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Transcribed by:

**ExecuScribe, Inc.
1320 University Avenue
Rochester, N. Y. 14607
(585) 256-6220**

JULIE MYERS: Hello I'm Julie Myers with Xerox Global Services. This Podcast is part of an ongoing series. Be sure to visit Xerox.com/thoughtleadership to download future Podcasts. I'm honored today to be here with Patty Caulkins. Hello Patty.

PATTY CAULKINS: Hi Julie, nice to be here.

JULIE MYERS: Patty is Xerox's Global Vice President of Environment Health and Safety and an expert on sustainability. She'll be talking today about her topic, Smarter Ways to Green. Patty, environmental issues have been with us a long time but recently they have been receiving an enormous amount of attention. Why is that?

PATTY CAULKINS: Well Julie I think you've probably noticed that these topics have made the front page of every single major publication globally and the reason why is because we've now recognized that these are very serious issues that we're dealing with and those issues are climate change. The globe is warming. There are issues around deforestation. We're losing over thirty-six million acres of natural forest land every year and then our concern over the availability of clean air, clean water and other resources and then having to deal with the waste. So these are very, very serious issues that are facing our planet and our generation today.

JULIE MYERS: So where is all this pressure on the environment coming from?

PATTY CAULKINS: Well Julie it's really coming from the needs of the people on the planet. There are six billion people on the face of the earth today and the United States Environmental Program estimates that if all of those six billion people

lived at the same standard of living that we do here in North America or in Europe, that we would need three earths to support that. So it really is a concern based on the needs of the people and the ability for the planet to support that.

JULIE MYERS: I see, so it's about bringing things back into balance.

PATTY CAULKINS: Oh absolutely. Sustainable development is meeting the needs of current generations without compromising future generations for meeting their own needs. There's a Cashmere Proverb that really says it well which says that we have not inherited the world from our forefathers, rather we are borrowing it from our children. If you think about borrowing things from your children, you might treat them a little bit differently.

JULIE MYERS: You're right. That is a powerful way to think about it. So what can businesses and organizations do to start moving towards sustainability?

PATTY CAULKINS: Businesses can start to look at their own operations and they need to first think about how they do things in a quantified way. As we all know, what gets measured gets managed so if you're measuring what you're doing, you're setting goals and you're moving towards those goals, you know you're making real progress. It needs to be economically driven. If you think about it, these wastes that impact the environment are inefficiency in the process. Inefficiency means lost dollars so if you're reducing that inefficiency; you're driving savings to the bottom line. You need to think about it in terms of the entire value chain and where those leverage points are along that value chain in terms of your suppliers, your own operations, as well as what you deliver to your customers. It's always important to get started with quick wins;

easy wins. Pick that low hanging fruit, get the environmental benefit, drive the financial results and those are the ways that you can start driving towards smarter ways to green.

JULIE MYERS: Well that quite a prescription. Can you provide an example or two of companies who have made strides in these areas?

PATTY CAULKINS: Oh absolutely. One example I can give you is the 3-M Corporation. Back in the seventies, I mean they were so visionary when they implemented what they called their 3-P Program; Pollution, Prevention Always Pays and they got all of their employees thinking about how they could improve or reduce the environmental impact of their products and processes. They fundamentally saw that anything that increased their environmental footprint was bad. What they found in the first year, you talk about quick hits, a billion dollars in savings in the first year alone. Two point two billion pounds of pollutants have been prevented over the years from their 3-P Program so you can see there is tremendous opportunity for smarter ways to green.

JULIE MYERS: Those are really impressive statistics. How about Xerox?

PATTY CAULKINS: Xerox has got a long history of commitment to the environment. For example, we started recycling materials in the nineteen sixties. We recovered metals from our photo receptor materials. We introduced our first products that made two sided copies back in the late sixties and we introduced our first power down machines in 1982 which was well before the Energy Star Program that we currently know. Then more recently we've developed new toners, new toner technologies and we've also launched a new innovative paper; high yield business paper which uses more of the tree. So we've got a long history of commitment of

delivering benefits, focusing in on that win, win, smarter ways to green where we can improve our performance as well as start to help customers improve their performance in ways that deliver benefits financially also.

JULIE MYERS: Can you tell us more about some of those technologies? You mentioned toner and paper.

PATTY CAULKINS: Actually there are a couple of different aspects of our toner. We have our conventional toner which is manufactured by grinding a polymer material down to a powder basically and what we found is that that grinding step consumed forty percent of the energy to manufacture toner. So our technologists went ahead with some innovations and they developed this material called Embrittling Agent which when added to that grinding step, reduces the amount of energy needed now to produce a pound of toner by twenty-two percent. The other aspect of toner is that we actually innovated a completely new toner that totally skips the grinding step altogether that these toner particles are grown to very uniform size and shapes so that less energy is needed to manufacture them. Now you asked about paper too. To help our customers use less paper, we designed our products to efficiently double-sided print. What we found in the past was that customers were reluctant to do double sided printing because it took longer to make one double sided print than it did to make two single sided prints. So we went ahead and made design changes to our products so that it doesn't take any longer to make one double sided print than it takes to make two single sided prints. The paper that they do use, there are two things that we're really excited about. One is our high yield business paper which we just introduced to the marketplace about six months ago that uses more of the tree. Traditional business paper only uses forty-five percent of

the tree to make the paper. For the high yield business paper, it uses ninety percent of the tree. That also means that there is less energy needed to make the paper, there is seventy-six percent less emissions to the air and thirty-five percent less emissions to the water and sixty-nine percent less green house gas emissions which are those gases that cause global warming because the paper is manufactured in a facility that uses hydro-electric power. The other aspect of our paper is that all of the fibers that go into our papers are sustainably sourced due to our very, very aggressive paper policy that we've driven through our supply chain requiring that all of the fibers be sourced from forests that are sustainably managed and are certified to those standards.

JULIE MYERS: And that is very significant because I believe Xerox is the number one manufacturer or distributor?

PATTY CAULKINS: Yes Xerox is the largest retailer of cut sheet paper under one brand in the world so we have a great opportunity and a responsibility to actually drive improvements and enable improvements for our customers.

JULIE MYERS: Patty I've heard this term "Service Sizing". Can you talk a little bit about what that is and how it can apply?

PATTY CAULKINS: Sure. It's an interesting term and actually it's considered basically the Holy Grail of environmental innovation and particularly by the environmental community. Essentially it's delivering the function of a product without having to necessarily worry about the product itself. It's kind of like, people like cold beer and they like hot showers but they don't really care how the beer got cold or how the water got hot. They just want to make sure when they have their beer, its cold and when they have their shower that they've got hot water. Hubbard Hall is a company that

has done it very effectively. They are a chemical distributor which means they don't manufacture the chemicals, but they are sort of the middle man that delivers the chemicals to the end user. What they found was with the advent of the internet, that they were at risk of being what's called Disinter mediated which meant that their customers could start ordering directly from the chemical manufactures, bypassing them so they started thinking about sort of what's our value add that we can deliver to our customers to enable them to be more effective and efficient in what they're doing? So what they decided was to start offering services around managing those chemicals for their customers. They started offering services to track the chemical use, make sure that it's replenished when it's needed, being able to fill out all the regulatory paperwork, managing the empty containers; all those things that the customer doesn't really want to do that they could do for them. So it's a really neat concept because customers don't necessarily want to be experts at this stuff. They want it all just transparently taken care of for them.

JULIE MYERS: Can Xerox offer companies other ways to help them get smart about green?

PATTY CAULKINS: Oh absolutely. One of the things that Xerox can help companies do is to help them more efficiently manage their document intensive processes. First of all by going in and optimizing the environment that's used for managing these documents and what that means is using multi-function technology to replace multiple, personal and single function devices so rather than having a copier and a printer and a fax machine and a scanner, those can all be replaced with one multi-function device. That delivers significant energy benefits; up to fifty percent. So we

can go in and optimize a customer's process and we can make sure that they're doing double sided printing and that they're using recycled content paper, high yield business paper in applications that are appropriate so that's our competency. We can do it for our customers and we can make sure that it's done in a way that's very efficient so they incorporate the whole smarter ways to green into their document management process.

JULIE MYERS: So Patty how can a company get a quick sense of what this can mean for them?

PATTY CAULKINS: What customers can do is they can go right to our Thought Leadership site at Xerox.com/thoughtleadership and they can access our environmental footprint calculator and quantify what their environmental footprint is and how they can reduce it.

JULIE MYERS: Great. Well Patty any further thoughts about smarter ways to green and sustainability that you want to share with our listeners?

PATTY CAULKINS: Well we at Xerox recognize that sustainability really is a race without a finish line and it absolutely requires leadership and innovation. If we partner, we can actually push forward the frontier of what's possible.

JULIE MYERS: Thank you so much Patty for your time today.

PATTY CAULKINS: Your welcome Julie. It's been fun.

JULIE MYERS: If you would like more information on sustainability and other important topics, join us at Xerox.com/thoughtleadership. I'm Julie Myers. On behalf of Xerox Global Services, thank you for listening.

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