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The Road To Sustainability

Jim Warram

Oklahoma Sustainability Network Conference

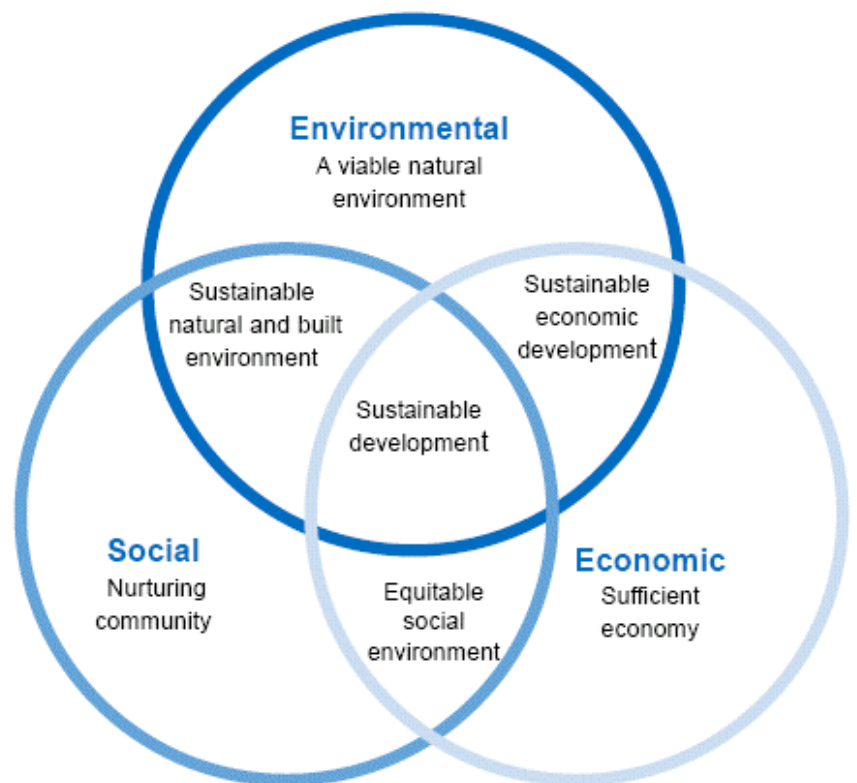
April 20, 2007



Agenda

- ✍ The Value of Sustainability
- ✍ Getting to Sustainability
- ✍ Xerox and Sustainability Leadership
 - ✍ Incentives
 - ✍ Priority Chemicals
 - ✍ Paper
 - ✍ Solid Ink
 - ✍ Embrittling agent
 - ✍ Energy conservation
- ✍ Building a Greener Tomorrow

The Value of Sustainability



Getting to Sustainability

- ✍ Focus on the horizon
- ✍ Continuously improve
- ✍ Full-cost accounting
- ✍ Understand cycles
- ✍ Recognize the world is flat
- ✍ Involve stakeholders

Boost or Barrier

✍ Creativity

- ✍ Investing in R&D

✍ Incentives

- ✍ Financial

- ✍ Regulatory

✍ Innovation

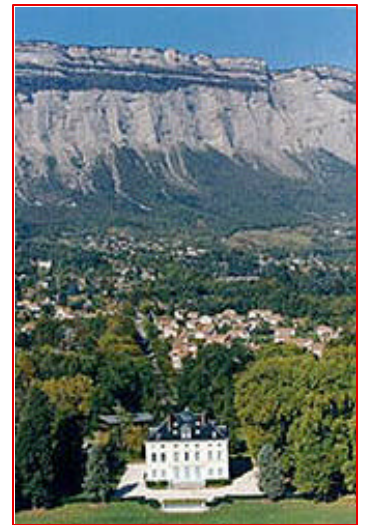
- ✍ Stagnant

Creativity - Innovation



WCRT

PARC



XRCE

✍ Research Centers

✍ Intellectual Capital

✍ >8,00 Design and Utility Patents



XRCC

Incentives

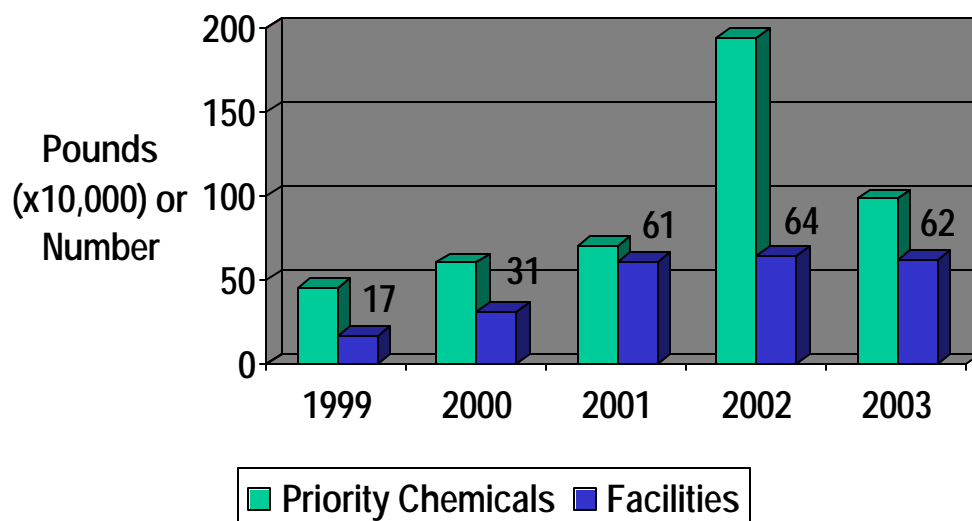
Xerox Circuit Boards

- ✍ Regulatory Incentive
 - ✍ Restriction of Hazardous Substances (RoHS)
 - ✍ European Union RoHS
 - ✍ China RoHS
- ✍ New Solder
 - ✍ Composition
 - ✍ Application
 - ✍ Capability

Priority Chemicals

- ✍ Voluntary Incentive
 - ✍ NPEP Targets 31 Priority Chemicals
- ✍ Partnership to Reduce Use and Release
- ✍ Oklahoma Trends

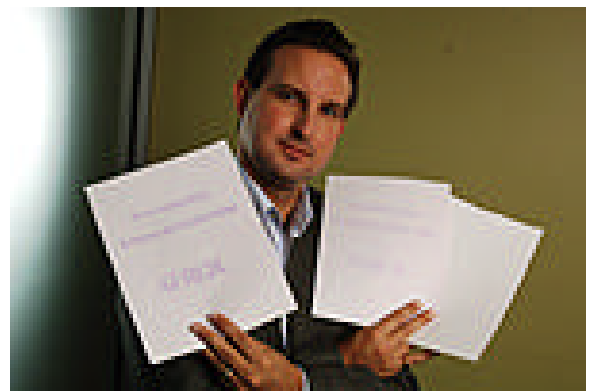
Priority Chemical Trends in Oklahoma



Saving Costs and Trees

Erasable Paper

- ✍ Experimental Printing Technology
 - ✍ Self-Erasing Paper
 - ✍ Wavelength Sensitive Toner
 - ✍ Disappears within 16-24 hours
- ✍ Cost Efficient Office
 - ✍ Unrealized Until Now
 - ✍ 40% of Office Printouts Read Once

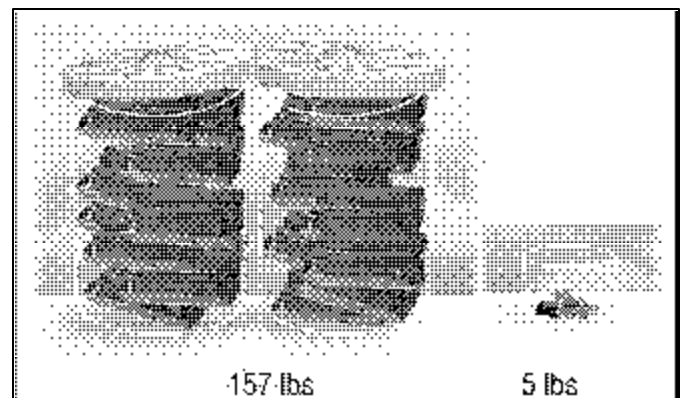
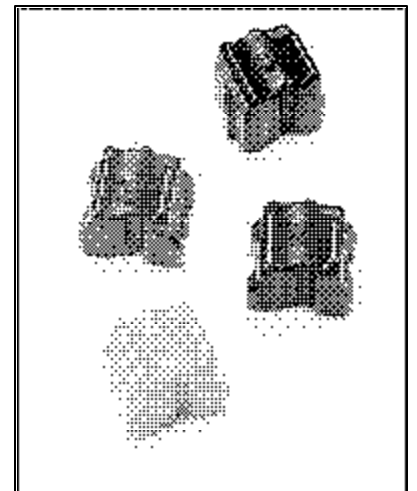


Solid thINKing

Solid Ink

✍ New Solid Ink Printing Technology

- ✍ Leaves No Trace Behind - Generates 90% Less Waste
- ✍ Safe and Clean
- ✍ Uses Less Stuff



Energy Savings Through Innovation

Embrittling Agent

- ✍ Conventional Black Toner
 - ✍ Physical Processes Energy Intensive
 - ✍ Grinding ~ 40%
- ✍ Embrittling Agent
 - ✍ Chemical Ingredient
 - ✍ Reduces Energy Usage ~ 22%



Voluntary Programs

USEPA National Environmental Performance Track Program - Oklahoma City Commitments



- ✍ Energy Reduction
 - ✍ Natural Gas
 - ✍ Reduced ~ 42%
 - ✍ Electricity
 - ✍ Reduced ~ 21%
 - ✍ Wind Power
- ✍ Remanufacturing
 - ✍ 45% post-consumer



Building a Greener Tomorrow

- ✍ Plan for the future
- ✍ Think in new ways
- ✍ Consider economic, environmental and social costs
- ✍ Anticipate highs and lows
- ✍ Distance does not mean distant
- ✍ Investors and partners expect responsible investment

Additional Information



Company Annual Report

<http://www.xerox.com/annualreports>



Report on Global Citizenship

<http://www.xerox.com/citizenship>

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