for Ricoh

With the growth of Ricoh Consulting and Ricoh IT Services signifying a transition to being a provider of comprehensive business solutions, the re-organisation and upskilling of the existing workforce has been a priority. Objectives have included improving integration of business units and providing all staff with the opportunity to adapt to the new Ricoh.

Goals for 2014



Further growth of IT Services

Ricoh IT Services is in a strong growth phase. We are focused on integrating IT Services with the rest of the business so we can provide our customers with truly all encompassing business solutions.



Market awareness and education

Despite the growth of Ricoh Consulting and Ricoh IT Services during the reporting period, we continue to be perceived in the marketplace as being primarily about machines. Educating the market and ensuring we are perceived as an IT Services and solutions-based business is a priority.



Improve e-waste capability

Our customers are generating an increasing amount of e-waste which needs to be disposed of. We need to increase our capability to assist our customers with environmentally responsible disposal. We will focus on reviewing established processes and building capacity in this area.

"We have already re-engineered our traditional business model to encompass change and we will continue to do so to stay sustainable."





From the Managing Director

In January, Ricoh was named as one of the 'Global 100 Most Sustainable Companies' at the World Economic Forum for the ninth consecutive year, maintaining its record of being on the list every year since its inception in 2005.

The reward recognises companies that are thriving in a 'clean capitalism' economy – mindful of their social, economic, and ecological footprints. This is certainly true for both Ricoh internationally and Ricoh New Zealand.

I have seen an enormous pendulum swing, as businesses recognise the need to re-invent themselves for the times. Most are looking to reduce costs, become more lean and efficient - and ultimately more profitable.

Companies and other organisations, including government departments, want to talk to us about their back-office functions and how much they can automate and otherwise digitise. This move also involves, by necessity, looking at how much the organisation prints and actively seeking to reduce that, which you might think would be bad news for a company like Ricoh.

However, we have long anticipated a shift from paper to digital by our clients and actively moved into 'business process improvement' enabling organisations to automate workflows, leading to increased productivity and flexibility to meet their own customers' requirements. We have strived to create ongoing revenues from businesses that print less, which is a sea change for the traditional Ricoh business, mirroring the way the world is moving.

We've maintained our track record of posting solid profits, and our expenses are substantially lower than those of our competitors. We feel we have positioned the company well in order to maintain the faith of our current customer base and service even more of the country's small and medium businesses that are currently without a trusted, internationally-backed, innovative IT solutions company to depend upon.

Ricoh IT Services is now 18 months old, and three acquisitions we have made in the past six months have bolstered that business immensely. In February, we announced the purchase of Auckland-based IT support firm Zero Down. We've also purchased Christchurch-based Trinity Systems, and Dunedin-based SCL. We are on the look-out for further acquisitions that will complement our drive to capture the small and medium business market.

Of course it goes without saying that not only are we looking to offer our clients better business processes through IT consultancy and automation, we also need to look at what our own company is doing in this space. The past year has been an exciting time for accelerating all sorts of internal

changes – like iPads for our Account Managers and iPad applications designed in-house for our technicians. Our technicians use these apps and other software to access machine data that allows them to be appraised of problems before they've even reached the customer needing their services. Our aim is for technicians to arrive at a customer's premises with a clear understanding of the problem, the right parts on board to fix it and an idea of any preventative maintenance they can do now to avoid a repeat visit. We're working to the old Boy Scout 'be prepared' motto, and from all accounts our customers appreciate it.

We've also worked hard internally to do things like reduce fuel and electricity consumption – monitoring what works and doesn't up and down the country to come to a point of best practise. One example is tyres. We specify that our company cars are fitted with Bridgestone Ecopia tyres from new if possible, otherwise when the tyres are due for replacement. These tyres cost a little more, but reduce fuel consumption by up to 5.7 per cent.

There's more to be done in-house, and so much more to be done in looking at the way technology is moving – and making sure we are ready to move with it. Luckily we are guided in this by a parent company that engages in truly innovative thinking. Some examples of this include Ricoh's purchase of Pentax in 2011.

Many commentators questioned why we'd be interested in a camera company, but what Ricoh saw in that purchase was a chance to acquire the very best lens technology on offer. We believe iris recognition will become a popular way in which business interacts with consumers in the future (can you imagine buying your morning coffee by simply looking at the barista? Sounds crazy – but it's technology that is being developed right now).

There is literally no end to the possibilities technology will bring, and we believe Ricoh is perfectly poised to address change no matter how it comes, or when. We have already re-engineered our traditional business model to encompass change and we will continue to do so to stay sustainable. It is the very essence of our new global brand, and something we make central to everything we do: "imagine. change."

Mike Pollok
Managing Director
Ricoh New Zealand Limited

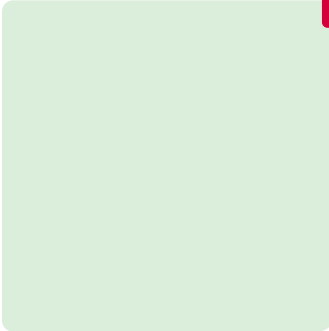


111.5
million NZD
net sales

5
full
sustainability
reports



336
FTE
up 10%



9
consecutive
years selected
as 1/100 most
sustainable
corporations
in the world



1,967
machines
resold

2,326
machines
recycled

Scooter Docks
created a
local market
for recycled
plastic



17
per cent
decrease in
cubic metres
of waste to
landfill



69,618
toner
cartridges
recycled

**Innovate on
behalf of our
customers**

77
years in
business
globally



43
years in
business in
New Zealand





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, services and solutions which has expanded its business to cover not only the traditional document environment, but also IT services and communication solutions, to meet evolving customer needs and environments.

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 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 more than 200 consolidated companies which employ almost 108,000 people (as at year end 31 March 2013).

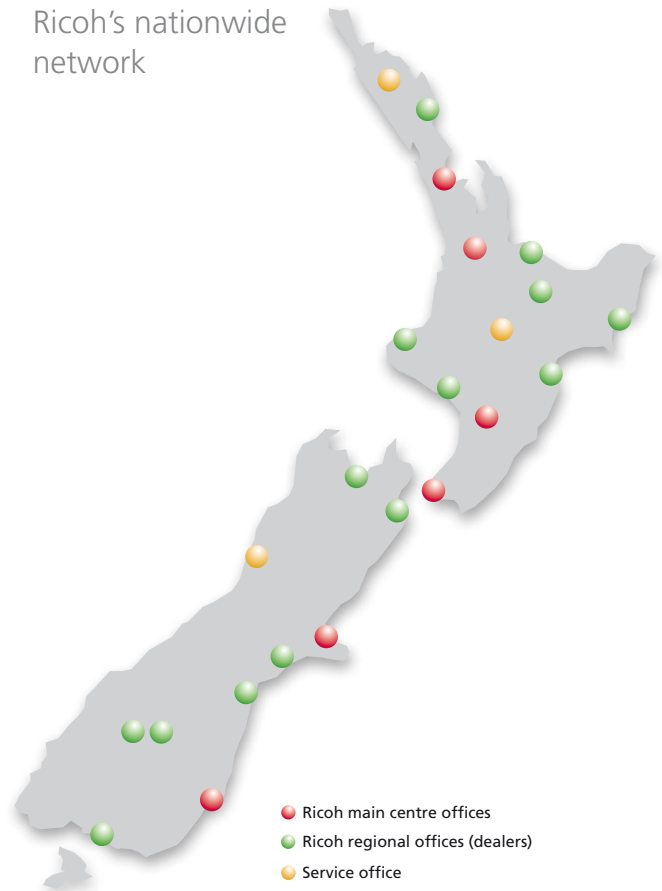
Having traditionally focused on office document devices and related services, the Ricoh Group positions its product line-up and extensive sales and support services as tools which allow it to deliver optimal solutions tailored to each customer's needs. Built upon those strengths, its operations have continuously expanded to include IT services, communications systems and software solutions.

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

Ricoh Group's commitment to sustainability

Ricoh Group was again ranked as one of the Global 100 Most Sustainable Corporations in the World in 2013, an honour awarded to the 100 companies which best demonstrate the ability to identify and effectively manage environmental, social and governance factors that impact opportunity and risk in their business.

Ricoh's nationwide network



Ricoh New Zealand

In line with the evolution of Ricoh Group, Ricoh New Zealand has grown beyond its core business to be a provider of innovative solutions to assist with information management (Ricoh Consulting) and computer and network solutions (Ricoh IT Services). It is a transition that means Ricoh can now provide a one-stop business solutions shop for our customers.

Ricoh New Zealand has 336 employees, with the company's 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 owner operated branches to provide sales, service and support in all areas of the country.

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





Getting to know us

Our products and solutions: document and information management

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

We provide our customers with a comprehensive range of highly efficient and cost effective document solutions, business processes, and IT systems.

Our MFDs and printers assist with information management, monitoring, archiving, form creation, organisation, securing and scanning, which help our customers streamline the information flows within their organisation and reduce operating costs.

Our products include: MFDs, laser and ink printers, data projectors, digital production print machines, and related supplies, service and software.

Structure and governance

Ricoh New Zealand Limited is a wholly-owned subsidiary of Ricoh Company Ltd, Japan. The company was incorporated in New Zealand in 1970.

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

Directors

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

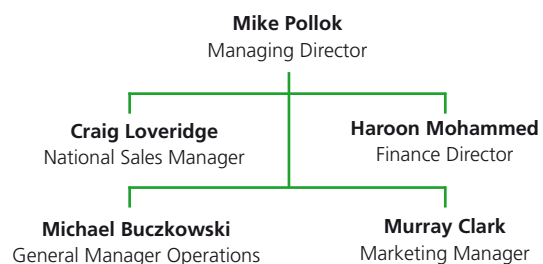
The New Zealand-based directors are Ricoh New Zealand's Managing Director Mike Pollok and Finance Director Haroon Mohammed.

Organisational structure

We have a flat organisational structure which provides all staff a direct employment relationship with their manager or team leader.

We have no collective or union activity, and contractors make up less than two per cent of our workforce.

Ricoh New Zealand senior management



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

As New Zealand businesses are looking to become more lean and efficient, the growth of the IT Services business reflects our ability to help them achieve their objectives.

RICOH



The bottom line

Shareholder equity

Shareholder equity jumped 23 per cent to \$32.7 million for the reporting period while a slight drop in reported net sales was due to a change in the accounting basis applicable to a new type of contract that was introduced to meet the needs of some government and major account customers.

Ricoh IT Services

Ricoh IT Services grew significantly with the acquisition of three existing IT Services companies, increasing its contribution to overall revenue, albeit only for part of the reporting period.

Machines in the field (MIF)

Our MIF base again increased markedly with a 12 per cent overall increase (printers by 19 per cent and MFDs by 9 per cent).

Responding to a rapidly changing industry

As New Zealand's economy continued to emerge from recession and businesses recognised the need to change with the times and reduce costs, we once again faced a challenging business environment and met the challenges head on.

Ricoh will continue to make IT Services a key component in its growth plan.

While reported revenue dropped slightly for the year from \$117.2 million to \$111.5 million this was largely due to the change in the accounting basis applicable to a particular type of contract rather than a real decline. The reporting period saw sales which would have been reported and measurable in previous years, unable to be measured as in the past.

The revenue from these sales is now reported over the contract term rather than in full at the time of the initial sale. Had the old basis been applied as in previous years, there would have been an increase in overall revenue. The change in basis is a reflection of Ricoh working ever closer with our customers to meet their needs.

Even with the effect of the change in accounting basis mentioned above, profit before tax was solid at \$9.1 million - only slightly down on last year's record \$9.6 million. Shareholder equity rose from \$26.1 million last year to \$32.7 million for the year to 31 March 2013.

We are on an ambitious growth plan, with a target for 2015's revenue to reach \$150 million.

A key part of this ongoing expansion of Ricoh is the IT Services division, which experienced significant growth due to the acquisition of three existing IT Service companies – Dunedin's SCL, Christchurch's Trinity Systems and Auckland's Zero Down. Ricoh will continue to make IT Services a key component in its growth plan.

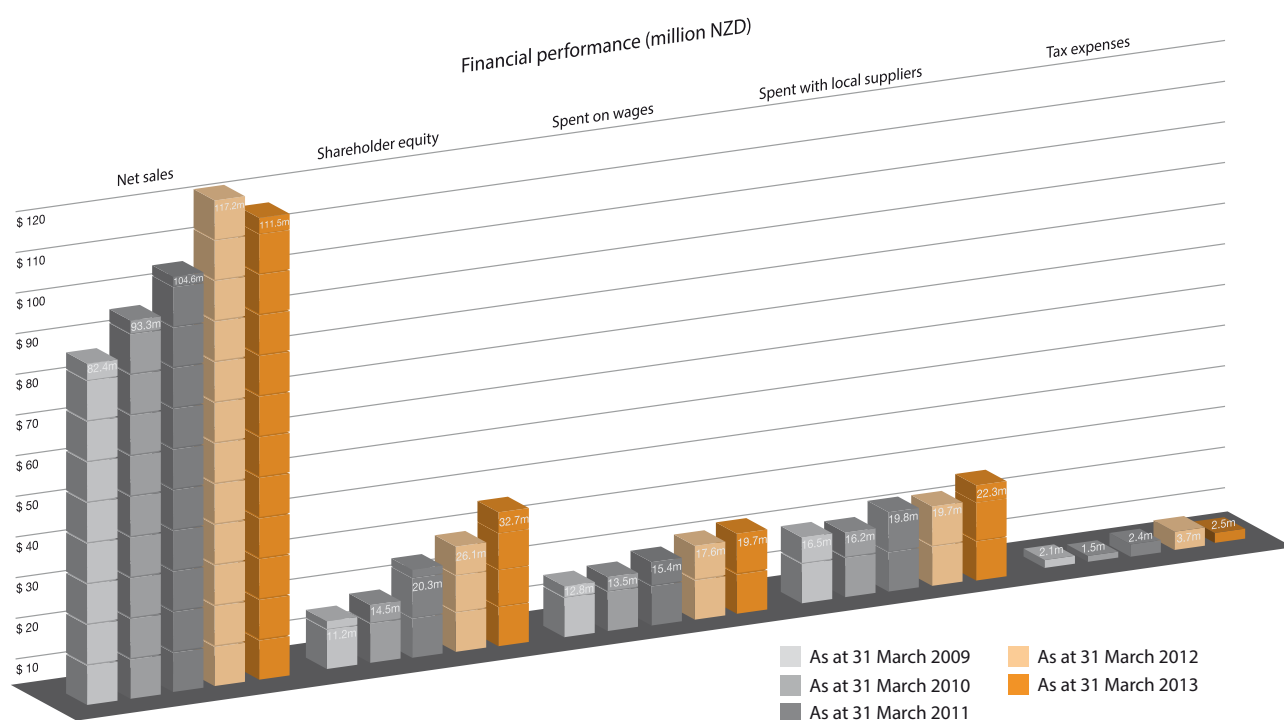
As New Zealand businesses are looking to become more lean and efficient, the growth of our IT Services business reflects our ability to help them achieve their objectives.

While we have made great progress in this area, we have much work to do to change the perception of Ricoh in the market place and create a greater awareness of Ricoh as a one-stop shop for business solutions, including IT Services.

The smart features in many of our top selling printers and MFDs help streamline clients' document flow and make energy and paper use more efficient, leading to cost savings. Sales of new MFDs were up nine per cent, while sales of printers rose 19 per cent in the reporting period, showing customers were prepared to invest in new technology if it will reduce their business costs.

We are also gaining credibility in the production print sector, which provides a solid platform from which to grow that part of our business.

The bottom line



Financial performance – Ricoh New Zealand	As at 31 March 2012	As at 31 March 2013
Net sales	\$117.2 million	\$111.5
Shareholder equity	\$26.1 million	\$32.7
Offices nationwide	6	6
Regional offices (dealers) nationwide	14	14
Percentage increase in Machines in the Field (MIF)	20.2	12.0
Employees	299	336
Spent on wages	\$17.6 million	\$19.7
Spent with local suppliers	\$19.7 million	\$19.2
Tax expenses	\$3.7 million	\$2.5

Financial performance – Ricoh Group	As at 31 March 2012	As at 31 March 2013
Net sales	¥1,903.4	¥1,924.4
Shareholder equity	¥822.7	¥958.6
Number of employees worldwide	109,200	107,431

(Approximate exchange rate at 31 March 2013: ¥100 = NZ\$1.27)

Machines in field (MIF)

The table below shows our ability to grow our contracted MIF base. The table at the right reports MFD MIF growth and printer MIF growth in percentage terms, which is a true reflection of retaining customers and winning new business. The data shows that we have successfully continued to grow this element of our core business significantly, while also focusing on the growth of our Consulting (Business Solutions) and IT Services offerings.

Date	MFD % increase	Printer % increase	Total % increase
March 2013	9	19	12
March 2012	16	32	20
March 2011	12	30	16
March 2010	4	26	9
March 2009	8	28	12

Responsible investing

Ricoh's commitment to sustainability has provided a point of difference for investors looking for sustainable companies to invest in. 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 2013, Ricoh Company Ltd was selected as one of the Global 100 Most Sustainable Corporations in the World, for the ninth 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 is 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 seven consecutive years.

Ricoh has also been a member of the FTSE4 Good Global Index for eight years in a row. This index is published by FTSE Group, a joint venture between The Financial Times (UK) and the London Stock Exchange.

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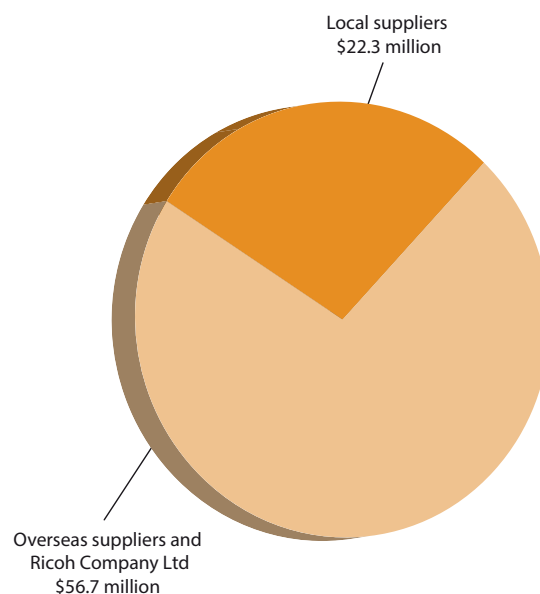
Neil Johnston, Ricoh's Logistics Manager and Kevin Heppleston, Manager Barlow's Freight

Spending with local suppliers

Ricoh New Zealand spent \$79.0 million purchasing products and services in the year to 31 March 2013, predominantly from our parent company as well as other overseas suppliers.

Spending with local suppliers totalled \$22.3 million, an increase of \$2.6 million on the year earlier. This figure consists mostly of professional services and business expenses such as rent, utilities, travel, freight, logistics and warehousing, telecommunications and stationery.

Percentage of spending on local suppliers (NZD)



Adding the model and serial number to the outside courier sticker of toner cartridges helped customers identify which machine they are for.



Ricoh's Logistics Manager Neil Johnston with Warehouse Team Leader Tim Chan-Ting.

Innovator leads from the bottom up

Haroon Mohammed is, by his own definition, not a typical CFO type. His office contains more management books than ledgers and calculators and he's clearly happier interacting with staff than totting up the company's finances.

But Haroon, who has been with Ricoh since 2003, has done more than just keep the books – he has helped institute a programme that has saved Ricoh hundreds of thousands of dollars each year. And it's all based on a simple concept: "ideas management". In other words, encouraging staff to write down ways in which they can make their jobs easier, assessing them, and then giving the best ones the resources to let them get on with it.

"We encourage staff to submit a huge range of ideas and they certainly don't have to be life-changing," says Haroon.

"There are hundreds of things that can be done better. What we have found is that good companies do those hundreds of small things well."

In fact, in the three years since the drive to extract the best staff ideas started, there have been 2,265 ideas created and 963 of those have been implemented – around 43 per cent. Haroon personally talks to staff across the company, asking them to imagine the types of things that would make their everyday tasks easier – "even if they sound far-fetched to begin with" – and then will grant the resources to bring them to life.



"We have thrown out the old management structure – the 'command-control' model, where the 'boss' does the thinking and the employee does the job," he says. "Not only does the 'boss' not always have the best ideas, but that model also discourages employees from thinking about how to work smarter."



Ash Garrett, Executive Assistant and Robyn Wyatt, Credit Manager

There are many examples of ideas that have saved time and money. Like the employee who saw that customers who received a toner cartridge would have to open up the packing slip containing the invoice to see which machine the toner was for. The solution: add the model and serial number to the outside courier sticker.

Another idea that grew out of the last innovation was that the company stopped printing \$0 invoices – usually included as a matter of course. This idea alone saw a 40 per cent reduction in the time taken to process an order – and saved more than 200 reams of paper each year.

"We encourage staff to submit a huge range of ideas and they certainly don't have to be life-changing,"

Harnessing great ideas and encouraging innovation is just one way in which Ricoh believes it has a clear advantage over its competitors, says Haroon. "We drive a low cost structure for ourselves and for our clients through innovation; we know how to keep costs down because we do it ourselves and want the same for our customers," he says. "We're not talking about redundancies – but simply hiring fewer people because our systems are so efficient. Working smarter, not harder."

Ricoh New Zealand,
is embracing its
consulting and IT
Services specialties to
ensure the company's
future viability.



The Ricoh IT Services team (back) Bronwyn Dick, Andrew Jackson, Franco Vorster (front) Dylan Wilson and Claire Dixon



IT Services grows to embrace southern cities

Ricoh New Zealand, driven by transformation of its parent company Ricoh Company Ltd in Japan, is embracing its consulting and IT Services specialities to ensure the company's future viability.

Ricoh New Zealand IT Services has had a significant business year, building its managed service platform to provide clients with a range of system management solutions that are fully automated and can be managed and repaired remotely.

We now cover the full spectrum of office technology and can provide solutions – from MFDs to PCs and other networked devices – that optimise the office environment.

Through cloud computing, remote management and other innovations within our IT Services portfolio, we are making information more secure, mobile and personal, without the need for a large team of engineers to troubleshoot problems.

We have also made three acquisitions in the year; one in Dunedin, one in Christchurch and one in Auckland. All three purchases aim to extend the reach of Ricoh IT Services to companies across New Zealand looking for innovative office solutions backed up by the excellent service standards of an internationally respected technology brand.

Our purchase of Dunedin-based SCL affords Ricoh New Zealand a presence in the country's southern-most city; a city that houses specialist resource companies that require office solutions that can be managed remotely.

The purchase of Christchurch based IT services firm Trinity and Auckland's Zero Down completed the year's acquisitions. All three companies have assumed the Ricoh name and staff have joined the wider team. The Auckland engineering team has doubled as a result of the Zero Down acquisition.

The appointment of a dedicated manager on the service desk has made an "enormous difference" to the way requests are processed and handled, according to General Manager IT Services, Roly Smoldon.

"The appointment of Kelly has freed up the senior engineers on the team to grow the business and continue to oversee improvements," he says. (See profile of Kelly Woodall on page 23).

"In the next year, we will be looking to significantly increase our managed service product portfolio."

IT Services covers the full spectrum of office technology and can provide solutions – from MFDs, servers, PCs and other networked devices, to optimise the office environment.

The development of a comprehensive fixed-price, single point-of-contact service, including a single invoice for all services and financed hardware, have revolutionised the customer experience.

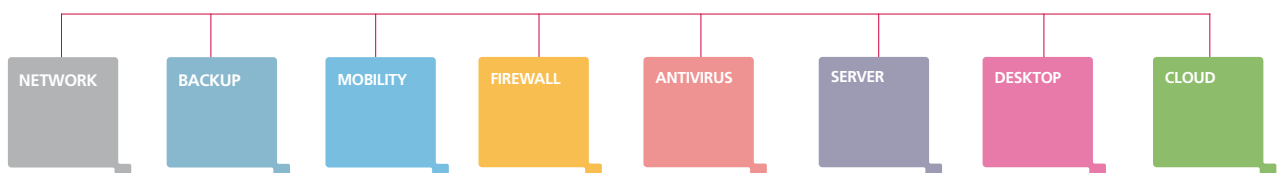
Services on offer include:

- Desktop and server managed solutions
- Project design and implementation
- Procurement (hardware/software)
- Audit and system health checks
- Cloud solutions
- Ongoing IT support.

Roly Smoldon says the year under review saw a growth in all areas, but particularly in managed services.

"When the our IT Services division was formed 18 months ago we were largely revenue focussed. This was fine while we were building our managed services platform, but now that the Ricoh Managed Services platform is built and matured, we can focus on providing all aspects of IT as a service to our customers."

Ricoh Fixed Price Components





Fonterra is the world's largest global dairy exporter and milk processor, with a turnover of almost \$US16 billion a year. It is collectively owned by New Zealand dairy farmers.

Fonterra's manufacturing IT network is critically important to the running of its vast number of largely automated sites. A large number of Fonterra staff and contractors require remote access to the network around the clock to ensure they are running optimally.

The Ricoh IT Services team reviewed Fonterra's existing dual-factor authentication security system, which required the use of a physical token to receive an access code. Ricoh then upgraded the system to enable the use of On Demand and soft tokens, better balancing security requirements with user convenience.

The SecurID solution enables Fonterra to centrally manage authentication functions and send token codes to mobile phones or email. Dave McPherson, Infrastructure Manager, Automation and Process Control for Fonterra, said Ricoh always worked around Fonterra's requirements, timeframes

and localities: "They were quick to grasp our business requirements, come up with a solution, and implement it."

Benefits

- An IT solution that fits
- Ongoing cost savings
- Flexibility
- Remote management ability
- Ongoing support from Ricoh.

"They were quick to grasp our business requirements, come up with a solution, and implement it."



Q & A with Kelly Woodall, Service Delivery Manager

Kelly Woodall joined us recently as part of the Zero Down acquisition – and her Manager Andrew Jackson reckons she has brought a

zeal for making things more efficient with her. We asked Kelly about joining Ricoh.

What do you do?

I manage the Auckland technical engineers and coordinate engineering resources in Ricoh branches nationwide to manage the delivery of ICT engineering services.

I oversee the day-to-day service delivery to ensure our clients are happy with the service they are receiving from the team. This role also includes managing the new client on-boarding process, and this is really important to us as its one of the first impressions a new client gets when they sign on board with Ricoh.

I've been doing this type of work for Zero Down for almost seven years now, so have a lot of experience in this area and look forward to contributing to the future success of this division.

You were part of Zero Down, which was brought by Ricoh during the year. What has it been like to become a Ricoh employee?

I feel like I've joined a giant family! I can't believe how welcoming everyone has been since we came on board. I told my partner only a few days ago that I feel like Ricoh is my career now - it's the type of company that you just stay with and evolve with them. They have an amazing team here and I'm proud to be a part of it.

What parts of your job do you enjoy the most?

I love the diversity of working in IT. No one day is ever the same and a quiet day can quickly turn into a manic one in a matter of minutes. I love the challenges this presents, as it's satisfying to overcome them and deliver on the promises you have made.

I also love the people aspect of my job, whether it's working with our clients, the rest of the team or suppliers. I'm known for a love of talking so chatting to a wide variety of people daily suits me to a tee!

How important is a strong IT services business to the future of a company like Ricoh, do you think?

I believe this is extremely important. As the world evolves, technology becomes a bigger and bigger part of our everyday lives, and we have an opportunity to provide more solutions and support than ever before, so this is a really positive step for the future of Ricoh.

I see a bright future ahead for us in the IT Services industry so I'm over the moon to be helping to pave the way.

What are your interests outside of work?

I guess you could say I'm animal mad. I'm a strong follower of the charity Paw Justice and have donated time and money to both them and some other amazing charities we have here in New Zealand. The people behind these organisations are so inspiring and I wish I could do more to help.

I'm also keen on Zumba Fitness, reading (I'll read just about anything!) going out to dinner with family and friends, and most artistic things - painting, drawing, that sort of thing. In the past I was also a secret gamer (World of Warcraft) but I don't often admit this!

"As the world evolves, technology becomes a bigger and bigger part of our everyday lives, and we have an opportunity to provide more solutions and support than ever before, so this is a really positive step for the future of Ricoh"

Ricoh Consulting helps businesses control their information and data overload, reduce redundant paper, and increase office productivity.

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Ricoh Consulting – Business Solutions

Experts believe that by the year 2020 the amount of digital information in offices will have grown by a factor of 30 while the number of people hired to deal with this avalanche of information will grow by a factor of just 1.4.

The Ricoh Consulting Business Solutions team is a division of Ricoh New Zealand that was established four years ago. It helps businesses control their information and data overload, reduce redundant paper and increase office productivity.

In the year under review Ricoh Consulting has gone from strength to strength, with the market now more mature in its acceptance of the importance of managing workflow.

It also looks to boost efficiencies by identifying how companies can better extract and use the information they require from bulk inputs. The team does this by looking at the information flow through a company and working out where it gets 'dammed up'. It then proceeds to 'unblock the dam' with things like streamlined scanning, indexing and electronic distribution of information, optimising print flows, electronic document management and the configuring of hard and software within an office network.

In the year under review Ricoh Consulting has gone from strength to strength, with the market now more mature in its acceptance of the importance of managing workflow.

Four years ago when the unit was established many clients had people working manually, inputting data and filing 'forests worth' of paper. These days clients understand what is feasible in terms of automation and are eager to get on board with the kind of productivity gains the Business Solutions team can offer.

One of the country's largest life insurers is working towards a paperless office with the help of Ricoh Consulting, and has just instructed its agents to submit all claims electronically – a huge paradigm shift for the organisation.

The kind of transformations that efficient workflows can bring require the team to not only focus on the applications, but also help bring everyone in the client company on board with the new system.

Ongoing support is another critical factor: the business grows its market share year-on-year as companies embrace the nationwide customer service and reliability that Ricoh is known for.

This means that instead of simply being the reseller of products, the Business Solutions staff of 30+ is fully trained to deliver and support the products and services so customers have confidence in an ongoing and proactive relationship with Ricoh's fully-trained analysts.



“Ricoh’s solution provides the platform to drive behaviour change in the business. We now have tools to measure performance, such as the percentage of on-time invoice payments, by cost centre and by business unit. ” - Kate Marshall

The Turners & Growers Group is New Zealand’s leading distributor, marketer and exporter of premium fresh produce. Comprising more than 30 companies worldwide, they sell approximately NZ\$1 billion of fresh produce globally each year.

With 50,000 supplier invoices to process each year, the Accounts Payable team was being swallowed by paper, and was run off its feet having to work with the manual and paper-based system.

Turners & Growers Finance Manager Kate Marshall recognised the need to revolutionise the accounts payable processes and engaged Ricoh Consulting, a long term business partner, to assist with the transformation.

Supplier invoices were being received by Turners & Growers’ 17 different business units throughout New Zealand, where the coding and approval details were handwritten on each invoice and then placed in the internal mail and sent to Accounts Payable department in Auckland.

Accounts Payable Staff manually keyed the invoice data into SAP Financials and the paper invoices were then physically filed. Staff were spending a lot of time answering supplier queries about expected payment of invoices which had not yet been received and were still lying on desks at business units across New Zealand.

Turners & Growers Finance Manager Kate Marshall recognised the need to revolutionise the accounts payable processes and engaged Ricoh Consulting, a long term business partner, to assist with the transformation.

A Kofax invoice scanning solution was implemented within Turners & Growers’ Accounts Payable department which kicks off the electronic workflow. Relevant invoice information is extracted from each invoice and validated by Accounts Payable staff. Integration between Kofax and SAP ensures only valid invoice data enters the workflow.

The extracted data is then passed into the Basware software where, based on business rules, invoices are automatically matched to purchase orders and contracts without any human intervention, or routed to the respective business units for coding, review and approval.

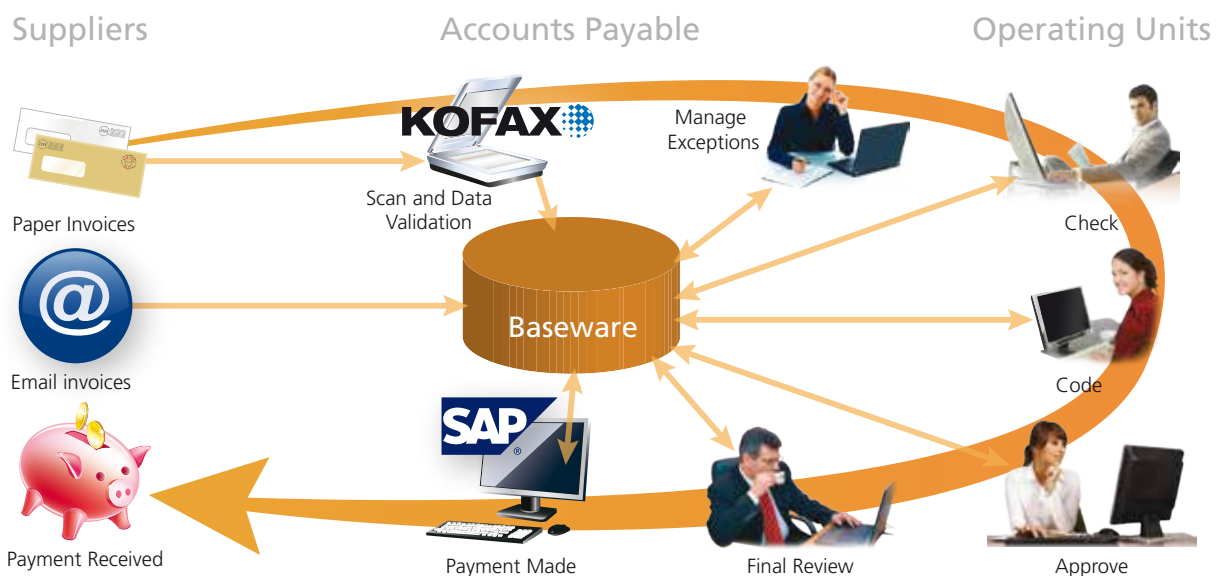
Invoice coders and approvers receive email notifications informing them of invoices waiting for review or approval. Irrespective of their location, reviewers and approvers can log in to Basware's browser based software to verify and approve invoices.

Once approved, invoices join the already matched invoices in the pending payment queue and invoice data is transferred into SAP ready for payment.



"Accounts Payable now has complete visibility and control over the entire end to end accounts payable process," says Kate. "We know how many invoices are out at the operating units awaiting review and approval, and the automated reminders give staff a little nudge reminding them to approve invoices sitting in their queue."

The process controls and automated workflow delivered by both the Kofax and Basware software have dramatically reduced the risk of human error and ensure suppliers get paid on time.



Old workflow	New workflow
Data Entry by Accounts Payable Staff	Data Validation by Accounts Payable Staff
Paper based processes - Physical mailing of paper invoices for authorisation.	Digital process - Authorises receive automatic email notifying them of invoice to be authorised
Invoices authorised by physical signing and writing account codes and cost centre details on paper invoice.	Invoices electronically authorised through web browser
Multiple invoice receipt and authorisation processes across the T&G group of companies	Standard Accounts Payable processing and authorisation process across the organisation
Lack of visibility of where the invoice is (ie. lost or still lying un-actioned on someones desk)	Full audit trail of what stage the invoice is at within the authorisation and payment cycle
Processed invoices stored in filing cabinets and then sent to offsite storage	Scanned invoices stored electronically and immediately available to view
KPI and performance data very limited (SAP centric)	Full suite of KPI reports enabling continuous improvement

One of the recent innovations has been the creation of several new connectors for the ScannerVision platform, including one that talks to the enormously popular Xero accounting software.



Kris Hyman Ricoh Consulting Business Development Manager.

Xero + Ricoh = too easy invoice handling

It is estimated that every paper invoice a business receives costs that business approximately \$20 to process from the initial receipt and coding, through to approvals and then finally, payment.

That cost doesn't even factor in the additional paperwork the average invoice generates whether it be copied, faxed, or scanned and then printed.

That paper-go-round of important information is neither efficient nor reliable for any business, which is why the Business Solutions team at Ricoh Consulting is always working on ways to improve business functions and streamline back office processes. In most cases a very positive side-effect of these improvements is a reduction in the amount of paper used by as much as 50 per cent.

One of the more recent innovations at Ricoh Consulting has been the creation of several new connectors for the ScannerVision platform. The ScannerVision platform already allows users to capture, distribute and store documents quickly and easily, then convert them into almost any format required, routing them to the appropriate network location or document repository.

It is this fundamental flexibility of ScannerVision that has enabled the consulting team to build a range of connectors which enable any Ricoh multi functional device to talk to a range of existing document management systems or services. Its latest connector will allow Ricoh scanners to talk to the enormously popular Xero accounting software system, which will be a huge efficiency gain for small-to-medium businesses in particular.

Kris Hyman, Ricoh Consulting Business Development Specialist, is part of the team that introduced the Xero Connector to the troops at the Xero conference in Auckland earlier this year.

"We understand that this was a first in New Zealand, and what it means for businesses who use Xero is that staff can upload invoices directly against suppliers quickly, without the need for access to the Xero dashboard or the books", says Kris.



Xero head office

The staff member simply presses the Xero icon from the display panel on the Ricoh multifunctional device, selects which client or supplier that the document is to be stored against (a live lookup list is displayed on the screen), enters any other relevant information such as date and amount, and presses the start button. In the background ScannerVision talks to Xero's API Service and uploads the invoice straight into the cloud!

Then, once the user has uploaded the invoice, everything is ready for the company accountant to action when he or she sits down to reconcile things.

"It is an incredibly smart solution which utilises the many possibilities offered by ScannerVision and leverages the skills of Ricoh Consulting's business solution team to create unique and user-friendly applications", adds Kris.

"We understand that this was a first in New Zealand, and what it means for businesses who use Xero is that staff can upload invoices directly against suppliers quickly, without the need for access to the Xero dashboard or the books."

Almost 70,000 used toner cartridges were collected and recycled from customers during the year.



Toner cartridge cleaning process at Croxley Recycling



Our world (environment)

Toner cartridge recycling

Almost 70,000 used toner cartridges were collected and recycled from customers during the year. That's a 17 per cent increase. A new online system has been introduced and allows customers a quick and easy method to arrange cartridge collection and to order a new collection box.

Carbon emissions

Total emissions for the organisation were 2,785.49 tonnes and emissions for our service were 12,617 tonnes – which combined are a significant increase on last year. This is because we are measuring our organisational footprint and our service footprint separately. See below for more information.

Waste to landfill

We sent 684.31m³ (cubic metres) of waste to landfill, which is a decrease of 139.95m³ from 2012 as a result of a concerted effort to reduce waste.

We are acutely aware that our business impacts on the environment and we are equally committed to mitigating any negative impacts. This section reviews the key impacts of our business on our world and the many measures we have in place to mitigate each of those impacts and ensure our business is environmentally sustainable.

Managing energy use

Total emissions for our organisation were 2,785.49 tonnes while total emissions for our service were 12,617 tonnes – which combined are a significant increase on last year.

This is due to the fact we are measuring our organisational footprint in line with ISO14064:1 and the carboNZero^{Cert™} requirements, and have begun measuring the footprint of our service separately in line with PAS20:50 and carboNZero^{Cert™}'s new requirements for product and service footprints. There is some cross-over (double counting) between the two measurements, and this represents 1,264.03 tonnes.

We examine our organisational and our service footprint in more detail below.

Our organisational carbon footprint

Our organisational 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 focus throughout the company, with key steps to cut emissions outlined in our Greenhouse Gas (GHG) Emissions Reduction Plan (see page 44).

GHG emissions for our organisation for the year to 31 March 2013 were 2,785.49 tonnes CO₂e, an increase of 505.8 tonnes CO₂e (or 22 per cent) on the year earlier.

The single highest contributor to our emissions was petrol, with emissions from fuel growing by 22 per cent in the year, primarily due to business growth.

It is worth noting that this year we have excluded emissions generated by our dealers from our organisational footprint. In previous years we have included the emissions generated by our dealer's offices and those generated via the electricity consumed by their customer's leased machines.

Each of our 14 dealerships are now individually responsible for measuring, managing and offsetting their carbon emissions via the carboNZero^{Cert™} programme.

Our service carbon footprint

Carbon emissions generated by our service increased during the reporting period. This is partly due to expansion of the company, but largely a result of changes to the reporting requirements for the service aspect of the carboNZero^{Cert™} certification. This has now been brought in line to comply with PAS 2050:2008 which requires inclusion of emissions relating to the life cycle of a product.

Paper usage by customers is a large aspect of our service footprint and while we include it in our measurement we don't offset its emissions. Paper use is something that we can help to control, but have no direct influence over. Also included in our service footprint is the emissions associated with electricity by our leased machines (we offset emissions from leased machines with energy-efficient technology), and this was one of our top four emissions sources.

Our world (environment)

The total GHG emissions generated by our service for the year to 31 March 2013 were 12,617 tonnes CO₂e, an increase of 163 per cent on the year earlier. This increase is due to:

- A change in the electricity emissions factor which must be used to measure emissions. Last year the electricity emissions factor applied to MIF was 0.0001401 (4995484.99 kWh). Under the new measurement the emissions factor applied to MIF data is much higher at 0.31703387 (5,811,396 kWh). This is because the service calculator uses a LCA emissions factor that takes into account emissions generated in the generation of electricity, whereas the previous factor only considered emissions generated in the use of electricity.
- Selling more new multi-functional devices to lease customers. This has the environmental benefit of removing older, less energy-efficient models from the lease fleet. However, as only models with energy-efficient technology are included in the offsetting for carboNZero^{CertTM}, this means the MFDs covered has increased
- Our expansion through the acquisition of three existing IT businesses in Dunedin, Christchurch and Auckland.
- The success of our production print devices, which are much larger energy users than MFDs (e.g. they may use 20 times more energy in a day if used at full capacity).

Taking responsibility

We aim to go a step further than just measuring and declaring our carbon footprint, we voluntarily offset our footprint by taking part in the carboNZero^{CertTM} programme.

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

We offset our GHG emissions (i.e. emissions generated by our organisational footprint and our service less paper consumption) by purchasing credits from renewable energy sources. This period 5,291 Verified or Voluntary Emission Reduction (VER) units were purchased. Twenty one of these were the balance purchased in 2012 from the Burwood Landfill Gas Project near Christchurch and 5,270 were from WIND 15 MW Grid Connected Wind Energy Project at Sankaneri Village in Tamil Nadu.

We aim to go a step further than just measuring and declaring our carbon footprint, we voluntarily offset our footprint by taking part in the carboNZero^{CertTM} programme.

We offset emissions generated through the operations of our head office and national branch network, and electricity use associated with leased machines – the latter being a voluntary move to help customers reduce their carbon footprint.

In 2009 our national dealer network joined the carboNZero^{CertTM} programme and they too have GHG management and reduction plans in place to better manage their emissions.

More than 90 per cent of our fleet of machines in the field is carbon neutral (from the point of view of the electricity they use) because they use energy-efficient technology. We have worked closely with EnviroMark Solutions Limited to develop a methodology to calculate electricity used by customer-leased machines with energy-efficient technology, and measure emissions using monthly meter readings.

Top four emissions sources

Organisation	Service
Petrol	Paper used (embodied emissions)
Air freight - long haul	Paper waste to landfill
Air travel - long haul	Electricity
Air travel - domestic	Toner cartridge (embodied emissions)



Managing our carbon footprint

Our Auckland office contributed 69 per cent of our GHG emissions. This is where the majority of our staff and the largest number of our customers are based, and all our freight, courier and taxi emissions are attributed to this office.

The following sections examine our sources of emissions and provide some analysis as to why they have increased or decreased during the reporting year. Also included is an update on our recycling and product stewardship initiatives.

Freight

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

Emissions from all freight sources increased by 30 per cent (up 205.9 TCO₂e). Emissions from international freight, which is one of our key emission sources, increased by 16 per cent while domestic freight, which includes road and 'roll on roll off' (ferry), has increased by 146 per cent. The increase is in part due to the growth in our business, but mostly due to more accurate data collection and measurement.

Total emissions resulting from freight do not include couriers, which as of this year are excluded from the report as this emissions source is not material to our overall footprint. The main source of emissions from freight is the movement of heavy items, which we have accounted for. Couriers are generally for small packages that are primarily sent locally and don't weight much.

The consolidation of Auckland warehousing to the Penrose site continues to show efficiencies in trucking goods around the city. The on-site workshop means multiple movements of machines have been eliminated, particularly in Auckland.

The consolidation of Auckland warehousing to the Penrose site continues to show efficiencies in trucking goods around the city.

Waste to landfill

Our organisation sent 684.31m³ (cubic metres) of waste to landfill, which is a decrease of 139.95m³ from 2012 as a result of a concerted effort to reduce waste.

However, due to a change in the Ministry for the Environment methodology for calculating emissions during this reporting period, our emissions from waste to landfill increased by 38 per cent to 72.29tCO₂e.

Previously a bin of uncompacted waste converted to 100kg/m³ of emissions. However, under the new system, bins more than half a cubic metre convert to 200kg of emissions and most of our bins are larger than half a cubic metre.

While the emissions increased, it's worth noting that the actual volume sent to landfill reduced by 17 per cent. By way of example we sent 82,426 kg of waste to landfill in 2012 compared with 68,431kg in the reporting year.

We sent 68,431kg of waste to landfill in the reporting year, down from 82,426kg in 2012.

To try and further offset emissions, albeit on a small scale initially, the collection of organic waste for composting has been established at our head office in Auckland (where roughly 120 staff work), with the aim of reducing our waste to landfill.

Travel

There was an increase in GHG emissions related to travel, with international air travel emissions up 101 per cent and domestic air travel emissions down 11 per cent.

We are acutely aware of the physical impact of air travel by our senior management and its impact on our emissions profile. Staff use teleconferencing where possible, and new staff based outside of Auckland receive a DVD rather than being flown to our head office for induction.



Managing our carbon footprint

However, with more staff and the need to integrate recently acquired IT services companies in Dunedin, Christchurch and Auckland, travel is required. In addition, the growth of the production printing business means specialists based in Auckland need to visit customer sites around the country.

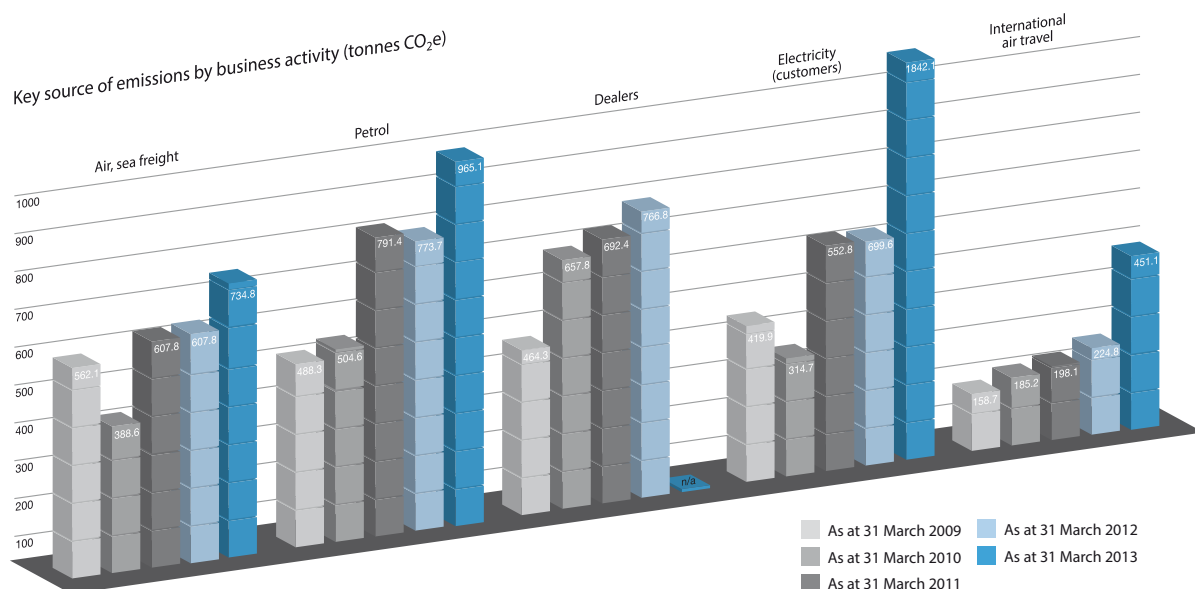
National Training Coach, Steve Owen works mainly with sales staff and technicians and needs to travel to branches from Auckland. Though the travel has an impact on emissions, the coaching helps to improve performance through staff development – contributing to our sustainability through improved customer service and staff retention.

There has been a continued focus on trying to reduce the number of visits by branch managers to the Auckland head office. The National Sales Manager relocated from Wellington

to Auckland in 2012 which has greatly reduced his level of travel. We have increased the use of teleconferencing by senior management and others as a cost-cutting initiative in some areas.

There is a level of unavoidable travel by senior staff to international destinations. Ricoh's Asia-Pacific region senior management meetings are held in Singapore, Hong Kong or Bangkok as the most central locations for the majority of attendees.

Trips that reward sales staff are generally international but have tended to be more confined to the Asia Pacific region in the reporting period, in recognition of our need to keep air miles reasonable.



Freight costs

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

Emissions from all freight sources increased by 30 per cent (up 205.9 TCO₂e). Emissions from international freight, which is one of our key emission sources, increased by 16 per cent while domestic freight, which includes road and 'roll on roll off' (ferry), has increased by 146 per cent. The increase is in part due to the growth in our business, but mostly due to more accurate data collection and measurement.

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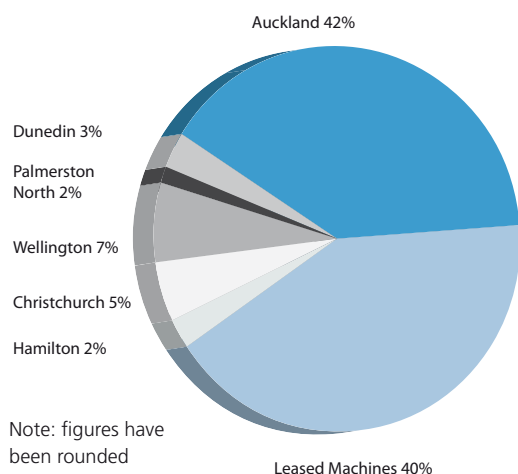
The consolidation of Auckland warehousing to the Penrose site continues to show efficiencies in trucking goods around the city. The on-site workshop means multiple movements of machines have been eliminated, particularly in Auckland.

Electricity

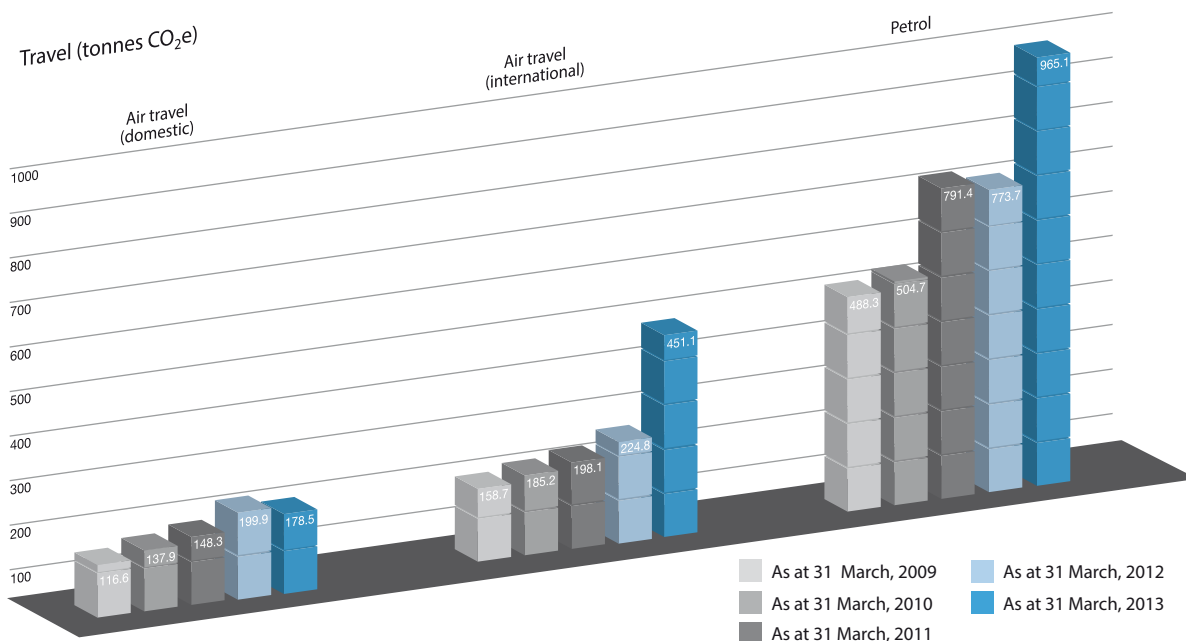
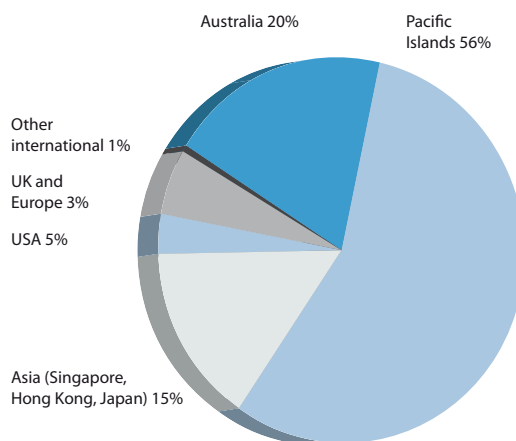
Total kilowatt power use from business operations (excluding leased machines) increased by 3.95 per cent. This was largely due to the acquisition of three existing IT services companies. Emissions from operating electricity (our service footprint) rose 17.11 per cent in response to changes in the emissions factors for this period, which are influenced by the amount of electricity generated in New Zealand by renewable versus coal power stations during the reporting year.

Total kilowatt power use from business operations (excluding leased machines) increased by 3.95 per cent. This was largely due to the acquisition of three existing IT services companies.

Key sources by business location



Travel destinations



We recycled 2,326 machines in the reporting year and re-used 1,967.



Dismantling machines at Sims E-Recycling in Auckland

Particulate emissions from printers

Printers and MFDs are generally known to emit substances such as ozone, dust and volatile organic compounds.

There are no known adverse health risks 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.

We are careful to ensure the environmental impact of our products is as small as possible

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.

Our machines comply with all required industry laws and standards including electrical safety standards.

Recycling and product stewardship

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

Ricoh Auckland sends end-of-life machines to Sims Recycling Solutions (SRS), where up to 98 per cent of each machine is recycled. This organisation manually dismantles machines and then recycles used parts, and consumables, such as drums, circuit boards and other components.

Our Christchurch branch sends machines to E-Scrap Recycling which also will recycle up to 98 per cent 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.

Ricoh Auckland sends end-of-life machines to Sims Recycling Solutions, where up to 98 per cent of each machine is recycled.

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 2013 for branches outside Auckland was 53 per cent, a decrease on the 61 per cent recorded in the previous period. All packaging with machines delivered to customer sites is returned by the freight company to the Ricoh branch for recycling.

Ricoh Hamilton was previously the only branch unable to recycle polystyrene packaging, but now this is being returned by to the Auckland distribution centre for recycling in otherwise empty freight trucks returning after delivering machines to Hamilton

Toner cartridges are recycled by Croxley Recycling. (See page 31). Our goal is 100 per cent recovery in New Zealand.

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.



Managing our carbon footprint

Toner cartridge recycling

Ricoh New Zealand partners with Croxley Recycling, formerly the Toner Recycling Centre, the country's largest collector and recycler of all printer waste including inkjet cartridges, laser cartridges and MFD cartridges. In the year ending March 2013, Croxley recycled 69,618 toner cartridges used in Ricoh machines (9,971 more than the previous year), diverting 14,754kg of waste from landfill.

This equates to an average of 5,801 cartridges a month, which was 60 per cent of all toner cartridges used by customers for the reporting period.

We provide boxes for cartridge collection to customers which are collected free of charge when full. The distribution and collection of boxes is managed by Croxley Recycling, which has collection centres around the country.

A new online system implemented in 2012 means the process used by a customer to arrange pickup of the boxes – formerly only done via phone through our contact centre – is now much easier.

Our customers are directed to our website to either apply to join the online programme or, if already registered, to click a link to the Croxley Recycling website to make a request for the delivery or pick up of collection boxes. The online system has helped lead to a 22 per cent increase in cartridges being collected for recycling.

Once collected, cartridges are collated, sorted, dismantled and cleaned of residue toner using an extraction machine. More than 99 per cent of each cartridge, including components such as plastic casing, metal parts and residue toner is recycled. Plastic is either supplied to local plastic

goods manufacturers, or exported through a broker for remanufacture.

Both Ricoh and Croxley Recycling are eager to develop ways to reuse recovered materials, and one use for the collected waste toner is inclusion in paint as a pigment.

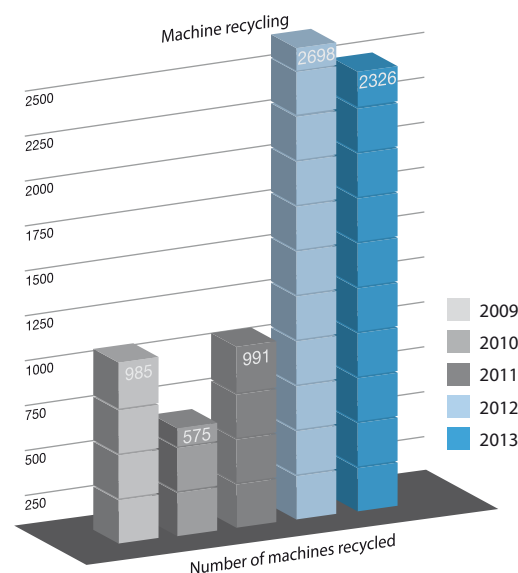
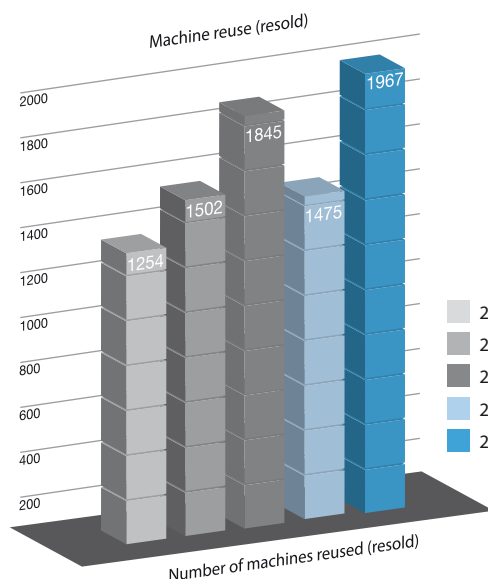
Otaki-based Enviropaints uses the waste toner supplied by Croxley Recycling, which has been separated by colour during the cleaning process. Black, cyan, magenta and yellow waste toner is used to help tint recycled paint into a variety of colours to create a new quality paint product suitable for both interior and exterior use.

The toner used to create the paint is a by-product of 50,000 used printer toner cartridges sent every month from Croxley Recycling's 14,000 customers nationwide – of which about 10 per cent comes from our customers.

The plastic from our recycled toner cartridges is being put to good use within New Zealand through the development of Scooter Dock – a product that provides an affordable storage solution for children's scooters at schools and homes around the country. (See case study on page 41.)

We spent \$154,276 on toner cartridge recycling in the reporting period, a substantial increase on the \$117,500 spent during the previous year. The increase was primarily due to an increased number of boxes sent out and more cartridges recycled.

Ricoh believes this is an important investment in assuming responsibility for the environmental impact of our products and to encourage meaningful product stewardship among our customers.



Used machines and e-waste

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

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

There is a continued drive to get older, less energy efficient, machines out of the market. In addition to the energy aspect, it is more difficult to get parts for servicing older machines.

Where possible, we refurbish and resell pre-used machines. In the last year we re-sold 1,967 machines, an increase of 492 machines on the previous year. All machines traded in beyond their useful life are responsibly disposed of through recycling facilities here in New Zealand.

There was a decrease in the number of machines sent for recycling during the reporting period: 2,326 compared with 2,698 in the previous year. However, second hand machines at sales have increased.

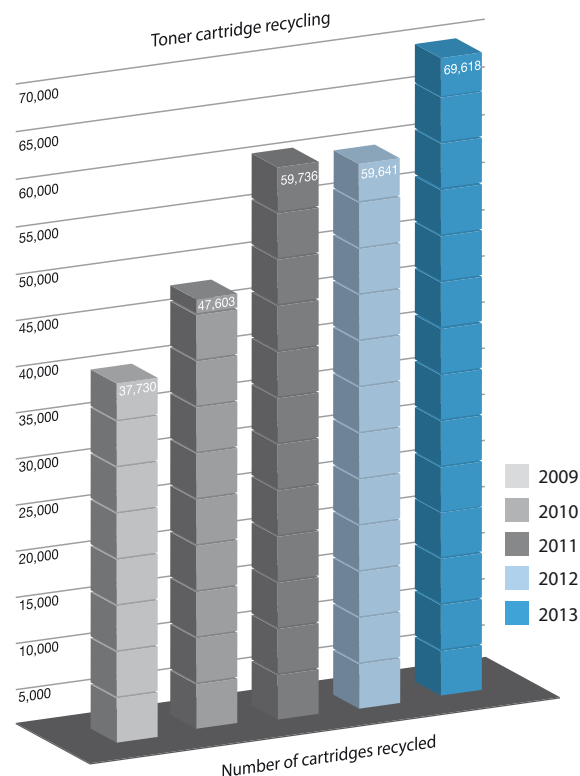
There is a continued drive to get older, less energy efficient, machines out of the market. In addition to the energy aspect, it is more difficult to get parts for servicing older machines.

Environmental management

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

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

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



We are proud to be the first in the document solutions industry to measure and offset our carbon footprint with the carboNZero^{Cert}™ programme.

We are 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 leased machines with energy-efficient technology.

"Ricoh is excited to be offering this environmentally sustainable solution to schools. We see it as a win-win solution."



Murray Clark, Marketing Manager



Savvy use of plastic saves school from scooter scourge

There are potentially hundreds of ways Ricoh's recycled toner cartridges can be used to provide creative solutions to everyday living - and one in particular is proving popular with school principals.

This year we launched the "scooter dock", made of recycled toner cartridge plastic, which will see scooters brought to school sit safely and neatly in docks where they can be attached with a cable or chain, rather than strewn in piles around the school.

The innovative new dock design - which can be bolted to the ground - also allows handlebars to turn up to 90 degrees. This saves space when several scooters are in line and ensures handlebars don't get caught up.

The single docks can be securely connected together and configured to any number of docks required.

The idea is the brainchild of Murray Clark, Marketing Manager for Ricoh New Zealand, who developed it after conversations around the dinner table.

"My son came home one day last year and said his school was looking into getting scooter stands," explains Murray.

"My wife is a primary teacher, and she agreed that her school, like many others, was in need of an affordable and practical solution to their 'scooter parking' problems."

Murray says the growing popularity of scooters means more and more kids are bringing them to school without anywhere to park them - and having to leave them lying around, "which can create a hazard as well as encroaching on available play areas."

In considering the scooter parking problem, he thought back to when Ricoh had promoted park benches made of recycled plastic, proving that there were many applications for the material that would be better than sending it to the landfill.

"It seemed like a great solution," he says, adding that a wooden prototype came first while he researched the feasibility of using recycled plastics for the stands.

He started collaborating with Christchurch-based Plastech Industries, a "plastic manufacturer of ideas."

"The team at Plastech established that a 50/50 mix of

recycled and new plastic was the optimum mix for a product that would flow smoothly into the mould, creating a quality product in every respect including functionality and durability," says Murray. The design was also refined by both parties before arriving at the finished article.

A win-win solution

Murray says the new initiative is a good fit with Ricoh's business ethos - which is to provide solutions.

"We have a lot of schools who use Ricoh for their copiers, printers and IT solutions. So we're delighted to provide another type of solution, especially as scooter parking has become such an issue for many schools."

The Scooter Docks help Ricoh to put quantities of its recycled plastic to good use.

The innovation also helps Ricoh to put quantities of its recycled plastic to good use. The used toner cartridges are collected by Croxley Recycling, which then granulates and arranges to have the plastic transported to the Christchurch manufacturing facility.

Minimal cost to schools

Ricoh plans to donate a number of Scooter Docks to schools and community organisations, and will encourage schools to consider selling them as a fundraiser.

As Murray explains, other commercially-produced scooter stands available in the market are priced at around \$20 to \$25.

"Based on our funding plan, for every Ricoh Scooter Dock a school on-sells, they will be able to fund the purchase of another for their school. Or they could use the scheme as a general fundraising project.

"Ricoh is excited to be offering this environmentally sustainable solution to schools. We see it as a win-win solution."

This takes the total trees planted on the island by the Ricoh group to more than 17,000.



'Ricoh Valley' the venue for another terrific Big Green Day Out

Ricoh's Sustainability Advisor, Margie Barriball, recounts the most recent Big Green Day Out.

We were able to return to our favourite spot, the Waitemata Harbour's Motuihe Island, again in 2012 after having to take a rain-check in 2011. Motuihe Project volunteers were glad to see the troops from Ricoh return to the same valley for the seventh time in nine years – they've unofficially called the area 'Ricoh Valley' in recognition of our long-term commitment to Nga Taikorapa, the area on the far side of the island.

"Motuihe Project volunteers were glad to see the troops from Ricoh return to the same valley for the seventh time in nine years."

Around 125 people boarded the Fuller's ferry early in the morning, reaching the island by about 9.30am, whereupon the massive task of unloading the boat of food and equipment took place. A short talk about the project and its importance was given by a Motuihe Trust volunteer before setting off to the planting site. Two hours of planting then followed, with more than 2,500 trees planted.

This took the total trees planted on the island by the Ricoh group to more than 17,000 trees, with the initial fast-growing trees of earlier years now supplanted by canopy trees – puriri, rimu and the like. All seedlings planted are New Zealand natives and are sourced on the island from seeds from a stand of existing mature trees and then grown in the nursery on the island.



Charles Churton with sons Nick and Christian



Motuihe Trust volunteer, Gill Muggleston

After planting the group was treated to a delicious BBQ lunch, followed by the much anticipated lolly scramble for the children. There was plenty of time to relax and enjoy the island's peaceful surroundings before everyone packed up and boarded the ferry for the trip back to Downtown Auckland.

"It's fantastic to see the kids of our customers, clients and staff come and take part."

On board there was more fun with prizes and certificates handed out to every child.

Margie Barriball says the day was perfect for planting and provided lots of fun for the forty or so children that tagged along.

"It's fantastic to see the kids of our customers, clients and staff come and take part; it's such a great example that we as adults and Ricoh as a corporate citizen can set," she says.

"We intend to keep going back to 'Ricoh Valley' until it is fully planted, from the beachfront to the top of the valley."



Olivia Dewse and Sophie Mahuru

Looking ahead

We have 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 the carbonZero^{Cert™} programme.

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	Technicians completing a service call will leave a form so customers can request to have the setting changed to energy save (ES) mode.	Technicians	Ongoing
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 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.	Branch Service Managers	Ongoing
Fuel: Reduce fuel consumption by the use of energy saving tyres	Having lower rolling resistance tyres fitted to fleet and company owned cars e.g Bridgestone Ecopia or similar	Where practical replace fleet and company owned cars with tyres that are proven to be more energy efficient than ordinary car tyres, as required.	Assignment Administrator	Ongoing
Fuel: Monitor fuel usage in fleet vehicles	Reduce fuel consumption of fuel card users	Monitor monthly fuel reports to ensure prevention of incidences if fuel card misuse.	Assignment Administrator	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 NZ company vehicles for Ricoh NZ business inc. sales and dealers, through fuel card system.	Marketing Manager	Completed

Fuel: Ricoh Rifle	To reduce fuel consumption of customer technician visits	<p>Continue to 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.</p> <p>Part one complete (resolving faults over the phone and reducing the need for technicians to visit - less fuel used and less emissions). Part two remains in progress (ensuring technicians have the right parts on board to not only resolve the immediate issue with the machine but also carry out preventative work during the same visit).</p>	National Operations Manager	Ongoing
Road freight	Reduce GHG emissions	Where practical for large shipments to branches/dealers goods to be sent by rail in shipping containers.	Logistics Manager	Ongoing
Freight couriers	Reduce GHG emissions	Investigate which parts are moved by courier and reassess efficiency.	Logistics Manager	Ongoing
Air freight	Reduce GHG emissions	Investigate what cargo is shipped by air freight and consider other options.	Logistics Manager	Ongoing
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	<p>Installation of compactors/balers for cardboard, polyethylene recycling and compactor for landfill waste. Cardboard and polyethylene baled is a saleable commodity, so there is more incentive to stop this going to landfill.</p> <p>Landfill waste is managed through a system of smaller bins, which are only emptied as needed and means it is more accurately estimated.</p>	Logistics Manager	Ongoing
Reduce waste to landfill	Reduce quantity of waste sent to landfill from Ricoh's Head Office in Auckland	Divert compostable waste, i.e. food waste and paper hand towels, from landfill by working with the office cleaners to implement a system for collecting this waste from lunchrooms and washrooms and organise disposal through a supplier for compostable waste collections.	Sustainability Advisor	Completed
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.	<p>Sustainability Advisor</p> <p>Human Resources Manager</p>	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.	Sustainability Advisor	Ongoing

Internally

Ricoh has formalised its commitment to sustainable business practices with the following documents, which are incorporated into our induction manual:

- **CSR Charter**

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

- **Environmental Policy**

Ricoh New Zealand's 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.

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

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, we are proud to be members of the Sustainable Business Network and the Sustainable Business Council (formerly NZBCSD).

We also foster the growth and celebration of sustainable practices through sponsoring the annual Sustainable 60 Awards competition.

In the reporting year we sponsored the 'Trailblazer Large and Corporate Business' award at the NZI National Sustainable Network Awards.

- **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.

- **carboNZero^{Cert™}**

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



Achieving carboNZero^{Cert™} certification in 2008 was an important step in our 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 verified carbon units (VCUs) or 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 our leased machines that have energy-efficient technology. Our 14 nationwide dealers also offset their emissions.

Participating in the carboNZero^{Cert™} programme is a significant financial commitment, amounting to \$77,861 for the year to 31 March 2013. However, we believe the value it creates for the business, for the community and for the planet more than justifies the cost.

- **ISO 14001**

In 2001, we became the first company in the office equipment industry to achieve the global environmental certification ISO 14001 for all our branch offices nationally.



- **Environmental Choice**

We were also New Zealand's first office equipment supplier to be licensed to use the Environmental Choice eco label. This tick of approval 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®**

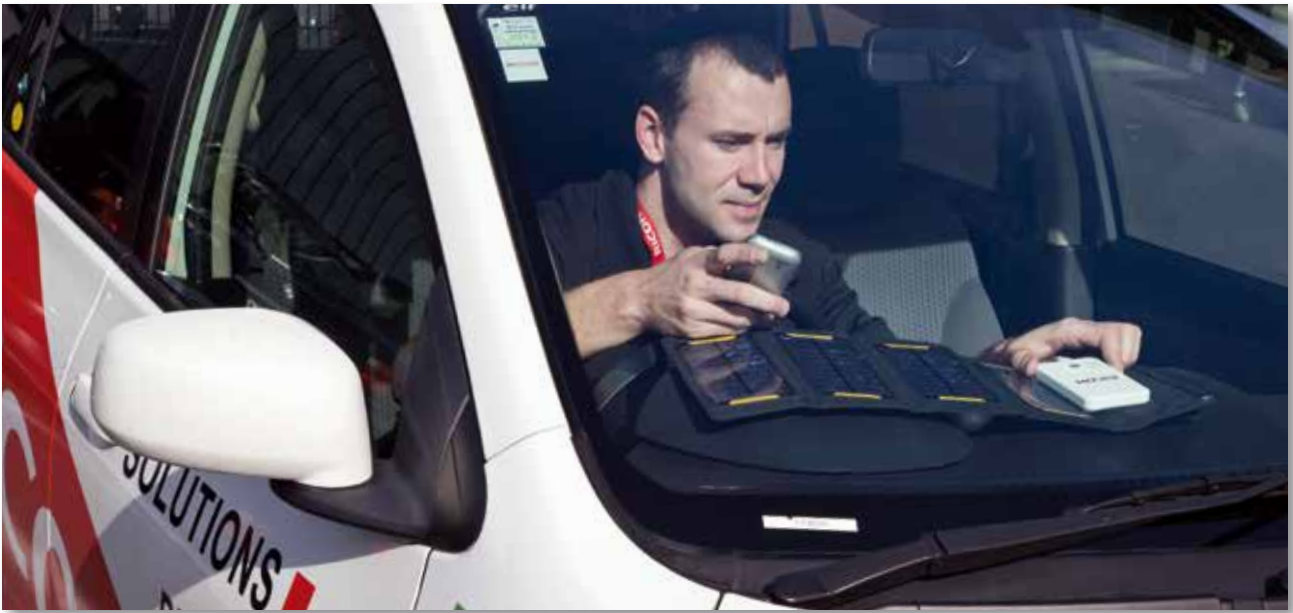
ENERGY STAR® is an international quality standard awarded to the most energy efficient products.



Ricoh has been an International ENERGY STAR® partner since announcing its first ENERGY STAR® qualified products in October 1995. In New Zealand, we have 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.

A cool use for a hot dashboard from Ricoh



David Lockton, Connectivity Engineer, sets up his solar charger

A neat little device that captures the heat generated on a car dashboard on a sunny day is helping save power bills at Ricoh New Zealand.

We have issued all mobile staff with portable solar panels - called Solarizers - that allow them to charge their mobile devices with free solar energy while they are out on the road.

When service technicians and salespeople visit a client's premises, they simply place the fold-up solar panels on top of their car dashboard with the power bank connected, says Marketing Manager Murray Clark.

"On returning, they simply connect the power bank to their phone or iPhone for charging - ensuring their mobile devices are always available but in an energy-saving, environmentally friendly way," he says.

The initiative was launched to mark Ricoh Eco Action Day, an annual event for the global Ricoh enterprise, promoting energy efficiency and conservation. Staff have fed-back enthusiastically on the Solarizer's benefits.

"This cool little device lets me charge my phone without plugging into the grid," says John Blanchet, a Ricoh Christchurch service manager. "This saves on my power bills at home, and lets me listen to my sounds while I'm camping up in the high country. I love it!"

Murray Clark says Ricoh is all about providing customers with practical solutions that help them achieve business solutions -

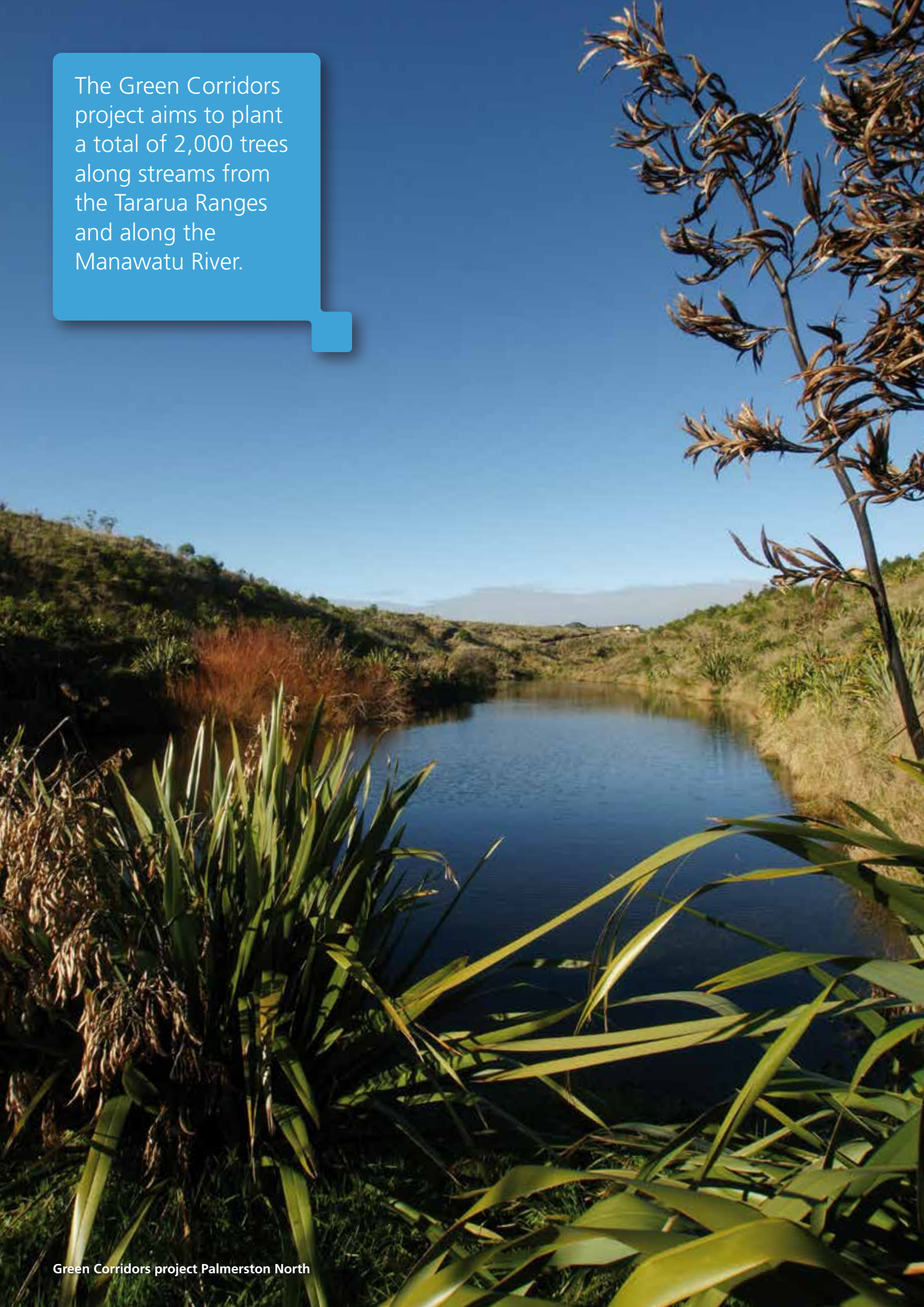
and is happy to have provided the Solarizer to more than 250 staff, clients, suppliers and other organisations to help them do the same.

Josephine Rudkin-Binks,
National Sales Manager for
carboNZero^{Cert™}, has applauded
Ricoh for the initiative.

"We're a carboNZero^{Cert™} certified organisation, so we like to promote environmentally sustainable options wherever possible," he says.

Josephine Rudkin-Binks of carboNZero^{Cert™} has applauded Ricoh for the initiative.

"Ricoh is always known for its innovative approach," she says. "It was amongst our first-ever carboNZero^{Cert™}-certified clients and remains a leading sustainable business."



The Green Corridors project aims to plant a total of 2,000 trees along streams from the Tararua Ranges and along the Manawatu River.

Ricoh pitches in to help restore river environment

Ricoh Palmerston North staff have committed to help clean up the Manawatu River area by creating a green corridor of native vegetation along its banks.

The 12-person team, which is involved with a staggering 30 community partnerships in all, first threw its weight behind the Green Corridors project in 2011 when 50 or so staff, clients and members of the public planted 1,100 trees on land designated for Ricoh to populate.



Volunteers Serena and Graeme Finlayson (front)

A similar-sized group assembled in 2012, with team members joined by staff from some of Ricoh Palmerston North's largest customers including Horizons Regional Council, Palmerston City Council, Medlab Central and the International Pacific College.

In 2013, the International Pacific College supplied an intern to help organise an even bigger and better day, with a team of up to 100 expected to plant at least another 1,000 trees on the Ricoh plot.

The Manawatu River has a well-documented problem with water quality as the low lying nature of the river flow is adversely affected by things like farm run-off, sediment from industry that flows into the river and other by-products of urban development.

The Green Corridors project aims to plant a total of 2,000 trees per hectare and approximately 10,000 trees each year to create a green corridor of vegetation and habitats for wildlife along streams from the Tararua Ranges and along the Manawatu River.

Jason Flynn, Ricoh's Palmerston North Branch Manager, says his team loves the fact the project provides a direct benefit to the people of Palmerston North and surrounding areas, as well as making it more beautiful.

"We live in Palmerston North because we love the natural setting of the city and the outdoor lifestyle it offers," says Jason. "We are more than happy to do our part to ensure that human development, no matter how intensive, does not encroach too much on our city's natural resources."

"A 'green' partnership like Green Corridors... aligns with the Ricoh drive towards resource efficiency and respect for our communities and the planet."

Jason says the company has committed to three years (until 2013) to the project, but will probably extend that involvement.

"At Ricoh Palmerston North we take great pride in being involved with dozens of community partnerships, including sports teams, community events and even the operatic society," he says.

"A 'green' partnership like Green Corridors is a hugely important part of the mix of things we'd like to be involved with and also aligns with the Ricoh drive towards resource efficiency and respect for our communities and the planet."



Green Corridors volunteers in action.

It's not possible to build a sustainable society in isolation; we need the help of all our stakeholders.

A man in a light blue checkered shirt and dark trousers is walking from left to right, carrying a black folder. He is smiling. In the background, a woman is sitting behind a reception desk made of horizontal wooden slats. The wall behind the desk has the word "RICOH" in large red letters. To the left of the man is a white office machine, possibly a copier. The floor is covered in dark grey carpet tiles with some red tiles. The ceiling is white with a long, thin light fixture.

RICOH



Our people and customers

Staff growing

We continue to build our capacity and capability with staff numbers increasing more than 10 per cent and surpassing the 300-person level for the first time.

Transitioning staff to the new Ricoh

As our emphasis on business solutions and IT services gains momentum, in-house training and customised coaching programmes have helped transition staff to the new look Ricoh.

Health and safety

Continued excellence in health and safety – for the third year in a row no days were lost due to work-related injury.

It's not possible to build a sustainable society in isolation; we need the help of all our stakeholders. Ensuring we have an engaged and passionate workforce is one of the key ways we ensure our business is sustainable and our customers enjoy continuity and commitment from year-to-year.

Our people

We employ 336 people throughout the country from a diverse range of backgrounds. We added 37 employees to our total staff number in the year to March 2013 as the company expanded its business and grew revenue. Employees were added across all departments, as well as the addition of 32 staff as a result of three IT firm acquisitions through the period from 1 December 2012 to March 2013.

The largest proportion of our staff remain involved in directly selling or servicing Ricoh equipment. As a result, these divisions – sales in particular – saw the greatest volume of staff turnover during the year, with the resignation of 61 staff (16 of those were women). The total comprised 10 service staff, 14 sales staff, five customer centre employees, nine finance and administration staff, three Ricoh Consulting employees, and one each in IT and logistics.

That's a turnover of about 16 per cent – a slight increase on the 2011/2012 year.

Males still make up the majority of our staff, at more than 86 per cent of our total workforce. While this is the case with most other companies in the printing and copying industry, we recognise our lack of gender diversity is a challenge that needs to be addressed. Our 56 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 our staff are employed in the Auckland region, where 189 staff or just over 56 per cent of our workforce is based. The next largest branch is Wellington, employing 49 staff. Palmerston North is the smallest office with 13 employees.

Human resources

We have 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

We adhere 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 our intranet, InterCom. All new staff declare in writing that they have read, understood and agree to meet the requirements of the Code of Conduct, and the declaration is kept in their personnel file.

Our people and customers

Recruitment

The recruitment of new staff is delegated to the hiring manager, and the Human Resources Manager is responsible for administration and contractual functions. All job vacancies are advertised in various publications and internet platforms in the area where the appointment will be made. We do 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

We have a comprehensive staff induction programme, managed by the human resources department. New staff are shown a 20-minute audio visual presentation within the first three months of employment, providing background on Ricoh Group and the operations of Ricoh New Zealand.

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

Our induction process requires that new employees are informed of our 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

With our increased focus on the Ricoh Consulting (Business Solutions) and IT Services areas of our business, our staff are on a steep learning curve and training provided by the company is a critical element of that. We are committed to providing staff

with professional development opportunities to ensure they are best placed to meet the needs of the changing business environment.

In this period the focus has been on our current and future expansion into the provision of IT Services and Business Solutions and the culture change required within the organisation in a period of transition.

Training programmes, staff meetings and a nationwide roadshow led by the Managing Director have introduced staff to the new Ricoh, helping them to understand the changing needs of our customers and how we intend to meet those needs now and in the future.

In addition, we have continued our ongoing training initiatives under the guidance of our National Training Coach. This includes our Customer Service Programme alongside the Sales Training and Coaching Programme and leadership / management programme for line managers, which have all received a high degree of staff engagement.

Commendations from customers continue to increase and the stakeholder survey carried out for this report (see page 5) reflects a significant rise in the perceived level of service and support which was rated seven out of 10 compared to 5.3 out of 10 in the previous reporting period.

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

We keep a record of technician training and the average training hours per technician is 40 hours each year.

Employee profile – as at 31 March 2013										
Categories	Staff		Diversity						Service	
Sub-category	Total		Male %		Female %		Average age		Average years	
Year	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Sales	132 (39%)	114 (38%)	96	94	4	6	43	41	5	4
Service technicians	115 (34%)	109 (36%)	100	100	0	0	39	36	6	5
Other customer facing	35 (10%)	30 (10%)	66	73	34	27	34	35	6	5
Support (non customer facing)	54 (16%)	46 (16%)	28	20	72	80	37	36	6	5
Total	336	299	86	83	14	17	38	37	5.75	4.75



Norman Newmarch, Silas Black and Darren Elmore could be called our Three Musketeers of improved efficiency, having been at the heart of several ground breaking projects which have made life easier for their colleagues and customers.

National Technical Support Manager Darren, Connectivity Support Specialist Norman and @Remote Technical Team Leader Silas have 26 years of Ricoh experience between them, both in New Zealand and overseas, but it is only in recent years they have come together as an informal collaborative team.

“Ricoh New Zealand is really one big team without silos,” Darren says. “That culture and way of working breeds ideas and things happen.”

Things started happening for this team about two and a half years ago when they got together to work on getting more out of @Remote, a fleet reporting and monitoring tool launched by Ricoh Japan. Darren, Norman and Silas pushed the boundaries and transformed the static tool into something that did things with data in ways that caught the eye of Ricoh’s head office in Japan.

The three men all had a role in the ground breaking RIFLE system, a fault logging engine that means approximately 24 per cent of incoming service calls are resolved without the need for an engineer to visit the customer, delivering a big reduction in service costs.

Their latest triumph is an iPad app for updating firmware. “The engineer simply connects to the device with the app, which displays a colour coded list of that device’s firmware. They hit one button and the firmware in need of an update is automatically updated,” Norman explains.

Compare that to the previous method of downloading new firmware from a laptop on to an SD card and then uploading it from the SD card to the customer’s machine and you can see what a difference this has made. It’s also worth noting that this project is something that Ricoh Asia Pacific tried but gave up on.

Of course, in order to put these ideas in to practice, the Software Development Team has played an important part and, with their programming skills, have helped with this and other improvements in service efficiency.

The trio, who are motivated by doing things better, say what they most enjoy about working at Ricoh is the variety with no two days being the same. “There’s no chance of getting bored,” Silas says.

“We’re more often than not responding to customer needs. The sales team has sold a concept and it’s up to us to make it possible,” Darren says. “We investigate all avenues to get to where we need to for the customer. They are the life blood of the business.”

But their efficiency improvements don’t always come easily. The firmware app was more than 12 months’ work and required plenty of perseverance, patience, late nights and coffee.

Our people and customers

Occupational health and safety

We're proud of our health and safety record. In the year to 31 March 2013 there were no days lost due to work-related injury. There were nine health and safety incidents across Ricoh New Zealand, one fewer than last year, despite a gain in overall staff numbers.

Health and safety remains a central focus, and initiatives are outlined in the Ricoh New Zealand Health and Safety Manual. Our Health and Safety policy specifies health and safety performance criteria for all employee and work areas.

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.

Each branch which employs more than 10 staff has an established health and safety committee. These committees are responsible for discussing new initiatives and serious incidents, or to communicate major changes in health and safety practices.

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.
- Annual evacuation drills take place in the Auckland, Wellington, Christchurch and Dunedin branches, facilitated by an external consultant who assesses and reports on the process of building evacuation and identifies any problems. Procedures for evacuation drills are explained on the first day of employment with Ricoh.
- First Aid kits are maintained and kept accessible on site, with trained First Aid representatives in every branch.
- Annual flu injections are provided free for all staff, with information about preventing and dealing with serious diseases such as bird flu provided on the company intranet.

Employee Assistance Programme

We provide free, confidential counselling services through our Employee Assistance Programme to all staff. 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 for five days sick leave per annum from their first day of employment. 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 our employees is four weeks, or as agreed during consultation about a restructure. We have no differentiation between gender groups when it comes to remuneration. Each employee's 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 on file 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 our human resources strategy along with observations, SWOT analysis, latest market research, key stakeholder and management interviews and our strategic intent as a company.



Heinrich Arries Workshop Manager and Mazhar Hussein Workshop Engineer

During 2012 we participated in the independent national 'best workplace' survey conducted by Kenexa (formerly known as JRA) and the results were used to identify certain interventions that were implemented to improve staff engagement.

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 our 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 us. 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 processes web-based orders and automated orders placed via Ricoh machines, and follow ups on the estimated time of arrival for customer support engineers. Our customer service team members are encouraged to work towards the NZQA accredited National Certificate in Contact Centre Operations.

Customer satisfaction

ISPOS Benchmark study

From September to December 2012, consulting firm IPSOS carried out the Ricoh Customer Satisfaction Benchmark study, commissioned by Ricoh Asia-Pacific. The resulting report, in December, compared our performance to a large number of document solutions providers, and highlighted areas of good performance and areas needing to be improved.

The phone survey was of business decision makers on office equipment purchases, or users of office equipment, with a total sample of 450. They were a variety of business sizes and of those, 150 were Ricoh users or purchasers.

Ricoh's overall brand satisfaction fell slightly from 87 per cent to 85 per cent (either 'satisfied' or 'very satisfied'), placing it just below three other major providers which it also trailed in the 2011 survey.

The survey showed 81 per cent of Ricoh users would be 'very likely' or 'likely' to repurchase from the company. This figure was the same as the previous period but we found ourselves in fifth place in this category down from second in 2007.

The 2012 survey saw significant increases in satisfaction for our Customer Service Hotline (up from 87 per cent to 95 per cent) and in complaints handling (up from 63 per cent to 69 per cent). However, complaints handling remains an area for us to look to increase customer satisfaction to well above the



Ricoh Tauranga - Innovative Document Solutions Ltd - team

70 per cent mark. All of the other category results either increased or decreased slightly.

The survey revealed that of all the brands featured, Ricoh had the highest unprompted brand awareness in New Zealand (56 per cent). It also concluded that Ricoh stands out from other brands in New Zealand for its after sales services and product features, which are the top reasons for preferring Ricoh.

We also use 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, which means 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. We have more than 100 service engineers 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

Our core business partners are our 14 dealers based throughout the country. They represent us in the following centres: Whangarei, Auckland (export to Pacific Islands), Tauranga, Rotorua, Taupo, Gisborne, Hawke's 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, sales and marketing.

Suppliers

We have strong relationships with our key suppliers who provide support across revenue stream planning, implementation and documentation, inventory management, business management, and new business support.

The charity relies heavily on corporate sponsorship and the ability of companies like Ricoh to lend time and support to fundraising efforts throughout the year.





Helping Cure Kids: a special cause for Ricoh

We get behind many great causes throughout the country, but one that had special resonance during the reporting year was our support of Cure Kids.

Cure Kids, established by Rotary in 1975 as the Child Health Research Foundation, has invested more than \$29 million in research over the years into genetic malformations in children. These conditions include, for example, childhood leukaemia and other cancers, heart diseases, cystic fibrosis, Sudden Infant Death Syndrome, Type 1 diabetes and asthma. These are all conditions and diseases that mean children miss out on a normal childhood, and have to learn far too early in life how to fight to survive.

The charity relies heavily on corporate sponsorship and the ability of companies like Ricoh to lend time and support to fundraising efforts throughout the year.

We began our relationship with Cure Kids in 2010 as a result of seeing the need to diversify from primarily environmental community projects. The criteria applied was that it also needed to be something our staff could become involved with, in terms of fundraising activities, as well as in an event.

Since then, our staff have fundraised and been involved in a range of Cure Kids events each year, which together with corporate sponsorship from Ricoh has contributed well over \$60,000 to the charity.

The favourite event for Cure Kids - if attendance is anything to go by - is Walk on the Wild side which in 2012 saw more than 40 of our staff walk or run up to 17km in a bid to encourage their sponsors to support the charity with monetary donations for their efforts.

Finance Director Haroon Mohammed says he was thrilled with the Ricoh effort in 2012, which consisted of three separate events: a pub quiz, a raffle and the walk.

"We had 88 staff members take part in the pub quiz, with the Auckland Solutions team taking out first place, and that was followed by a raffle that had managed to score some fantastic hamper items such as an iPhone, a laptop, a 40" LCD TV, a camcorder, GPS systems, flights, a BluRay player and much more.

"Our final big push was Walk on the Wild Side, where more than 40 staff from the Auckland branch rallied their friends, families and neighbours for sponsorship to complete either three, 10 or 17km," he says, adding that most chose the more punishing 17km route.

Ricoh paid the \$100 per person entry fee - and the company was also able to earn some bragging rights by winning the 'most raised' prize, after collecting more than \$21,000 for the cause.

"Our final big push was Walk on the Wild Side, where more than 40 staff from the Auckland branch rallied their friends, families and neighbours for sponsorship to complete either three, 10 or 17km," he says, adding that most chose the more punishing 17km route.



Who we support

Other organisations which we have sponsored, or made annual charitable contributions to in the reporting period, include:

Environment

- Sponsor of the Sustainable 60 Awards 2012
- Sponsor of the NZI National Sustainable Business Network Awards 2012
- Member of the Sustainable Business Council

Community health and support

- Stuttering Treatment and Research Trust (START)
- Cure Kids
- Halberg Disability Sport Foundation
- Auckland Diabetes Association

Education

- Otago Primary Principal's Association

The arts

- Museum of New Zealand Te Papa Tongarewa
- Fortune Theatre, Dunedin

Adventure sport

- Motatapu Summit mountain bike ride, Queenstown

Sports

- SRAM Tour de Ranges bike ride, Auckland
- TEAR Fund Poverty Cycle, Auckland
- Lake Taupo Cycle Challenge
- New Zealand Badminton Open
- The Blues Rugby Union franchise
- Auckland Rugby Football Union
- Manawatu Rugby Football Union
- Wellington Rugby Football Union
- Canterbury Rugby Football Union
- Crusaders Rugby franchise
- Wynton Rufer Soccer School of Excellence
- Cambridge Football Club
- Sport Manawatu
- Alhambra-Union Rugby Club
- Dunedin Netball

Our staff can apply to have us sponsor their child's sports team, which means we also support many schools and community sports clubs.



Mike Pollok, Managing Director of Ricoh NZ, with Halberg Activity Fund recipient, Jaden Movold and Wayne Boyd, Chairman, Halberg Disability Sport Foundation.

We were proud to announce we had become a sponsor of the Halberg Disability Sport Foundation (formerly the Halberg Trust) in October 2012.

We support the Foundation's vision - and that of its founder Sir Murray Halberg - to give all New Zealanders, regardless of their ability, the right to participate and engage in sport.

Managing Director Mike Pollok says getting behind this charity fits with Ricoh's belief in contributing to the communities in which it operates.

"The Halberg Disability Sport Foundation works with families, communities, clubs and national sporting bodies to open doors and remove barriers to participation, with the help of its sponsors including us," says Mike.

The Westpac Halberg Awards is the Foundation's flagship event to honour sporting excellence and raise vital funds for its year-round disability sport work.

**Halberg
Disability Sport
Foundation**

"The Halberg Disability Sport Foundation works with families, communities, clubs and national sporting bodies to open doors and remove barriers to participation, with the help of its sponsors including us."

Our stakeholders

Stakeholder Groups		Activities in 2012/13	
Employees			
336 staff working from nine offices and two warehouses across the country		<ul style="list-style-type: none">•Department meetings with direct supervisors•Ricoh’s intranet – InterCom•Half-yearly ‘Communicator’ magazine•Monthly newsletters•Quarterly company update from the Managing Director•Annual performance reviews for staff•Exit interviews•Daily market trends and industry information•Staff social events	
Customers			
Thousands of customers ranging from small business 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 conducts ongoing customer satisfaction surveys•Annual IPSOS customer satisfaction survey and market survey•CSR/environmental events e.g. Big Green Day Out (tree planting)	
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•Invited to environmental and social activities	
Suppliers			
Local suppliers for goods and services ranging from travel through to telecommunications		<ul style="list-style-type: none">•Invited to environmental and social activities	
Ricoh Group and Stakeholders			
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			
Part of the all of government contract for multi-functional devices and printers		<ul style="list-style-type: none">•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		<ul style="list-style-type: none">•Ricoh continues to be a member of the Sustainable Business Network and the Sustainable Business Council	
Community			
Ricoh New Zealand is involved in a number of community activities, events and environmental activities		<ul style="list-style-type: none">•Annual contributions to community and charitable groups	

Indicator	Description		Page No.
1.1	Statement from the CEO	Y	9
1.2	Description of key impacts, risks and opportunities	Y	5, 7, 15-16, 31-32
2.1	Name of organisation	Y	4
2.2	Primary brands, products and/or services	Y	11
2.3	Operational structure of organisation	Y	13
2.4	Location of organisation's headquarters	Y	11, 51
2.5	Number of countries where the organisation operates	Y	11
2.6	Nature of ownership and legal form	Y	13
2.7	Markets served	Y	11
2.8	Scale of the reporting organisation	Y	4,15,16,51
2.9	Significant changes during the reporting period	Y	6,9,15
2.10	Awards	Y	11,17
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 of 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
3.11	Significant changes from previous reporting periods	Y	31
3.12	Table of standard disclosures	Y	61
4.1	Governance structure	Y	13
4.2	Chair of the highest governance body	Y	13
4.3	Independent and/or non-executive board members	Y	13
4.4	Mechanisms to provide recommendations or direction to the board	Y	13
4.14	List of stakeholder groups	Y	60
4.15	Basis for identification and selection of stakeholder	Y	60
Performance indicator	Description		
EN4	Indirect energy consumption by primary source	Y	31-33
EN16	Total direct and indirect greenhouse gas emissions by weight	Y	31-33
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Y	32-33
EN22	Total weight of waste by type and disposal method	N	33
EN26	Initiatives to mitigate environmental impacts of products and services and extent of impact of mitigation	Y	37-39
EN30	Total environmental protection expenditure and investments by type	Y	46
LA1	Total workforce by employment type, contract, and region	Y	51
LA2	Total number and rate of employee turnover by age, gender and region	Y	52
LA7	Rates of injury, occupational diseases, lost days, absenteeism, and work related fatalities by region	Y	54
LA10	Average hours of training per year per employee by employee category	Y	52
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		15,16,17
EC6	Spending on local suppliers		17



The Ricoh Big Green Day Out group, 2012





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