

# Xerox and the Environment: Our Sustainability Commitment

## Briefing Paper for Xerox Customers

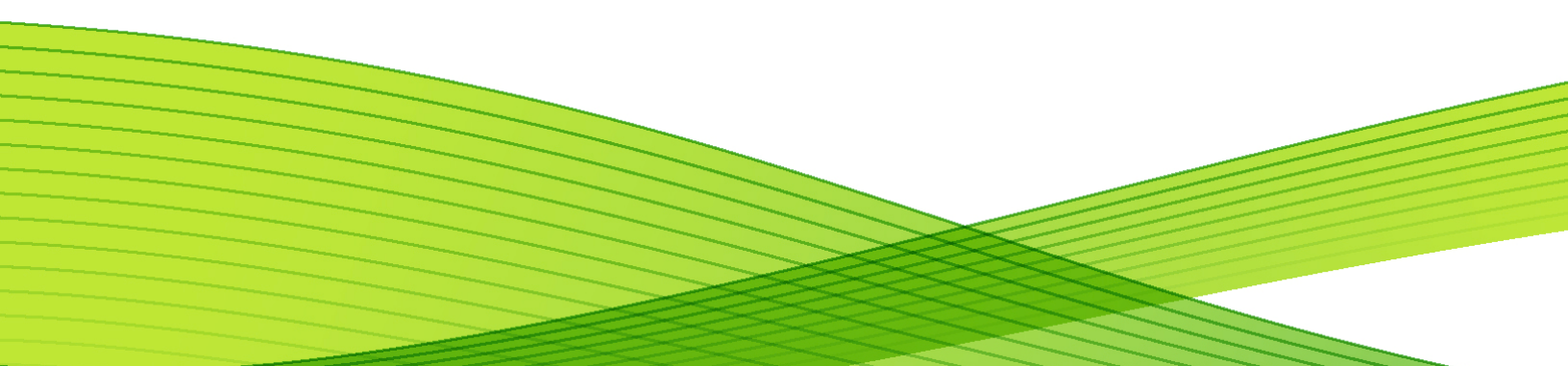
“To us, sustainable development is a race with no finish line. It requires leadership that sets high expectations and clear direction, and innovation that constantly pushes the frontier of what is possible.” – Anne M. Mulcahy

This document summarizes Xerox’s stated approach to sustainability, focusing primarily on our environmental programs.

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For more information visit: [www.xerox.com/environment](http://www.xerox.com/environment)



# Executive Summary

## What is Sustainability?

Sustainability is meeting the needs of the present without compromising the ability of future generations to meet their own needs. The term takes into account environmental and social performance in addition to financial performance – the “triple bottom line.” Sustainability is a term that is gaining popularity and is often used synonymously with the terms green, citizenship and corporate social responsibility. [Xerox’s Annual Report on Global Citizenship](#) provides a comprehensive report of our efforts in these areas.

### Our Word

Sustainability is not just a nice-to-do at Xerox. It’s about valuing our employees and communities, preserving our environment and returning value to our shareholders... now and for the future. Xerox views it not as a cost of doing business, but as a way of doing business.

### Our Work

- **Social: Our commitment to our employees** shows in our actions: valuing diversity and inclusiveness, rewarding good performance, offering excellent opportunities for learning and development, providing a safe and healthy work environment and achieving the right work/life balance. We strive to take a leadership role in **local communities as well as in the global community**. This work is supported by the volunteer efforts of Xerox employees and support of the Xerox Foundation.
- **Environmental:** Our responsibility focuses on four areas where we can have the most impact:
  1. **Climate Protection** – we reduce our carbon footprint by cutting energy use in our own operations and in the operations of our customers through our energy efficient product and solution offerings.
  2. **Preserve Biodiversity and the World’s Forests** – we responsibly source paper for resale, our technologies enable efficient use of paper and we partner with The Nature Conservancy to promote good forest practices.
  3. **Preserve Clean Air and Water** – we use chemicals carefully and responsibly. We seek alternatives that are less harmful to the environment.
  4. **Prevent and Manage Waste** – we strive to reduce waste in our operations and in the use of our products. We responsibly manage the disposition of waste by seeking reuse and recycling options.
- **Financial: Our culture** values Xerox both as a profit-making enterprise that creates value for shareholders and an institution that strives to be a positive force in the world around us.

### Our World

Attaining our goals for sustainability means going beyond what we can control directly. We engage our suppliers, our customers, our people and other important stakeholders to extend our reach and magnify our impact.

# Our Value Proposition to Customers

Many Xerox customers have their own environmental and sustainability goals. With Xerox technology, products and solutions, Xerox can help our customers reach those goals.

- Customers want to reduce **energy** use for cost and environmental savings. Xerox ENERGY STAR offerings and office services can do just that. In fact, customers can reduce energy use from their document technology by up to 50 % when they replace single function devices with Xerox's multifunction systems.
- Customers want to reduce the use of **paper** and use environmentally preferable papers. Xerox's digital technology reduces paper use through easy-to-use features such as two-sided printing and electronic document management. Xerox carefully manages our supply of paper to ensure protection of the world's forests. We offer recycled content papers and environmentally certified papers from the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC).
- Customers want to reduce **waste**. Through Xerox's Green World Alliance program, customers can return spent imaging supplies for reuse or recycling. For equipment at end-of-life, Xerox has a return program to responsibly manage equipment that has reached end of life. Solid ink "cartridge-free" technology further reduces waste.
- Customers want to protect their **indoor air quality**. Emissions of chemicals from Xerox products such as ozone and dust are strictly controlled and are well below regulatory requirements.
- Customers want Xerox to help them **measure** the environmental benefits of their actions so they can demonstrate the value to their customers, employees and stakeholders.

Resources available at [www.xerox.com/environment](http://www.xerox.com/environment)

- Environmental Solutions that Work Brochure
- Xerox Report on Global Citizenship Report
- Fact Sheets on Solid Ink, Recycling, etc.
- Green Office Tips.
- Recent News

# Xerox's Sustainability Program...

## A Way of Doing Business

- **Xerox focused on environmental performance and sustainability long before it was popular to do so.**
  - In the 1980s, we were the first company to introduce power-down features in our equipment to save energy, and the first to make two-sided printing a standard on our systems, significantly reducing paper use.
  - We are the world's experts on the safety of toner, having launched comprehensive health studies over 25 years ago, which are still in place today.
  - Xerox adopted our Environmental Policy in 1991. Its commitment and principles guide us today.
  - In the 1990s Xerox pioneered remanufacturing for office equipment and helped shape the EPA's ENERGY STAR program for imaging equipment.
  - Xerox was an early adopter of ISO 14001, an international standard for environmental management – all of Xerox's major manufacturing sites were certified to ISO 14001 in 1997, within one year of that standard's development.
- **We continue to use innovation and leadership to drive environmental performance through our value chain.**
  - Carbon emissions: Xerox was among the first technology companies to set a company-wide target for reducing greenhouse gas emissions. We joined the U.S. EPA Climate Leaders program in 2003 and subsequently set a target to reduce total GHG emissions by 10% from 2002 to 2012. Xerox achieved our first goal six years early and then announced an even more aggressive goal – a 25% reduction in total GHG emissions from 2002 to 2012. In 2007, Xerox was the first high technology company to join the U.S. Climate Action Partnership, a consortium of companies and environmental groups advocating for regulatory controls of carbon emissions in the U.S.
  - Paper: Xerox has shown leadership in advancing responsible use of paper.
    - ⌚ We invented two-sided printing and our digital document management tools leads to efficient use of paper.
    - ⌚ In 2003, we were among the first to issue comprehensive environmental requirements to our paper suppliers.
    - ⌚ In 2006, we began a three-year partnership with The Nature Conservancy to advance forest management practices and improve sustainable forest management programs.
    - ⌚ In 2007, we launched the first mechanical paper for digital applications – High Yield Business Paper – which uses half the trees of conventional paper.
    - ⌚ We're now launching our first papers that are certified to the world's most recognized sustainable management certification program – the Forest Stewardship Council.
  - Leading the Digital Office Revolution: Each generation of Xerox digital office equipment is more energy efficient than the last and has a smaller footprint, saving material resources. Xerox's digital multifunction systems enable energy reduction compared to the use of several single-function products.
  - Our recent innovations: EA toner, solid ink printing, mechanical paper for digital applications (High Yield Business Paper) and erasable/reusable paper.

## Our Commitment and Proof Points

Xerox has aligned our environmental goals around four challenge areas through which our company can make a significant impact across our entire value chain of products and services.

Commitment	Xerox's strategic goal	Why Xerox can make a difference
<b>1. Protect our Climate</b>	<b>Carbon neutral:</b> Invest in technologies that reduce the carbon footprint of our operations and of the document processing solutions offered to our customers. Aim to be a carbon neutral company.	Xerox markets energy-using document processing equipment and energy is consumed in the manufacture, transportation and end of life disposal of Xerox equipment and supplies.
<b>2. Preserve Biodiversity and the World's Forests</b>	<b>Sustainable Paper Cycle:</b> Work in partnership with Xerox customers, suppliers and key stakeholders to support the development of a sustainable paper cycle.	Xerox is the world's largest brand distributor of cut-sheet paper. We and our customers rely on a sustainable supply of paper derived from forests around the world.
<b>3. Preserve Clean Air and Water</b>	<b>Reduce Use of Toxics and Heavy Metals:</b> Xerox will strive to eliminate the use of persistent, bioaccumulative and toxic materials throughout the supply chain.	From raw material extraction, materials processing and parts fabrication, the manufacture of Xerox equipment and supplies relies on a global supply chain.
<b>4. Prevent and Manage Waste</b>	<b>Waste-Free:</b> Produce waste-free products in waste-free facilities to enable customers' waste-free offices.	Waste is created during the manufacture and use of Xerox equipment and supplies which must be responsibly managed.

# 1. Protect our Climate

**Xerox believes that industry must do its part to protect our climate. Xerox reduces our carbon footprint by cutting energy use in our operations and those of our customers by offering energy-efficient product designs and solutions.**

**Carbon footprint reduction in our operations – Energy Challenge 2012:** In 2003, Xerox joined the U.S. EPA Climate Leaders program and pledged to cut greenhouse gas emissions (GHG) from worldwide operations by 10 % from 2002 to 2012. We launched our Energy Challenge 2012 program and through implementation of comprehensive energy management and new technologies, Xerox reached that goal six years early. In fact, by the end of 2006, Xerox had achieved **18% reduction** in GHG emissions from our 2002 baseline. Xerox has set a new goal to reduce total greenhouse gas emissions 25 % by 2012 from 2002.

**ENERGY STAR savings:** As a charter partner of the International ENERGY STAR program, Xerox has long invested in product designs and technologies that conserve energy and reduce associated greenhouse gas emissions. The annual savings from Xerox's ENERGY STAR qualified equipment installed in customer sites is equivalent to lighting nearly one million U.S. homes for a year. The U.S. EPA has recently made the ENERGY STAR program more stringent. Xerox has been successful in meeting this new test and the results are more energy efficient products. The WorkCentre 5645 uses 14 kilowatt hours per week of electricity, about **30% less** than a comparable multifunction system of two years ago.

**Multifunction product savings:** In addition, Xerox's digital multifunction systems reduce the amount of energy required to provide customers with copy, print, fax and scan capabilities by combining the functions of multiple products into one machine. The annual energy consumption of a Xerox WorkCentre or WorkCentrePro multifunction system is approximately **50% less** than the combined annual energy consumption of the individual ENERGY STAR-qualified copier, fax and printers it replaces.

**Xerox Solutions:** Customers become more productive through comprehensive document management and production printing solutions. Office services deliver improved energy efficiency and reductions in material use and related waste. Digital production printing solutions offer an alternative to offset printing to enable reduced use of chemicals and improve indoor air quality. Print-on-demand applications and FreeFlow digital workflow enable material and waste reduction. Electronic document management avoids the need for paper altogether.

## 2. Preserve Biodiversity and the World's Forests

**As one of the largest distributors of paper for office printers and copiers, Xerox recognizes our obligation to support a sustainable paper cycle. We impose strict environmental requirements on our paper suppliers, ensuring that all Xerox papers come from responsibly managed mills and forests. We partner with The Nature Conservancy and others to promote good forest practices and we innovate to produce papers with reduced environmental impacts.**

**Paper sourcing:** For companies that provide paper to Xerox for resale, we apply stringent requirements that cover all aspects of papermaking, from forest management to production of finished goods. On an annual basis, Xerox suppliers submit detailed documentation that verifies compliance. In 2007, more than 90% of the paper Xerox supplied to our customers met these requirements.

**Efficient use of paper:** Xerox equipment and software are designed with features that allow customers to make efficient use of paper. These features include reliable two-sided (duplex) printing, and software products such as DocuShare® and FreeFlow® digital workflow products that help Xerox customers reduce paper consumption by facilitating electronic data management, scan to e-mail, print-on-demand and distribute-then-print workflows.

**Recycled paper offerings:** Xerox recycled products are designed for optimal performance in Xerox equipment and are required to meet the same strict performance specifications as original products. Xerox offers multipurpose papers with up to 30% post-consumer recycled content. Tabs, colored papers and several premium products designed especially for digital color printing applications contain 20-30% recycled content.

**The Nature Conservancy Partnership:** Xerox is in our second year of a three-year, \$1 million grant to The Nature Conservancy. This partnership is focusing on forest management in Brazil, Canada, Indonesia and the U.S. It is identifying and promoting best practices that will enable environmental scientists, forest managers and paper suppliers to work cooperatively toward sustainable forest management.

**Xerox High Yield Business Paper™:** A mechanical fiber paper developed by Xerox scientists. Ideal for transactional printing, Xerox High Yield Business Paper is made through a “greener” process than standard paper used with digital printers. The sheet is produced by mechanically grinding wood into papermaking pulp instead of using chemical pulping process traditional for producing digital business papers. The result: 90% of the tree by weight ends up in the High Yield Business Paper versus only 45% in creating traditional digital printing paper. In addition, High Yield Business Paper requires less water and chemicals and is produced in a plant using hydroelectricity to partially power the pulping process.

**FSC and PEFC certified papers:** Xerox has been granted FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification) Chain of Custody certification. The achievement of this certification means that Xerox is now positioned to market FSC and PEFC certified papers. The FSC and PEFC product label allows consumers worldwide to recognize products that meet strict standards for sustainable forestry and management of the chain of custody, from forest management to final distribution.

### 3. Preserve Clean Air and Water

**Xerox's long-term commitment is to eliminate the use of persistent, bio-accumulative and toxic materials throughout the supply chain, doing our part to ensure clean air and water. We apply strict internal standards and, over time, have re-engineered or substituted processes to dramatically reduce the use of toxics and heavy metals. Xerox products are safe to use and can be responsibly disposed of.**

Xerox requirements for minimizing toxic materials govern our product design, materials selection and are integrated into our environmental management systems. Xerox toxicologists conduct a comprehensive assessment of new materials in our products to ensure conformance with these criteria. They include compliance with applicable global registration, hazard communication and waste handling and disposal.

#### **Some examples:**

- More than 10 years ago, Xerox switched to a solvent-free process of cleaning machine parts.
- Since 2005, we have nearly eliminated the use of lead and mercury from our new products. Feasible alternatives for remaining uses are being sought.
- Xerox products sold in Europe meet the EU Restriction of Hazardous Substances directive (RoHS) requirements. Since 2007, all new products launched are designed to meet RoHS requirements in all markets. However, where regulations allow, some products will contain non-RoHS-compliant parts in order to avoid premature disposal of existing parts.
- Since 1991, our manufacturing operations have reduced by 94 % emissions of particulate and toxics into the air.
- Xerox has long worked toward minimizing the use of hazardous substances in our equipment and consumables. Xerox dry inks are non-toxic and do not generate hazardous waste.
- Xerox designs our products to strictly control emissions of chemicals and noise during equipment use. As a result, current products have achieved chemical emission levels that are well below global regulatory requirements – often at or near the detection limit of our measurement equipment.

## 4. Prevent and Manage Waste

**Xerox's waste-free commitment is to produce waste-free products in waste-free facilities to promote waste-free offices for our customers. Our aim is to design products, packaging and supplies that make efficient use of resources, minimize waste, reuse material where feasible and recycle what can't be reused.**

**Xerox's Green World Alliance** program provides a collection and reuse/recycling program for spent imaging supplies. The Xerox Green World Alliance reuse/recycle program for imaging supplies is central to our commitment to waste-free products. This partnership with Xerox customers resulted in more than 2.7 million cartridges and toner containers being returned in 2006. Xerox processed 1.3 million pounds of post consumer waste toner for reuse, and the plastic bottles customers used to return waste toner to Xerox – nearly 100,000 of them – have been recycled. Learn more at [www.xerox.com/gwa](http://www.xerox.com/gwa).

**Cartridge-Free Technologies:** Xerox is investing in waste-free technologies. Xerox's solid ink imaging process utilizes compact, "cartridge-free" solid ink sticks with no plastic housings or casings, thereby reducing office waste by 90 % compared with comparable laser products.

**Xerox's Product Takeback and Recycling** program manages equipment at end of life. These operations achieved a 96 % recycle rate within Xerox's worldwide equipment recovery and recycle operations in 2006 and diverted 111 million pounds of waste from landfills. Since 1991, remanufacturing and recycling have given new life to more than 2.8 million copiers, printers and multifunction systems, while diverting over two billion pounds of potential waste from landfills.

**Waste-Free Factories:** Since the early 1990s, Xerox has managed environmental performance in our manufacturing operations to an internal benchmark known as Waste-Free Factory. Our commitment to the goals of this initiative, along with global implementation of an ISO 14001-conforming environmental management system, has driven environmental performance improvements over the last decade, including achievement of a 91 % recycle rate for non-hazardous solid waste.

# Recognition and Partnerships

## Recognition

- 2007: Xerox has been recognized by the U.S. EPA Climate Leaders program for achieving its first multi-year GHG reduction goal and setting a new target.
- 2007/08: Xerox is included in the 2007 Dow Jones Sustainability Index – North America.
- 2006/07: Xerox's five major U.S. facilities have been named to the U.S. EPA's National Environmental Performance Track program. This program recognizes facilities that voluntarily exceed regulatory requirements, implement systems to improve environmental management, work with their communities and set three-year goals for even better environmental performance.
- 2007: Xerox received the Financial Times/Citi Private Bank Environmental Award for reducing carbon emissions.
- 2006: Xerox was presented with the U.S. General Service Administration Evergreen Award for environmental performance.

## Partnerships

To advance global efforts to improve our environment, Xerox partners with these private and public organizations:

- Business Roundtable Climate Resolve
- Business Roundtable S.E.E. (Society, Environment, Economy) Change
- Business for Social Responsibility
- California's Climate Action Registry
- Advisory Board of Golisano Sustainability Institute at Rochester Institute of Technology
- Sustainable Energy Ireland
- International Leadership Council of The Nature Conservancy
- Advisory Board of the Center for Sustainable Systems at the University of Michigan
- U.S. Climate Action Partnership
- U.S. E.P.A. Climate Leaders
- U.S. E.P.A. ENERGY STAR
- U.S. E.P.A. National Environmental Performance Track
- U.S. E.P.A. WasteWise