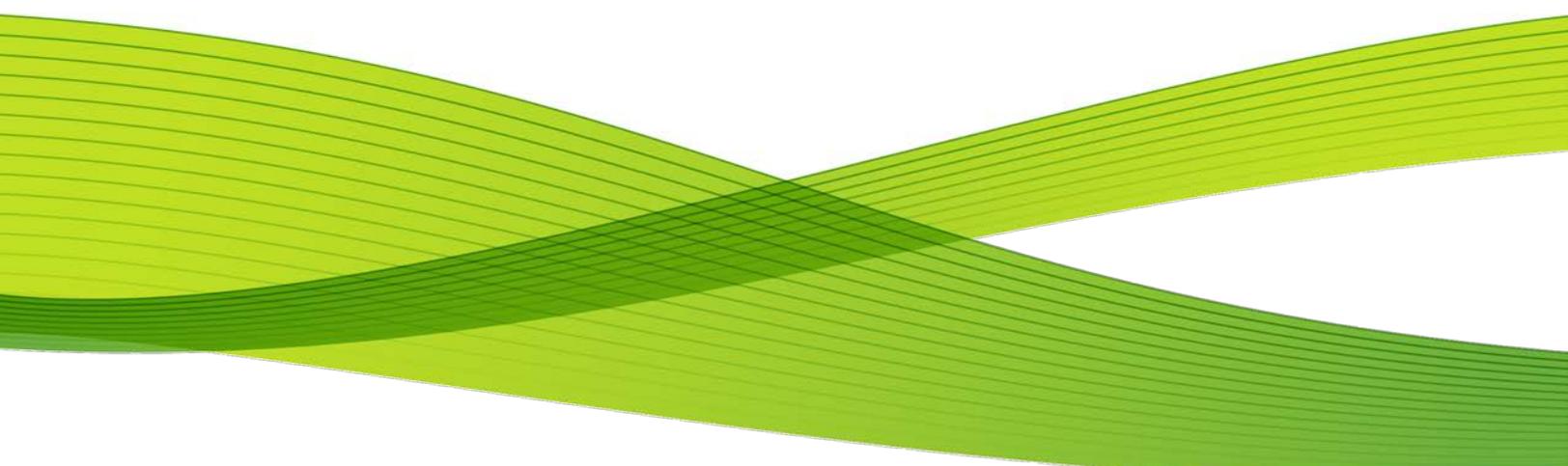


Xerox and the Environment: Our Sustainability Commitment

Briefing Paper for Xerox Customers



Executive Summary

What is Sustainability?

Sustainability is balancing the social, environmental and economic needs of business today without compromising the ability of future generations to meet theirs. At Xerox, we do this by simplifying the way our customers' work gets done. It's also about valuing our employees and communities, preserving our environment and returning value to our shareholders... now and for the future. Xerox views it as a way of doing business, rather than as a cost of doing business and our Annual Report on Global Citizenship provides a comprehensive report of our efforts in these areas.

Xerox regards three elements as critical for achieving sustainability: Leadership, Innovation and Partnerships that extend across its Value Chain.

Sustainability takes into account environmental and social performance in addition to financial performance – the “triple bottom line.”

The Triple Bottom Line at Xerox:

Social: We provide **customers** with simplified processes that bring cost, quality and productivity benefits and a greener way of operating. **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.

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 products and services provide cost-effective solutions for our customers.

Environmental: 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 responsibility focuses on four areas where we can have the most impact for our own workplaces and those of our customers:

1. **Protect our Climate and Reduce Energy Use** – we reduce our carbon footprint by cutting energy use in our own operations and in the operations of our customers through our energy efficient products and services.
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, those of our customers, and in the use of our products and services. We responsibly reduce and manage the disposition of waste by seeking reuse and recycling options.

Our Value Proposition to Customers

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

Goal	Goal Enablers - Xerox Products & Services
<p>Carbon Neutral</p> <p>Invest and use technologies that reduce the energy and carbon footprint of operations and processes.</p>	<ul style="list-style-type: none"> • Energy Star Certified Equipment, multifunctional devices, innovative toners • Business Process Outsourcing • Information Technology Outsourcing • Managed Print Service & Document Management • State-of-the-art data centers • Transportation Solutions
<p>Sustainable Paper Cycle</p> <p>Xerox is one of the world's largest brand distributors of cut-sheet paper. Along with our customers, we rely on a sustainable supply of paper derived from forests around the world. We work in Partnership with Xerox customers, suppliers, The Nature Conservancy (TNC) and key stakeholders to support the development of a sustainable paper cycle.</p>	<ul style="list-style-type: none"> • Papers certified to internationally recognized standards Forest Stewardship Council (FSC) and the Program for the Endorsement of Forest Certification (PEFC). • Xerox maintains stringent environment, health and safety requirements for suppliers that go beyond compliance • Digital Document Management • Xerox® 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. • Xerox® ConnectKey™ provides advanced document and process capabilities.
<p>Reduced Use of Toxics & Heavy Metals</p> <p>Eliminate the use of persistent, bio-accumulative and toxic, materials throughout the supply chain.</p>	<ul style="list-style-type: none"> • Xerox products have chemical emission levels well below global regulatory limits often at or below the detection limit of measurement equipment. • Re-engineered processes dramatically reduce the use of toxics and heavy metals.
<p>Waste Free Products & Workplaces</p> <p>Design and use products, packaging and supplies that make efficient use of resources, minimize waste, reuse material where feasible and beneficially recycle what cannot be reused.</p>	<ul style="list-style-type: none"> • Xerox "Green World Alliance" provides a collection and reuse/recycling program for spent imaging supplies. • Comprehensive process to take back end-of-life equipment and parts for subsequent remanufacture, reuse or recycle • Cartridge-free technologies (solid ink) • Digital Production Equipment- the more sustainable option to offset printing with variable print, printing what you need. Reduces the need for storage space and the risk of obsolete inventory. • Xerox® ConnectKey allows for use of CiscoEnergyWise for energy management options.

Sustainability at Xerox ... A Way of Doing Business

Xerox focused on environmental performance and sustainability long before it was popular to do so in order to positively impact our operations, offerings, customers and communities.

- 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 waste**.
- We are the world's experts on the **safety of toner**, having launched comprehensive health studies over 30 years ago, which are still in place today.
- Xerox established its **Environmental Policy** in 1991 and its principles still 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 our 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. We achieved our first goal six years early and then announced an even more aggressive goal – a 25% reduction. We beat this goal in 2012 with over a 30% reduction in GHG emissions from 2002.
- Paper: Xerox has shown leadership in advancing **responsible use of paper**.
 - We invented **two-sided printing** and **digital document management** for efficient paper use.
 - In 2003, we were among the first to issue **comprehensive environmental requirements** to our paper suppliers.
 - In 2006, we began a partnership with **The Nature Conservancy** to advance forest management practices and improve sustainable forest management programs. We are continuing this partnership through to the present day.
 - In 2010 we launched papers that are certified to the world's most recognized **sustainable management certification program** – the Forest Stewardship Council, and offer papers with recycled content
 - In 2010 we launched the 'EarthSmart' print driver to make **responsible printing** an easier and automatic choice.
 - The Xerox® CiPress® 500 Production Inkjet System was presented the **European Paper Recycling Award 2011** for its "good deinkability" rating and its ability to print vibrant color on recycled and low cost paper.
- In 2008 we introduced the Xerox **Sustainability Calculator** for Environmental Footprint Reporting.
- In 2010, Xerox acquired ACS, expanding **efficient and optimization services** that Xerox offers across a wide array of sectors including Transportation, Finance, Human Resources and Healthcare.
- In 2013 we launched **Xerox® ConnectKey™**, a software system and set of solutions for Xerox® MFPs, allows scanning directly to cloud services, printing from mobile devices, connect to anyone in the workforce and use Cisco EnergyWise for energy management.

Recognition and Partnerships

Recognition in 2012

- Included in the **FTSE4GoodIndex** for 5th consecutive year
- The Xerox Research Centre of Canada received the **Chemical Institute of Canada's 2012 Ontario Green Chemistry and Engineering Award**
- Ranked in the Top 50 Best Global "Green" Brands in by **Interbrand**
- On **Corporate Responsibility Magazine's "100 Best Corporate Citizens List"**
- 6th consecutive year on **World's Most Ethical Companies by Ethisphere Institute**
- Ranked 66 on **Newsweek's Green Rankings** of 500 Largest U.S. Public Corporations
- Repeat awardee on **Forbes.com** "The 100 Best Corporate Citizens"
- Ranked No. 3 in computer industry, **FORTUNE's World's Most Admired Companies**
- The new Xerox CiPress digital press was presented the **European Paper Recycling Award** for its use of recycled paper.
- The U.S. Environmental Protection Agency (EPA) recognized Xerox as being among the nation's top purchasers of Green Power with RECs (**Renewable Energy Credits**) in the technology and telecom sector.

Partnerships

To advance global efforts Xerox partners with these organizations:

Business:

- Business Roundtable Climate RESOLVE
- Business Roundtable S.E.E. (Society, Environment, Economy) Change
- Business for Social Responsibility
- Sustainability Innovators Working Group
- EcoPatent Commons
- Corporate EcoForum
- U.S. Chamber of Commerce Business Civic Leadership Center Environmental Innovation Network

Non-Governmental Organizations:

- Environmental Defense Fund Climate Corps
- International Leadership Council of The Nature Conservancy
- The Prince's May Day Network
- Organization for Economic Cooperation and Development (OECD) Expert Advisory Group on Sustainable Manufacturing and Eco-innovation

Government:

- Sustainable Energy Authority of Ireland
- U.S. EPA ENERGY STAR
- U.S. EPA SmartWay Transport Partnership
- U.S. EPA WasteWise
- U.S. EPA Green Power Partnership

More information is available at www.xerox.com/environment

