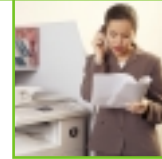


# Environment, Health, and Safety

A Record of Progress



## To Our Stakeholders:

I believe passionately that good citizenship is good business. It's good for our communities, good for our people . . . and, ultimately, good for Xerox. It means protecting our employees, our communities, and the environment from harm, and it means striving for a sustainable world.

Xerox's efforts in this area have produced significant results and we are proud of our accomplishments. But there is more to do in order to reach our Zero Injury and Waste-Free objectives. I pledge that Xerox will continue our work toward these goals — it is part of our heritage and our future.

Sincerely,

Anne M. Mulcahy  
*Chairman and Chief Executive Officer*





## A Record of Progress

# Waste-Free Products and Waste-Free Facilities for Waste-Free Workplaces.

For more than a decade, Xerox has maintained an unwavering commitment to our environmental, health, and safety policy — even when changing business strategies and external pressures posed significant challenges. Efforts to deploy our Waste-Free goals have produced dramatic improvements in the environmental performance of Xerox products and facilities. We are proud of our record of progress.

### Waste-Free Products

It starts with a commitment to do better . . . and Xerox has made impressive progress. Each new generation of our products offers more functionality, uses fewer materials and hazardous substances, and less energy.

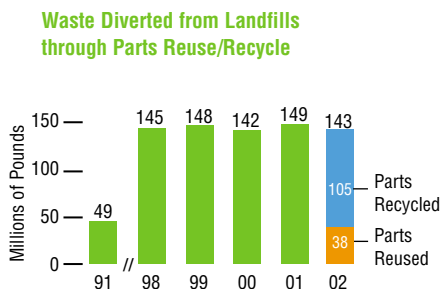
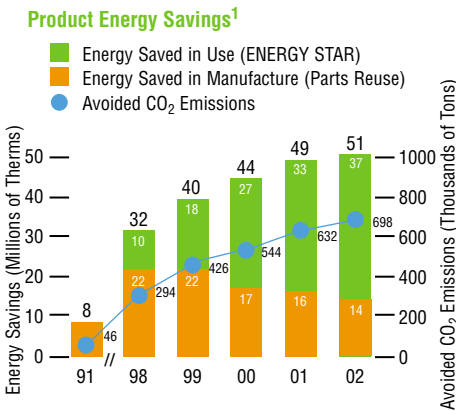
- Today's products use up to 80 percent less energy than 1990 products. Emissions of ozone and dust have been reduced by more than 50 percent.
- Each year, energy-efficient product features enable our customers to save more than one million megawatt hours of electricity. These energy savings translate into significant reductions in emissions of carbon dioxide, a gas that contributes to global climate change.
- Design strategies maximize our ability to remanufacture products and reuse and recycle parts, conserving both raw materials and energy. In 2002, we kept 143 million pounds of waste out of landfills that way.

### Waste-Free Facilities

Eliminating factory waste is both environmentally and economically sound. It's the way Xerox does business. We have consistently achieved reductions in our emissions to air and water and improvements in our recycling rates. Some examples:

- Air emissions from our supplies manufacturing operations — our most chemically intensive — have been reduced by 92 percent since 1991.
- In 2002, our non-hazardous solid waste recycling rate increased to 92 percent.
- Ninety-seven percent of hazardous waste was beneficially managed in 2002 through treatment, recycling, or use as fuel.

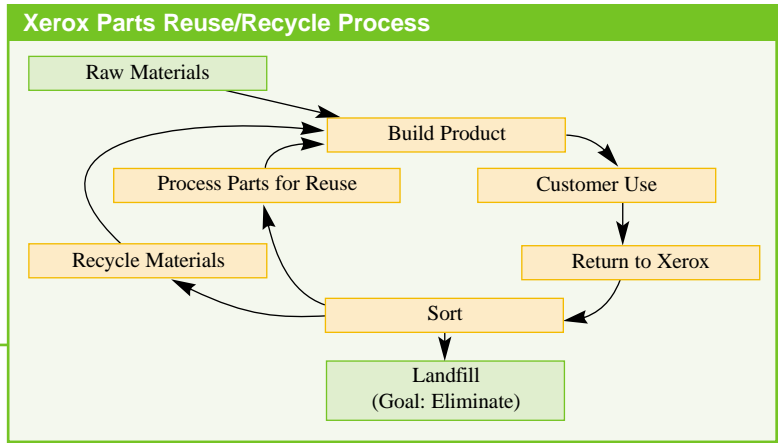
ISO 14001-certified environmental management systems will guide Xerox manufacturing operations in achieving further environmental advances.



Note: Data cover the remanufacture and reuse/recycle of Xerox equipment and parts at Xerox facilities and those of our contract office equipment manufacturer, Flextronics.

<sup>1</sup> Energy savings from parts reuse represent the difference in energy required to build new and reused parts, assuming an average machine composition of 60 percent plastic and 40 percent steel. Material life cycle data were obtained from Franklin Associates, Ltd. Annual energy savings from ENERGY STAR features are calculated by comparing the annual energy consumption of Xerox ENERGY STAR-qualified product types to non-ENERGY STAR counterparts. Savings are aggregated across the estimated number of Xerox ENERGY STAR-qualified machines in customer locations worldwide. Energy reductions are translated into avoided CO<sub>2</sub> emissions using U.S. Environmental Protection Agency, U.S. Department of Energy, and International Energy Agency conversion factors.

# Environmental Solutions that work.



## Waste-Free Workplaces

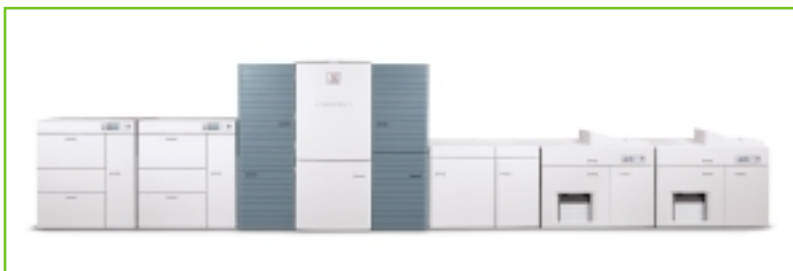
Our concern for the environment is not unique. Xerox customers are just as aware of the benefits of environmentally friendly practices. Our goal is to help them achieve Waste-Free Workplaces.

Xerox has developed the industry's most comprehensive supplies return program. We collect and reprocess spent print/copy cartridges and waste toner from Xerox printers, copiers, and multifunction systems. Because of our return initiatives, customers were able to recycle more than 18 million pounds of supplies that might otherwise have gone to landfill in 2002.

Smart use of paper is the hallmark of an eco-efficient office. Xerox enables this through reliable two-sided printing and copying, and papers with up to 100 percent post-consumer recycled content. In addition, new requirements we have established for our paper suppliers will ensure that Xerox papers are derived from sustainably managed forests and continue to be an environmentally responsible choice for customers.

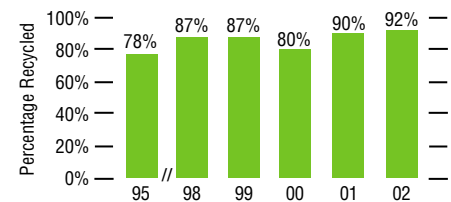
## Introducing Our New Green Machine

Pollution prevention can be a serious problem for the commercial printing industry. But Xerox's new DocuColor iGen3 Digital Production Press offers a promising alternative for short-run color printing. Compared to traditional offset printing, the DocuColor iGen3 uses non-toxic dry inks with a transfer efficiency of nearly 100 percent, reducing the potential for waste. Up to 97 percent of the machine's parts and 80 percent of the waste it generates can be reused or recycled, and dust and ozone emissions are strictly controlled. Finally, its digital technology changes printing economics to favor just-in-time, right-size print runs.



DocuColor iGen3 Digital Production Press

## Non-Hazardous Solid Waste Recycle Rate: All Facilities



Environmental responsibility is a core commitment at Xerox. Wise use of natural resources and conservation of energy are important considerations throughout the life cycle of our products, from design and materials procurement to manufacturing, use by our customers, reuse, and ultimate disposal.

## For More Information

The following environmental, health, and safety materials are available from the Xerox contacts listed at right or the Internet: [www.xerox.com/environment](http://www.xerox.com/environment).

Xerox Environment, Health, and Safety Progress Reports, 2000-2003

Material Safety Data Sheets

Product Safety Data Sheets

Business Guide to Waste Reduction and Recycling

Brochures:

- *Because We Can't Remanufacture the Earth*
- *Environment, Health, and Safety: A Record of Progress*
- *Facts About the Safety of Xerox Products*
- *Facts About Ozone*
- *Protecting our Planet is a Group Project: Join In*

The 2002 Xerox annual report and information about corporate commitments to social responsibility and diversity are available from [www.xerox.com](http://www.xerox.com).

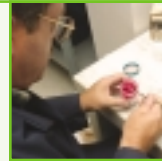
For more information about Xerox's environmental, health, and safety programs, please contact:

### **Xerox North America Environment, Health, and Safety**

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### **Xerox Europe Environment, Health, and Safety**

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E-mail: [Elaine.Grange@gbr.xerox.com](mailto:Elaine.Grange@gbr.xerox.com)



## Corporate Environmental, Health, and Safety Policy

**Xerox Corporation is committed to the protection of the environment and the health and safety of its employees, customers and neighbors. This commitment is applied worldwide. The following principles shall govern all business practices in the design, manufacture, procurement, marketing, distribution, maintenance, reuse/recycling, and disposal of products and related services:**

- Protection of the environment and the health and safety of Xerox employees, customers, and neighbors from unacceptable risks takes priority over economic considerations and will not be compromised.
- Xerox operations must be conducted in a manner that safeguards health, protects the environment, conserves valuable materials and resources, and minimizes risk of asset losses.
- Xerox is committed to designing, manufacturing, distributing, and marketing products and processes to optimize resource utilization and minimize environmental impact.
- All Xerox operations and products are, at a minimum, in full compliance with applicable governmental requirements and Xerox standards.
- Xerox is dedicated to continuous improvement of its performance in environment, health, and safety.



**XEROX**

Worldwide Partner

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