

DOING WELL BY DOING RIGHT

UK SOCIAL AND ENVIRONMENTAL CONTRIBUTIONS



INTRODUCTION BY JUN OKUMURA, MANAGING DIRECTOR, KYOCERA DOCUMENT SOLUTIONS (UK):

The words opposite describe a corporate philosophy that has been at the centre of KYOCERA's global operations since 1959. At its core is a single, simple question that informs our ethical perspective: "What is the right thing to do as a human being?" When approached from this point of view, business can have a restorative effect on society and the environment. This was the goal of our founder, Dr Kazuo Inamori, from the outset.



It really seems that we have reached a tipping point in the UK, where environmental and social impacts are now considered alongside financial and commercial aspects in the majority of business decisions. This is familiar territory for KYOCERA, due to the management philosophy that was established by our founder Dr Inamori around half a century ago. Here at KYOCERA Document Solutions (UK) corporate social responsibility is neither an innovative concept, nor something that sits alongside our core business strategy. Because our philosophy underpins our entire organisation, the principles of socially and environmentally responsible business are second nature to us, and we endeavour to reflect them in everything we do. I hope that this document will give you a flavour of our culture, our values and our contributions.

Jun Okumura, April 2011

Read more about the KYOCERA Philosophy at <http://global.kyocera.com/company/summary/message.html>

Corporate Motto

敬天愛人

Respect the Divine and Love People

Preserve the spirit to work fairly and honorably, respecting people, our work, our company and our global community.

Management Rationale

To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind.

Management Philosophy

To coexist harmoniously with nature and society. Harmonious coexistence is the underlying foundation of all our business activities as we work together to create a world of abundance and peace.



UNIQUELY RESOURCE-EFFICIENT PRODUCTS SINCE 1992

KYOCERA launched its first ECOSYS printer into the UK market in 1992, the year of the first Earth Summit in Rio. Industry standard in every other way, our ECOSYS printers adopted a radically new engine design that drastically reduced the amount of waste caused by consumable replacements, as well as the energy consumed in their manufacturing and distribution. We are still the only manufacturer to have taken this approach which combines maximum resource efficiency with maximum user economy.



Almost 20 years on, ECOSYS has evolved into a R&D philosophy that underpins every new product, from personal printers to high volume enterprise level multifunctional devices.

At the heart of Ecosys technology is the amorphous silicon (aSi) drum for mid-to high-end systems and the long-life, single-layer PSLP drum for entry level printers and multifunctionals. These are much more durable than the organic photo-conductor (OPC) drums utilised in conventional products, lasting typically 30 times longer. As a result, it is unnecessary to replace it every time the toner runs out and this innovation allows other items which would normally be part of the consumable cartridge to be permanently sited in the machine, too. As a result, the consumable is simplified as shown by the following images:



KYOCERA Cassette
Containing just 5 components made from only 2 types of recyclable plastic

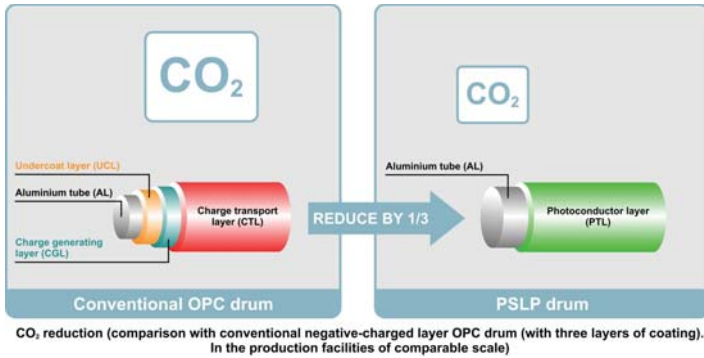


Conventional Toner
Containing over 60 parts made from various materials

The long-life drum was the innovation that launched Ecosys, but further enhancements to product design have taken place to ensure all impacts are minimised such as smaller toner particles that require less energy for fusing and faster warm up time reduce energy consumption and encourage use of sleep mode.

Read more about environmental product features at http://www.Kyoceradocumentsolutions.com/environment/product/development.html#anc_03

RESOURCE-EFFICIENT MANUFACTURE



As well as allowing the adoption of a more resource-efficient consumable system, KYOCERA's drum technology generates significantly lower CO₂ emissions than manufacturing a conventional drum.

All KYOCERA production sites are ISO14001 certified.

PACKAGING FOR MINIMUM IMPACT

Our packaging is made from recycled and recyclable cardboard. Instead of polystyrene we used paper pulp-mould to cushion the contents. As a result, KYOCERA has been awarded the Technical Packaging Award in the Japan Packaging Contest for 7 consecutive years. Our consumables boxes are designed without fastenings, and can simply be unfolded to flatten them for recycling.



We don't provide paper manuals; instead the information is provided on a CD.

CERTIFIED TO HIGHEST ENVIRONMENTAL STANDARDS

All KYOCERA Document Solutions printers and multifunctional copiers are designed to comply with latest Energy Star criteria. The majority of our devices also achieve accreditation by Blue Angel, Nordic Ecolabel and Japanese Ecolabel.



All our products meet the mandatory criteria set by Defra in the Government Buying Standards, and all our multifunctionals achieve Class Leader status, the highest possible. Product Eco-declarations are available for all our products.

DATA-DRIVEN PRODUCT INNOVATION

A full lifecycle analysis is conducted for every new product, identifying the hotspots for product environmental impacts and informing ongoing improvements in product design. Product carbon footprints are available on request, conducted to the Ecoleaf methodology certified by JEIMA.

Read more about Life Cycle Analysis at <http://www.Kyoceradocumentsolutions.com/environment/product/lca.html>

REDUCING THE IMPACT OF OUR OPERATIONS

KYOCERA Document Solutions UK is part of the global environmental management system operated by our parent company. Our division achieved ISO14001 certification in 2008 and we maintain our certification through ongoing carbon abatement measures. In addition, we were the first company in our industry to earn the Carbon Trust Standard, which provides independent verification of our carbon emissions reductions.

Emissions reductions become harder to achieve as more measures are implemented, so we constantly seek out examples of best practice to help us further improve our performance. In 2010/11, our focus was on reducing use of petrol, paper and diesel and developing programmes to encourage our suppliers and channel partners to adopt more environmentally-responsible practices.



Our plan for 2011/12 is to work with our channel partners and suppliers to identify and reduce their impacts, as well as identifying and implementing further emissions reductions opportunities ourselves.

CARBON FOOTPRINT 2010/11

Our UK carbon footprint for the year April 2010 to March 2011 was 446.6k tonnes of CO₂e. This represents an increase in absolute terms of 5.1%, however our business grew significantly during this period and, relative to revenue, this represents a reduction of 20% in our carbon intensity.

PAPER CONSUMPTION REDUCED BY 16.5%

FUEL CONSUMPTION FOR COMPANY CARS REDUCED BY 9.22%

You can find our environmental policy here:

http://www.Kyoceradocumentsolutions.co.uk/index/about_us/corporate_social_and/environmental_policy.-contextmargin-86214-files-42301-File.cpsdownload.tmp/Environmental%20Policy.pdf

INDEPENDENT ACCOLADES

During the year to March 2011, the uniquely resource-efficient design of our products earned us the following accolades:



BOSS Industry Environment Award



Sustainable Supplier of the Year, Office Products



Green IT Magazine Environmental Company of the Year

LOOKING AHEAD

We continue to make changes to the way we work, in order to achieve incremental reductions to our environmental impacts. During the year we reviewed our supplier accreditation programme and also introduced a new Green Partner programme for our channel partners. We also redoubled our efforts to reduce our use of car fuel and paper, including the introduction of an emissions limit for company cars that will be reduced year by year.



Our Green Partner programme responds to the increasing demand from customers to understand the environmental impact not just of the products they buy, but of the entire supply chain including any intermediaries. We require participating channel partners to not only be transparent about their own environmental impacts but also to

demonstrate that they can advise customers on the sustainable use of office equipment. Two levels of accreditation are provided, to recognise and encourage those just setting out on their sustainable journey as well as those who are already well advanced.

DOING THE RIGHT THING ... IN OUR OFFICES

In April 2010 we opened the KYOCERA Technology Suite in London, as a showcase for technology and to promote understanding of the KYOCERA culture and philosophy. Mindful of the additional environmental load this would create, we took care to ensure that we reduced its environmental impact as much as possible.

The refurbishment of a vacant office was undertaken by re-using as many of the original fittings as we could, and using environmentally responsible materials wherever possible. Furthermore, we committed to using the new space to promote ethical and sustainable business; part of the mission of the KYOCERA Technology Suite is to host events free of charge on this agenda. Accordingly, the space was designed to be reconfigured to provide a 50-seat auditorium and three break out rooms, which have already been used to good effect by organisations like The Green Alliance and 10:10.



WORKING IN PARTNERSHIP

a 10:10 Leader

KYOCERA Document Solutions UK was the first corporate partner of the 10:10 campaign, which was set up to work towards a 10% carbon emissions reduction for the UK during 2010. Carbon emissions reduction is a useful proxy for reducing the environmental impact of business and emerging legislation makes it an increasingly critical focus area for business. We became the first corporate supporter of the 10:10 campaign because it adopted an approach which helps to engage people across all sectors of society in reducing carbon emissions. We believe that this is a highly effective way of engaging employees. The 10:10 campaign continues with a revised mission of cutting carbon emissions by 10% per year.

We are also active members of the Prince's May Day Network – the UK's largest movement of businesses committed to taking action on climate change - and the EAUC – the environmental and sustainability champion within Further and Higher Education in the UK. We consider that our membership of such organisations is important in order to learn from other organisations with similar values and to help promote the sustainable use of office products.



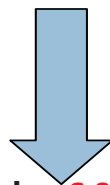


Since 2001, we have been advising the UK business community on how to reduce the environmental impact of its general office operations through our Green Card Network. Ten years on, sustainability has become sufficiently mainstream for this topic to be re-integrated back into our general communications strategy. Consequently, we are reshaping Green Card to reflect the new status quo.

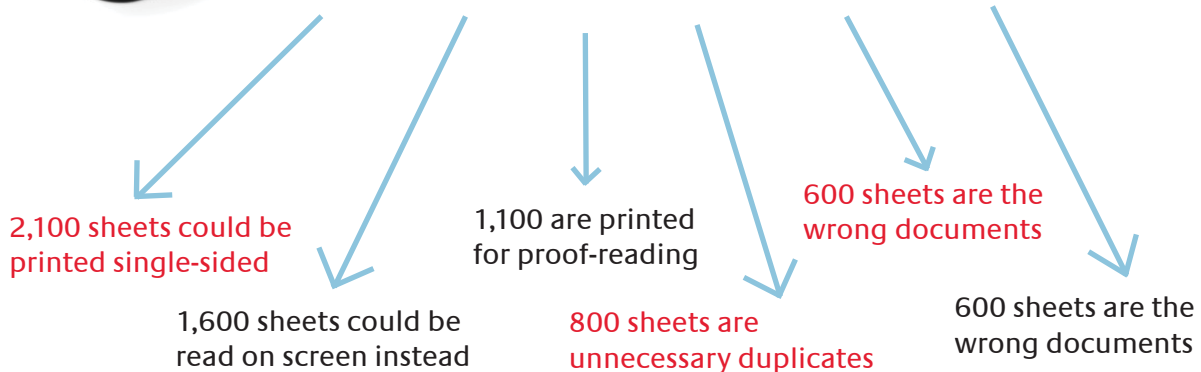
Every year we fund independent research into sustainable office practice, uncovering insights that can be used to inform education for our customers on how to reduce their own office impacts as well as shaping the development of our own services to directly impact the areas of greatest waste.

This information is freely shared with relevant organisations through white papers, video content and seminars.

The average UK office worker goes through as many as **10,000** sheets of paper per year (45 sheets per day)



For each office worker **6,800** of these sheets of paper are wasted or unnecessary



DOING THE RIGHT THING IN OUR COMMUNITY

Good citizenship begins at home, and KYOCERA Document Solutions UK headquarters have been based in Reading since 1988. During that time we have engaged enthusiastically with local sporting, cultural and business communities. For three exciting seasons we were corporate sponsors of Reading Football Club, and we retain strong links with the club. In 2010, in response to a request from a member of our Green Card network, we



partnered with Reading FC to donate 200 KYOCERA-branded football shirts to disadvantaged children in South Africa as part of the Kit for Kids initiative. In 2010, we donated a minibus to Reading Town Football Club, a local community club which plays in the Hellenic Premier Division.



We were a founder member of this non-profit partnership organisation which helps the business, voluntary and charity sectors to work more effectively together in pursuit of common objectives. Connect Reading facilitates our employee volunteering policy, by providing opportunities for our staff to get involved in local projects. We also sponsor its sustainable business events and donate surplus office furniture and equipment to its voluntary sector members.



Since establishing our support centre in Milton Keynes, we have also joined forces with the Milton Keynes Community Foundation, a local independent grant-making charity. It supports the work of local charities and community groups in order to strengthen local communities, create opportunities and tackle issues of disadvantage and exclusion.

KYOCERA was the winner of the Responsible Business Award at the inaugural Pride of Reading Awards in 2005. Since then we have become annual sponsors of the Business in Action category of the Awards. The Business in Action category recognises those companies that are working to make a real difference in their local community through environmental, charitable or voluntary activities.



COMMUNITY ENVIRONMENTAL INITIATIVES

Cutting Carbon with KYOCERA is a core element of Reading Borough Council's sustainable communications programme designed to encourage residents and businesses to reduce their environmental impact, and to advise them on the support available to assist them. Reading has a strong commercial sector with 51% of carbon emissions in the region attributable to business. Through its partnership with KYOCERA, Reading Borough Council ensures that its sustainability programme has strong resonance with the commercial sector and can be promoted via a high profile radio campaign.

We were actively involved in establishing the Reading Climate Change Strategic Partnership and have a seat on its board.

COMMUNITY

We support Barnardos through payroll giving and our staff are encouraged to arrange office-based activities in support of annual fundraising events such as Comic Relief and Sport Aid. Each year, a significant proportion of our staff donate to The Giving Tree, providing Christmas gifts for sick and disadvantaged children.



In March 2011 we were horrified to hear that a massive earthquake had triggered a tsunami in Northern Japan, causing enormous devastation and loss of life. Fortunately, no KYOCERA Document Solutions operations were affected and, more importantly, no colleagues in Japan were hurt. Nevertheless, our staff responded in truly impressive style by quickly arranging a number of fundraising activities to support the relief effort, from baking cupcakes for sale to a sponsored skydive.

DOING THE RIGHT THING ... FOR OUR CUSTOMERS

Lifecycle analysis exposes an unavoidable truth about the environmental impact of our industry; regardless of what we do as a manufacturer to reduce the impact of manufacturing, distribution and end of life disposal, the customer's use of the product creates higher carbon emissions than all the other lifecycle stages added together. Even the application of long-life components and cartridge-free design don't mitigate this entirely, therefore we consider that we have an obligation to promote environmentally-responsible use of our products.

This activity covers a wide range of approaches, from publishing simple best practice guides as pdf downloads, to carrying out managed document services projects with the aim of reducing reliance on hard copy and thereby delivering on hard environmental goals.

Our approach includes integrating paper-saving features into our products, such as double-sided printing, the ability to print multiple sheets on a page and energy-saving sleep mode, but these are of no benefit unless the customer chooses to use them. By providing best practice advice, we can ensure that these features are adopted.

Responsible use of printers and copiers goes beyond the hardware, however; we also provide software solutions that make it easier for documents to be exchanged and stored without the need for hard copy. And we ensure that consumables are disposed of without adding the 47million print cartridges that end up in landfill annually.



REDUCING END OF LIFE IMPACTS

Independent analysis has shown KYOCERA toner cassettes to produce up to 90% less waste by volume than conventional toner cartridges; nevertheless we offer a free take-back service which recovers the plastics and returns them to the supply chain as raw materials.

End of life devices are collected by our WEEE compliance partners, B2B Compliance, and processed on a "zero to landfill" basis.

MANAGED DOCUMENT SERVICES AS A SUSTAINABLE SOLUTION

Managed document services is not unique to KYOCERA, but our methodology is more closely allied to sustainability goals. We approach managed document service projects from the point of view of reducing cost, energy and paper consumption and these metrics are explicitly addressed in the business case. We also take account of the fact that user behaviour needs to change in order for the goals of an MDS project to be fully delivered.



Our Re:Think Print programme helps our customers to develop compelling internal communications to help get staff on board and behind the project goals.

WORKING WITH OUR CUSTOMERS TO ACHIEVE THEIR SUSTAINABILITY GOALS

This extract from RSA's CSR Report outlines how we aim to work closely with our customers to ensure that our solutions help them achieve their goals:

"Working with key supplier, KYOCERA Document Solutions, RSA managed to reduce its office paper consumption by over 20% in 2010. Project SPEC (Simplifying Print through Enhancement and Consolidation) is a major initiative to rationalise, modernise and improve the eco-efficiency of our document management services in the UK. Over five years, the project aims to reduce RSA's fleet of over 3,000 printers, managed by a number of vendors, to just 282 high performance and efficient machines operated through a centralised system.

Environmental considerations were an influential component in the drafting of the tender and supplier selection, and have played a key part in the roll-out, reporting and management of the project.



The project has already delivered quantifiable benefits in terms of resource efficiencies, carbon reductions and cost savings. Over five years we expect to reduce energy use by 25% and cut costs by over £4million.

At our September supplier workshop, KYOCERA gave a presentation on their experience in collaborating with RSA. The talk outlined how suppliers can help support RSA's corporate responsibility goals, reduce costs and increase efficiency."

DOING THE RIGHT THING FOR OUR EMPLOYEES

KYOCERA's management rationale is based on providing opportunities for the material and intellectual growth of our employees, and this is translated locally into an HR strategy which promotes personal development, excellent working conditions and generous staff welfare.

TRAINING AND PERSONAL DEVELOPMENT

In order to ensure that our corporate culture is aligned with the KYOCERA Philosophy, all staff receive training twice a year. The training is conducted off-site, working in cross-departmental groups to help promote good working relationships across the organisation. Post training surveys indicate that the training is well received and valued by our staff. Vocational and personal development training are also provided, with the aim of creating a learning culture.



WORK-LIFE BALANCE

We support flexible working and offer salary sacrifice for childcare vouchers. We have an active and ambitious Social Committee which arranges a wide variety of subsidised events for staff and their families. Through our support for Viva! Reading arts and culture corporate partnership, we are able to offer staff free and discounted tickets for local events and performances.

STAFF WELFARE

All staff have the opportunity to opt in to private health and dental care schemes. In addition, an Employee Assistance Programme is provided free of charge. Subsidised gym membership is available and we participate in Reading Borough Council's Healthy Workplace Challenge. During 2010, we supported a programme to help staff give up cigarettes, as a result of which 9 people were able to stop smoking. Many of our environmental initiatives, such as the Cycle to Work Scheme and support for National Bike Week, also have a staff welfare benefit.

OUR VALUES

PEOPLE

An inspiring organisation to which people are proud to belong, that provides opportunities for personal growth, success and recognition

PORTFOLIO

Delivering a unique combination of product, finance and services tailored to our customer needs

PARTNERS

Creating a winning network of partners and building mutual loyalty

PLANET

Committed to promoting environmental and social wellbeing through tangible and accountable actions.

PROFIT

Pursuing profit fairly to the benefit of our employees, partners, shareholders and future growth



