

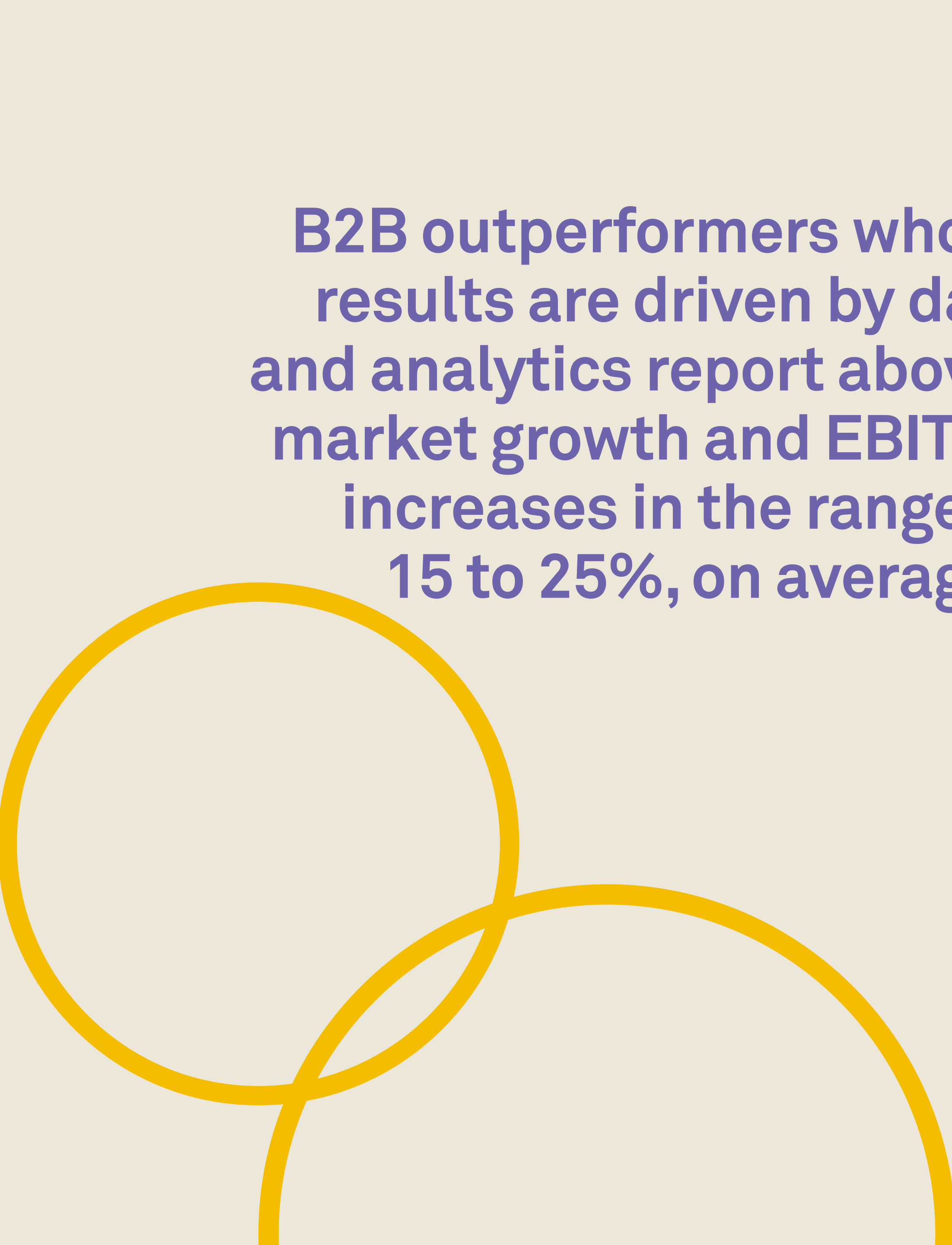
# Sustain the future™

How unlocking the power of information  
can change the world



**RICOH**  
imagine. change.





**B2B outperformers whose results are driven by data and analytics report above-market growth and EBITDA increases in the range of 15 to 25%, on average.<sup>1</sup>**

## **Sustainability...**

The topic is ubiquitous around the globe for good reason. Irrefutable climate data, shifting consumer consciousness, increased globalization, and the paradigm shifts of the past few years have made it impossible to ignore. But while sustainability may be the current zeitgeist, its interpretations and implementations span far and wide — especially when it comes to sustainable business practices.

Sustainable Development Goals have been in play for businesses at varying levels since the concept originated in the 1980s. For some, like B Corporations, sustainability became a fulcrum; for others, it was just a “greenwashed” marketing message. But then came the flashpoint of 2020.

A pandemic. A global shutdown. A crippled supply chain. Worsening ecological events. Ever-widening economic disparities. For businesses, the ability to shift, scale, retract, redirect, and maintain became the defining factor in continued success — not just on the P&L, but at every level of the organization. From customer retention to hybrid work to keeping operations afloat, businesses of every shape and size were tested for durability. The challenging market conditions exposed risks and vulnerabilities and solidified the need for dynamic data solutions, which can often times determine the difference between failure and success.

<sup>1</sup>McKinsey & Company, Insights to impact: Creating and sustaining data-driven commercial growth, January 18, 2022





## The Three Ps: Prosperity | People | Planet

Data solutions helped get organizations through the past few years when it came to protecting the single bottom line. But what about the triple bottom line? Today's organizations need to be proactive about sustaining not only their profits, but their people and the planet, too.

### Ricoh's approach to sustainability

We work to maintain what we call the “Three Ps Balance” through a focus on seven material issues that align with UN SDGS.

- Creativity from Work
- Quality of Life Enhancement
- Zero-Carbon Society
- Circular Economy
- Stakeholder Engagement
- Open Innovation
- Diversity and Inclusion



Like any other facet of sound business, sustainability efforts cannot be successful without a clear benchmark. Knowing where things stand today is an essential component of planning for tomorrow. To move the needle toward progress in any area of sustainable business development, companies need to unlock data trends in four important categories:

### **1. CUSTOMERS**

What are their customer satisfaction scores telling them? Do they know the opportunity cost of a lost customer? The lifetime value of a loyal customer?

### **2. EMPLOYEES**

How is productivity being measured? What is employee engagement like? What is the current turnover rate?

### **3. OPERATIONS**

Are operations being optimized? Are there business continuity plans in place for unforeseen market changes? Is company data safe and secure?

### **4. ENVIRONMENT**

Are they keeping track of natural resource consumption? Do they know their carbon footprint? How are they accounting for environmental impact?



As echoed in the halls of big tech and recent shareholder meetings, the future is unpredictable. To remain relevant, nimble, and profitable in this new normal, standalone data will not be enough. Savvy organizations understand that in order to make decisions and garner insights, data must be unlocked, contextualized, and connected. And that starts with looking at all the programs, one-off efforts, and information currently in place — in tandem with efforts to formulate a long-term strategy.

To plan for the future, it can be helpful to consult the past. Let's take a quick look at how sustainability evolved from an ecological concept to a broad business directive.



# How we got here: a brief history of sustainability

In the 1960s, thanks in part to Rachael Carson's Silent Spring, environmental consciousness began to emerge — especially in relationship to economic development. Carson examined the multifaceted detrimental effects of pesticides on humans and the environment and challenged the prevailing attitudes at the time. She posed the question: can we master ourselves and our appetites to live as though we are an equal part of the earth's systems and not the master of them? The jury is still out.

## The bad news

According to Environmental Sustainability, we're on pace to produce 27 billion tons of solid waste by 2050 due to a business environment that prioritizes rapid production and turnover of products for maximum profits. Unchecked CO2 emissions are projected to contribute to a temperature increase of two degrees Celsius by 2050, which will cause sea levels to rise and catastrophic weather events to increase.

## The good news

Per the Paris Climate Accord, businesses can make a major impact and account for 60% of emissions cuts by 2030.

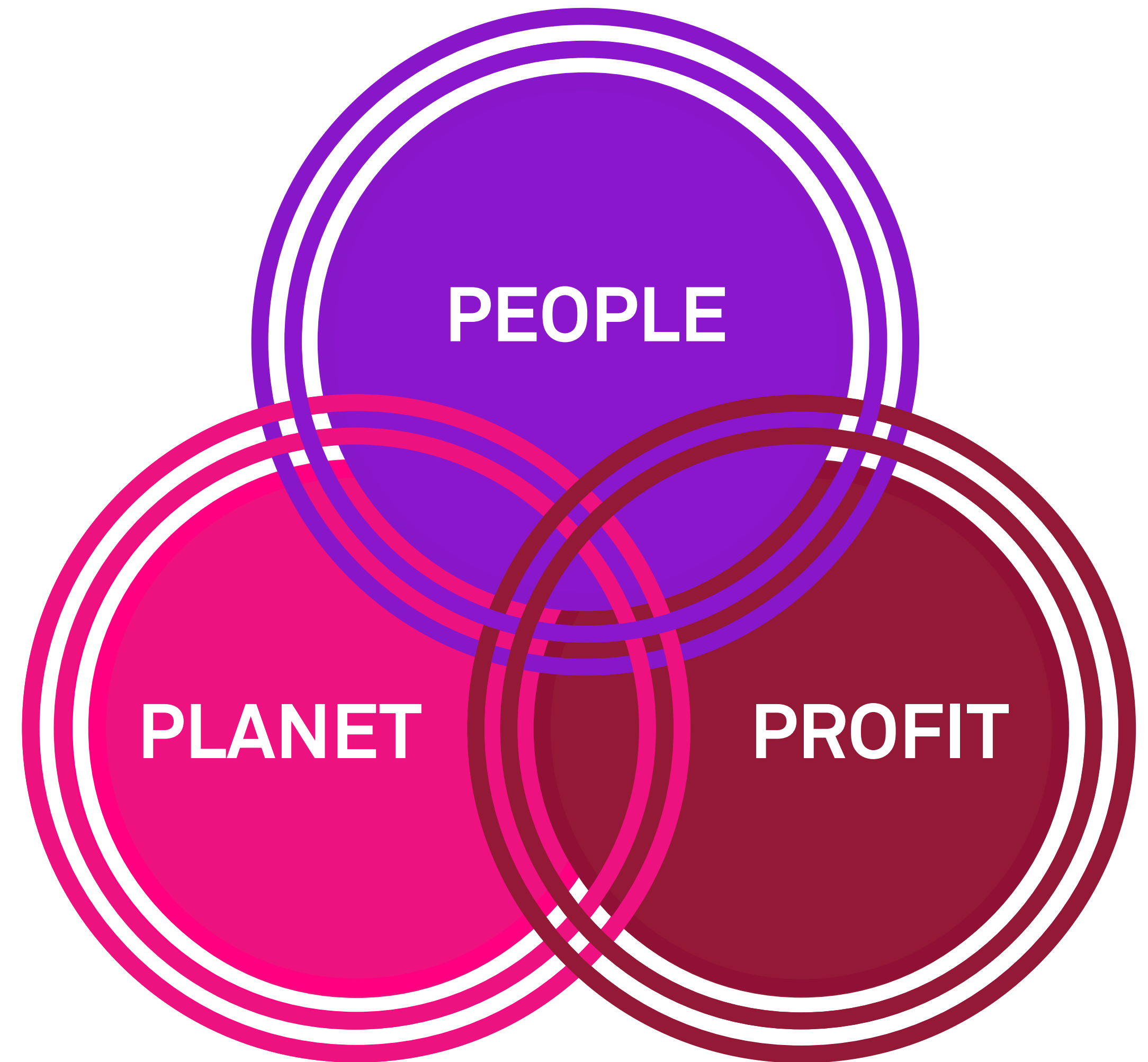




# Triple Bottom Line framework established

While a few companies with progressive leadership began considering sustainability in their business plans during the late sixties and seventies, it wasn't until 25 years later that sustainable development as a normative concept was introduced. Our Common Future (or The Brundtland Report), published in 1987, defined sustainability as “development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs.” On the heels of this concept, the concept of the triple bottom line (TBL) emerged in 1994. The triple bottom line consists of social equity, economic, and environmental factors. The phrase, “people, planet, and profit” to describe the triple bottom line and the goal of sustainability was coined by John Elkington, a world authority on corporate responsibility and sustainable capitalism.

The TBL concept expanded over the years to include business frameworks like CSR (Corporate Social Responsibility), ESG (Environmental, Social, and Governance), and a variety of increasingly specialized concepts like environmental P&L, impact investment, carbon productivity, and the concept of circular economies. And that's just to name a few. Additionally, cities, states, and countries all over the world had been developing their own sustainable development plans — all with different ideologies, methodologies, KPIs, and goals. As the movement scaled, it became clear that in order to affect change at a planetary level there would have to be a global response.







# United Nations defines global Sustainable Development Goals

The need for globalized standards was met in 2015 when the United Nations created the 2030 Agenda for Sustainable Development. As part of this international charter, the UN formalized a set of 17 interlinked global goals designed to be a “shared blueprint for peace and prosperity for people and the planet, now and in the future.”

It’s big business, too.

Evidence shows that investing in the SDGs makes economic sense, with estimates highlighting that achieving the SDGs could open up \$12 trillion of market opportunities and create 380 million new jobs, and that action on climate change would result in savings of about \$26 trillion by 2030.<sup>2</sup>



<sup>2</sup>Business and Sustainable Development Commission, 2017; Better Business Better World; Report of the Global Commission on the Economy and Climate, 2018



# 4 pillars: the future of sustainability

- 1 Customer sustainability
- 2 Employee sustainability
- 3 Operational sustainability
- 4 Environmental sustainability

ESG-oriented investing has experienced a meteoric rise.

**Global sustainable investment now tops \$30 trillion — up 68% since 2014 and tenfold since 2004.**

The acceleration has been driven by heightened social, governmental, and consumer attention on the broader impact of corporations, as well as by the investors and executives who realize that a strong ESG proposition can safeguard a company's long-term success.<sup>3</sup>

Sustainable business development is the way forward. To compete, companies will need to rely on robust data systems and solutions to uncover opportunity areas, weather storms, adapt to new technologies, and create lasting value in four key areas.



<sup>3</sup>McKinsley Quarterly, November 2019



# Pillar #1: Sustain customer relationships.

With the rise of ecommerce and exponential growth of digital-native brands, the competitive landscape is fiercer than ever. Today's world is awash with choices and maintaining sticky customer relationships is an ongoing challenge. In the fight for customer hearts and minds, sustainability has become a major brand differentiator. Customers, especially those in younger demographics, are savvier and expect the corporations and brands they do business with to echo their values and meet the present planetary moment.

## FAST FACTS<sup>4</sup>



Nearly 70% of consumers think it's important for brands to be sustainable



Online searches for sustainable goods have increased by 71% since 2017



66% of consumers (75% of millennials) consider sustainability when making a purchase



69% of consumers will pay 35% more on average for eco-friendly items

<sup>4</sup>Forbes, The CX Power of Earth-Friendly Companies, April 2022





# How does unlocking information sustain customer relationships?

The importance of data to customer relationships cannot be overestimated. And, perhaps even more crucially, the connectivity of that data cannot be overestimated. From lead generation to targeted marketing, personalized experiences to brand loyalty initiatives, marketing to customers in effective and cost-effective ways all depends on data relationships. Advertising ROI, email open rates, conversions, customer personas and buyer histories, A/B testing, and so much more rely on clear, accurate, and connected data.

Customer Experience, or CX, is also directly affected by the quality of your data. Modern customers expect seamless online experiences, conveniences like BOPIS (buy online, pick up in store) and free shipping, and loyalty perks — all of which require systematic data solutions. Nearly 80% of American consumers say that speed, convenience, knowledgeable help, and friendly service are the most important parts of a positive customer experience.<sup>5</sup>

Providing outstanding CX will sustain your customers, ergo your revenue, and the time to revisit customer relationship strategies is now. The ability to identify, target, win, and keep customers is now the holy grail for any organization — and the key to unlocking success is knowing who your customers are, how they want to interact with you, and what they may be looking for next. This can only be accomplished when your customer data is unified, secured, and accessible in a timely manner to everyone in your organization who needs it.



## Building solutions that sustain

One of Ricoh's newest offerings arose from a clear market need: today's medium-sized organizations in healthcare, financial services, retail, and higher education are looking for ways to efficiently execute marketing campaigns and improve customer communications in our omnichannel world. Through partnership with Ricoh, one healthcare organization has already saved roughly \$1M in rogue campaign spending — making a big impact on both customer sustainability and the bottom line.



## Pillar #2: Sustain your employees.

A positive, productive, and engaged workforce is one of the greatest growth levers for any organization. But building one can be challenging, even without the limitations and uncharted territory of the new ways of work. Whether onsite, hybrid, remote, or borderless, providing employees with the information they need, whenever they need it is critical to business operations and employee satisfaction.

From the outset, the costs of recruiting, hiring, and training new employees are high. According to recent benchmarking data, the average cost per hire was nearly \$4,700<sup>6</sup> — a gross underestimate according to some experts. So, when employee turnover is also high, organizations lose on several fronts. But employee sustainability isn't just about retention. It's about creating a culture of sustainability with a commitment to a common mission that extends past the organization itself.

### FAST FACTS

- ✓ 68% of employees are more willing to accept positions from environmentally sustainable companies<sup>7</sup>
- ✓ 90% of executives think sustainability is important, but only 60% have a sustainability strategy<sup>8</sup>
- ✓ Almost 90% of employees report high satisfaction when involved in corporate sustainability work<sup>9</sup>
- ✓ Nearly 40% of millennials have joined a company because of sustainability policies, even for less pay<sup>10</sup>

<sup>6</sup>Society for Human Resource Management (SHRM), The Real Costs of Recruitment, April 2022

<sup>7</sup>IBM, Institute for Business Value (IBV) study, April 2022

<sup>8</sup>Forbes, Why Corporate Strategies Should be Focused on Sustainability, February 2022

<sup>9</sup>National Environmental Education Foundation (NEEF), Winning in the Marketplace and the Workplace, November 2017

<sup>10</sup>Forbes, Why Corporate Strategies Should be Focused on Sustainability, February 2022





# How does unlocking information sustain employee relationships?

The past few years have been a proving ground for employers. From paradigm shifts in the way we work to “The Great Resignation,” organizations have been challenged with recruiting and retaining quality employees. For the employees themselves, the pandemic offered a chance to rethink career priorities, life goals, and working conditions. And while the workforce looks to be in a rebound, many of the lessons learned will remain.

The open discussion of once eschewed concepts like work/life balance, burnout, and radical transparency in the workplace were suddenly commonplace. Seemingly overnight, employees were working from kitchen tables alongside their children and employers were scrambling to figure out how to pivot and transform on a rolling basis. But for organizations with data systems and solutions and a supportive, sustainable company culture already in place, maintaining an engaged workforce came much easier. When information is unlocked and systems are connected, employees are empowered to:

- Access the information they need to perform their job, whenever and wherever they need it
- Collaborate across departments, breaking down silos and making connections
- Engage in company culture via employee portals and intranets
- Understand total compensation packages and benefits
- Manage their own development, training, and self-service HR functions like payroll and life changes

Empowered employees are engaged employees. Providing your teams with a mission, sustainable value propositions, and the digital workspace to thrive will put your workforce in a strong position to face an unpredictable future.



**“Employers learned through the past few years that productivity does not have to be negatively impacted in a remote working environment. Companies also realized that direct employee engagement is crucial to build the culture and innovate. With this in mind, organizations with the best flexible working strategies will be in a solid position to attract and retain talent.”**

—Donna Venable, EVP Human Resources at Ricoh



## Pillar #3: Sustain your operations.

As the saying goes, when you fail to plan, you plan to fail. And while no one can predict the future, everyone can plan for it. Creating sustainable business operations initiatives that minimize the end-to-end impact on the environment may seem counterintuitive to bottom-line profitability at first. But while optimizing operations can be a long game, there are countless benefits along the way — especially through the lens of the TBL.

### FAST FACTS



Industry-wide, top ESG performers enjoy 10% to 20% faster growth and higher valuations<sup>11</sup>



Strong ESG credentials reduce transition risk and drive down costs by 5% to 10%<sup>12</sup>



High ESG performers enjoy operating margins 3.7 times higher than those of lower performers<sup>13</sup>



At top ESG companies, shareholders receive 2.6 times the total returns of lower ESG companies<sup>14</sup>



A sustainability strategy can affect operating profits by as much as 60%<sup>15</sup>

<sup>11</sup>McKinsey & Company, Buying into a more sustainable value chain, September 2021

<sup>12</sup>Ibid

<sup>13</sup>International Institute for Management Development (IMD), Why all businesses should embrace sustainability, May 2022

<sup>14</sup>Ibid

<sup>15</sup>Forbes, Why Corporate Strategies Should be Focused on Sustainability, February 2022



# How does unlocking information sustain operations?

The future of operations is digital. And that future is now. While digital transformations had been happening across industries and verticals at a quickening pace for decades, those systems were put to the test when offices shuttered in 2020. Digital agility — the ability to quickly and seamlessly move operations online — was a critical success factor in keeping businesses up and running.

Retail companies shifted from brick-and-mortar sales to ecommerce; hospitals cancelled office visits for virtual appointments; and in-person education was replaced by online learning. Businesses of all kinds moved operations online and required more data storage, new programs, and modified equipment. Congruently, massive backend development was occurring to make operational data of all kinds ubiquitous yet secure to ensure business continuity. Bringing systems online as quickly and seamlessly as possible was essential to sustaining operations, and those organizations with a robust data infrastructure in place lost less revenue and downtime than those without one.

As we return to the new normal, many organizations are emerging with a new understanding of how unlocking data and connecting information can optimize operations to yield environmental and financial benefits. Here are a few ways to get started.



Reduce waste by incorporating end-to-end sustainability considerations, like enterprise asset management for more operational efficiencies<sup>16</sup>



Leverage best-practice industry models to optimize asset maintenance strategies and pave the way for next-generation, sustainable capabilities like digital twin engineering and AI-driven asset performance<sup>17</sup>



Employ AI-powered capabilities for remote monitoring: predictive maintenance alone can improve asset availability by 20% and extend the lives of machines by years, which also reduces CO2 emissions<sup>18</sup>



Use AI-driven insights to perform predictive instead of reactive maintenance to reduce both the energy used and the overall carbon footprint of your facilities portfolio<sup>19</sup>



Buy into a more sustainable value chain: 80% to 90% of greenhouse gas emissions are indirect emissions that occur across the company's value chain<sup>20</sup>

<sup>16</sup>IBM, How to create more sustainable operations — one asset at a time

<sup>17-19</sup>Ibid

<sup>20</sup>McKinsey & Company, Buying into a more sustainable value chain, September 2021



## Pillar #4: Sustain the environment.

While every facet of an ESG strategy is important, sustaining the planet and rebuilding the environment is the ultimate goal. Environmental considerations and outcomes are integral parts of the three other pillars, while also representing singular, dedicated focus areas for most companies today. And no matter where an organization is on its sustainability journey, it is impossible to measure progress without first establishing benchmarks.

In “[Sustainability Science: Toward a Synthesis](#),” researchers identified the six capacities necessary for sustainable development: the capacity to measure progress; to promote equity; to adapt to shocks; to transform development pathways; to govern cooperatively; and to link knowledge with action. None of these are possible without unlocking information. And as the world of business collides with the limitations of the planet, the time to take strategic advantage of that data is now.

### Did you know?

Since 2005, the Ricoh Sustainable Development Awards program has supported students who develop innovations that help drive environmental sustainability and align with Ricoh values. To date, those students have earned \$450K+ in Ricoh scholarship funds.



# How does unlocking information sustain the environment?

Information on energy emissions, paper usage, recycling programs and more is what allows companies to tell the stories of hard work, challenge and progress they make in becoming global citizens. And telling those stories fuels enhanced business partnerships, employee satisfaction, customer interest and even greater commitment to pushing the needle on progress.

## Evolve your business and change the world.

Making progress on environmental sustainability not only protects our planet — it supports the sustainability of business overall. Whether those commitments influence your customers' buying decisions or your employees' willingness to stay and grow their careers or partners to do business with your organization — the positive effects of your efforts have the distinct ability to reverberate. In building our sustainable future, information is the hero.

Now is the time to prioritize a data-driven sustainability approach to business — not only for the health and vitality of organizations around the globe, but also for the survival and prosperity of the world.

### FAST FACTS



63% of Americans want corporations to drive social and environmental change



87% of Americans will make a purchase because a company shares their values



76% of Americans expect companies to take action against climate change



73% of Americans would stop purchasing from a company that doesn't care about climate change



# Sustainability at Ricoh

A member of the Dow Jones Sustainability World Index (DJSI World), one of the world's most renowned indices for ESG (environmental, social, and governance), and the Global 100 of the World's Most Sustainable Corporations, The Ricoh Group is driving sustainability for our future. We are determined to help materialize a sustainable society through business and are committed to help reach the United Nation's Sustainable Development Goals (SDGs) by 2030.





# About Ricoh

At Ricoh, we're empowering our customers to respond to our changing world with actionable insights. We believe having access to the right information translates to better business agility, more human experiences, and the ability to thrive in today's age of hybrid and borderless work.

Through our people, experience, and solutions, we create competitive advantage every day for over 1.4 million businesses around the globe. To us, there's no such thing as too much information.

For more information, please visit [www.ricoh-usa.com](http://www.ricoh-usa.com)

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