

Xerox's Paper Sourcing Policy and EH&S Requirements for Paper Suppliers

As one of the largest brands of cut-sheet paper in the world, Xerox recognizes its obligation to ensure the responsible management of forests that provide raw materials for the production of paper. Advancing the practice of sustainable forest management among Xerox paper suppliers is an important component of Xerox's own commitment to environmental protection.

In 2000, Xerox adopted the following position on paper sourcing:

Xerox sources its paper from companies committed to sound environmental, health and safety (EH&S) practices and sustainable forest management in their own operations and those of their suppliers. Our intent is to protect the health and integrity of forest ecosystems, conserve biological diversity and soil and water resources, safeguard forest areas of significant ecological or cultural importance, and ensure sustainable yield. Companies must be committed to compliance with all applicable EH&S regulatory requirements in the countries where they operate.

To support this position, Xerox has established a set of EH&S requirements for companies that provide paper to Xerox for resale. The requirements, which cover all aspects of papermaking, from forest management to production of finished goods, will be included in our existing process for qualifying suppliers. All Xerox paper suppliers worldwide must meet these requirements to do business with Xerox and must submit detailed documentation, on an annual basis, verifying their conformance.

Key provisions of the requirements include:

- Commitment to compliance with all applicable EH&S regulatory requirements, including forestry codes of practice and regulations governing legal harvesting of wood.
- An effective mill environmental management system and objectives for continual improvement in environmental performance above and beyond regulatory requirements.
- Independent third party certification of supplier-owned or managed forestry operations to a Xerox-accepted sustainable forest management standard.*
- A procurement process that:
 - Ensures the exclusion of illegally harvested wood raw materials from Xerox papers.
 - Ensures the exclusion of wood raw materials derived from forest areas of significant ecological or cultural importance unless certified to a Xerox-accepted sustainable forest management standard.
 - Encourages all suppliers of wood raw materials to practice sustainable forest management.
- Strict limits on the use of hazardous materials, including exclusion of elemental chlorine, in the processing and content of Xerox papers.

We recognize that one of the most significant challenges our suppliers will face in meeting Xerox's requirements will be to demonstrate that they are safeguarding forest areas of significant ecological or cultural importance. Xerox fully supports multi-stakeholder efforts to identify forest areas requiring protection, and to develop information sources and tools that will enable suppliers to identify these areas on their own forestlands and in their procurement of wood raw materials from third parties. Xerox expects its suppliers to take full advantage of these resources as part of their sustainable forest management efforts.

*Xerox believes there are a number of sustainable forest management standards whose performance-based provisions for protecting forest ecosystem health, conserving biodiversity, protecting soil and water resources, safeguarding areas of significant ecological or cultural value, and ensuring sustainable yield are

consistent with Xerox's requirements. We are offering our suppliers the choice of certification to the Forest Stewardship Council standard or others (including standards of the Canadian Standards Association, Sustainable Forestry Initiative, and Pan-European Forest Certification Council) that include these provisions.

For more information about Xerox's environmental, health and safety programs, please reference:
www.xerox.com/environment.

