



Jack C. Azar  
Vice-President, Environment, Health & Safety

March 11, 2005

Mr. Phil Aikman  
Global Forest Campaign  
Greenpeace International

Dear Mr. Aikman:

Xerox received your letter of 2 March 2005 outlining Greenpeace's concerns with forestry practices in Arctic Lapland, Northern Finland. In previous correspondence, I informed you of our position and efforts to promote sustainable forest management among our worldwide paper suppliers. These efforts continue and are taken seriously.

We have had recent dialogue with Stora Enso on this topic and continue to feel comfortable that they are behaving responsibly with respect to Northern Finland. It is a complex situation that requires detailed negotiations with many stakeholders. We continue to support, as does Stora Enso, the on-going multi-stakeholder dialogue in Northern Finland between Metsähallitus (the Finnish Forestry Service), World Wildlife Fund Finland, and the Finnish Association for Nature Conservation, as well as other stakeholders such as reindeer herders and Greenpeace. We were pleased when told that Stora Enso has requested a roundtable meeting for later this month with a wide range of stakeholders including reindeer herders, Metsähallitus, Greenpeace and representatives of the local community.

I would like to correct some of the facts with respect to the source of fiber in Xerox office paper supplied by Stora Enso. The three Stora Enso mills that presently supply office paper to Xerox are: Nymölla (Sweden), Veitsiluoto (Finland), and Berghuizer (Holland). The Swedish Nymölla mill is not sourcing wood from Finland. Office paper products manufactured by the Veitsiluoto mill do not contain wood from Upper Lapland. In the past, the unintegrated Berghuizer mill has used a small amount of pulp containing fiber from Upper Lapland in Xerox products. Going forward, Xerox products produced in the Berghuizer mill will not contain any fiber from Upper Lapland. We are comfortable that all office paper products supplied by Stora Enso comply with Xerox environmental policy as specified in the set of environment, health and safety requirements (Xerox Standard EHS-1010) including the requirements for third party certification to sustainable forest management and acceptable procurement processes. Stora Enso uses a comprehensive, third-party verified traceability system to ensure that the origin of wood used by these mills – whether domestic or imported - is well known and comes from legal sources.

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In your letter of 2 March, you also mentioned the situation in Russia, which we understand. We continue to have discussions with our suppliers with regard to sourcing fiber from this area and see excellent progress in securing fiber from FSC certified areas. We understand that 5 million hectares will be FSC certified in Russia by the end of 2005. All of our suppliers have systems in place to prevent procurement of illegal logs. We will continue to work with our suppliers in meeting our requirements and believe that a joint effort will produce the best results.

Xerox shares your commitment to responsible forestry practices. If you have any questions or require additional clarification in this regard, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Jack Azar". The signature is written in a cursive, flowing style.

Jack C. Azar