

# Think Global, Act Local: Ricoh Evolves Its Distinct Brand of CSR Management

*"To be of value, corporate social responsibility (CSR) activities and management must conform to the unique cultures and histories of the various localities in which a company operates. As such, they must be dependent upon the distinct individuality and characteristics of each company and cannot be genuinely fulfilled through international standardization." Thus Masamitsu Sakurai, Ricoh's President and CEO, draws a line in the sand.*

## A Proven Track Record

In this era in which companies no longer control the market but in which the market selects the company, Ricoh recognizes that it is no longer an option for companies to fulfil their corporate social responsibilities — it is a basic requirement. As Sakurai states: "Although there is a conceptual understanding of CSR, there is no firm definition of what it actually entails." However, the Ricoh Group understands that to grow as a respected enterprise they must carry out their CSR activities with a consistent global perspective that comprehensively encompasses every aspect of its operations.

Ricoh's dedication to reducing the burden on the global environment dates back to the 1980s. "The Ricoh Group has striven to implement its own distinct management style from early on and recognizes that only the sustained implementation of these activities will make them meaningful. Concurrently, we need to acknowledge that growth is essential for a company to pursue environmentalism," adds Sakurai. Clearly Ricoh intends to leverage its environmental performance as a springboard for broader CSR activities.

## Corporate Identity within a Global Society

Today Ricoh's CSR management is firmly founded in globally accepted principles as well as its own unique corporate principles. In 2002, Ricoh became the second Japanese company to declare its participation in the Global Compact. The Compact, launched by the United Nations in 1999, includes ten principles in the three areas of human rights, labour standards and the environment. Furthermore, in January 2003, Ricoh became one of the first Japanese companies to establish a CSR section. As Sakurai points out: "We founded

our CSR section in order to define the Ricoh Group's unique brand of CSR and to conduct business activities with common social courtesy and responsibility." This was followed by implementation of its CSR Charter and CSR Code of Conduct — as common values and conduct guidelines for the approximately 75,000 employees of the Ricoh Group.

## CSR and the Pursuit of Profits

Of course Ricoh recognizes that the fundamental goal of any company is the pursuit of profits and has clearly established this as an essential part of its corporate responsibility. Sakurai states: "There are those who doubt whether CSR and corporate profit can go hand in hand, but our performance provides the proof." Indeed, Ricoh's fiscal 2003 consolidated performance marked its tenth consecutive year of increased income and twelfth consecutive year of increased profits. In keeping with this Ricoh is pursuing an aggressive strategy of growth to maintain momentum.

In 2004 Ricoh began reporting on its activities according to three different perspectives — CSR, the environment and the economy (annual report) — forming a comprehensive three-volume Sustainability Report. Elaborating on this strategy, Sakurai says: "These reports individually disclose information that serves as a key guide for potential investors, customers and employees." Ricoh thus clearly recognizes that to promote its own sustainability and contribute to the development of a sustainable society it must strive to stand out in the three areas of the environment, society and the economy.

## High Acclaim in Japan and Abroad

Ricoh has earned the respect of both Japan and the international community for its



Masamitsu Sakurai, President and CEO

global conservation activities. The company was ranked number one among all manufacturers in the Eighth Environmental Management Survey conducted by the Nihon Keizai Shimbun, Japan's top business daily, on December 6, 2004 and ranked number one in the Global CSR Company Rankings by Newsweek (Japan edition) in June 2004. In addition, Ricoh is listed in the Dow Jones Sustainability Index and is one of the issues in the Morningstar CSR Stock Index launched in Japan in 2003.

## The Final Judge

Recently, there has been an increased call for the establishment of a global CSR standard. Sakurai emphasizes: "There should be a firm definition in place for compliance; however, CSR involves human rights, labour, the environment and societal harmony. In other words, CSR is a management issue entwined with corporate value creation and should be determined by each individual company. After all, the final judge is society itself — and companies not up to the task will simply fade away."

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