



# 2021 Corporate Social Responsibility Report





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# Letter from the CEO

Xerox has a social responsibility to do what's best not just for the company, but for people, the environment and society. Key parts of our corporate social responsibility strategy focus on how we can lessen our impact and our customers' impact on the environment and help society—all while ensuring we govern ourselves in a manner that makes Xerox one of the most responsible companies in the world. In our Corporate Social Responsibility Report, we highlight how the Xerox team is carrying out this commitment.

One area where we committed to doing more is lessening our impact on the environment. With climate change being one of the defining issues of our time, we fast-tracked our net zero goal by 10 years to 2040. We are sharing our roadmap to reach net zero for the first time in this year's report. Our roadmap covers our full value chain and focuses on improving processes and energy efficiency as well as designing environmentally responsible products and clean technologies that extend beyond print. For instance, Xerox is working with the U.S. Department of Energy to develop technology that can help reduce the energy consumption of air conditioners by up to 80%. We aim to fundamentally change air conditioning, which accounts for nearly 10% of all electricity consumption and almost 4% of global greenhouse gas emissions.

Another innovation that can lower greenhouse emissions is our Service Experience Management (SXM) platform from CareAR, A Xerox company. This platform makes any user an expert capable of solving technical issues, which means companies can dispatch fewer technicians. The CareAR platform also serves as an example of how the team has innovated to keep employees safe and customers up and running during the pandemic. Our Service Delivery team has been leveraging the platform to fix and install devices when safety concerns or COVID-19 related travel restrictions prevent them from being onsite.

Throughout the COVID-19 pandemic, the health and safety of the Xerox community has been our number one priority. At the onset of the pandemic, we quickly developed robust health and safety protocols that use a science-based approach and align with government directives and guidance from public health organization guidance. Our measured and methodical response to the pandemic, along with our effective protocols, taught us that we could safely bring employees back to the workplace.

The future of work continues to be a widely discussed topic around the world. But the future of work involves much more than how and where we work; it extends to the makeup of a company's workforce. That's why we reaffirmed our commitment to Diversity, Inclusion and Belonging (DIB) in 2020 and developed a new roadmap that focuses on where we can make the biggest difference—both within and outside of Xerox. Our roadmap includes building a diverse candidate pipeline, partnering with changemakers in our communities, driving cultural change, and increasing transparency. We have made progress in all areas, from making data accessible and using artificial intelligence to increase the pool of women and diverse candidates to appointing our first Global Head of DIB.

Our employees seek personal and meaningful ways to give back to our communities. To help support their philanthropic efforts, we launched two new programs in the past year. Our new rewards program allows employees to earn money to donate to a nonprofit of their choice, and our new Xerox Employee Relief Fund (ERF) provides a way for employees to help coworkers when unexpected catastrophic events occur.

The Xerox team has accomplished so much over the last year, and I couldn't be prouder of how our 24,000 team members continue to find new ways to make every day work better for our customers, partners and communities.

Regards,



John Visentin  
Vice Chairman and Chief Executive Officer

## Our Values

At Xerox, six core values guide everything we do, enabling us to deliver excellence to our customers, our shareholders and each other. These values are what make us Xerox. They are a part of our history and a part of our future.

- We succeed through satisfied customers.
- We value our employees.
- We deliver quality and excellence in all we do.
- We require premium return on assets.
- We use technology to develop market leadership.
- We behave responsibly as a corporate citizen.

# A Note About This Report

Our work aligns with the United Nations Sustainable Development Goals (SDGs), which provide a framework to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere. As such, the 2021 Corporate Social Responsibility (CSR) Report includes the SDG icons, representing its 17 goals, next to section titles to note the alignment.



Our report also includes stories, highlights and information from 2020 through mid-2021. For the most up-to-date snapshot of environmental, social and governance (ESG) data, please refer to our [CSR Progress Summary for 2021](#), which is updated throughout the year as data becomes available.



# Executive Summary



## ENVIRONMENTAL

- Fast-tracked our net zero goal by 10 years, establishing 2040 as the year for achievement
- Created a roadmap encompassing our entire value chain and beyond to achieve net zero emissions by 2040
- Registered 100% of new, eligible products with Energy Star® and EPEAT
- Achieved 98% landfill avoidance for equipment and supplies, supporting the circular economy created by Xerox



## GOVERNANCE

- Increased the diversity of our board of directors to 40%
- Expanded the criteria for executives' compensation to include environmental, social and governance factors
- Integrated climate change-related risks and opportunities into our Enterprise Risk Management
- Closely monitored COVID-19 developments and developed best practices and protocols that adhered to guidelines, including requiring U.S. employees to attest to their vaccination status



## SOCIAL

- Established and started executing our new Diversity, Inclusion and Belonging (DIB) roadmap that's focused on building a diverse pipeline, partnerships, cultural changes, community outreach and accountability
- Aided in the COVID-19 response by supporting frontline workers, manufacturing and donating single-use, low-cost ventilators, and producing facemasks, among other things
- Launched a new program that allows employees to redeem \$10 per volunteer hour, up to \$500 per year, to donate to a non-profit of their choice



## INNOVATION WITH IMPACT

- Pioneered a new service experience platform from CareAR, A Xerox Company, to enable enterprises to deliver better environmental, health, and safety results
- Partnered with the Naval Postgraduate School to aid in the adoption of 3D printing throughout the U.S. Navy
- Launched Eloque, a joint venture with Victrack, a state-owned enterprise in Victoria, Australia, to commercialize PARC-developed IoT technology that remotely monitors the structural health of infrastructure assets, such as bridges
- Completed a proof of concept prototype for HVAC technology that has the potential to cut the energy consumption of air conditioners by up to 80%, which accounts for nearly 10% of all electricity consumption and 3.9% of greenhouse gas emissions

## A SAMPLING OF OUR AWARDS AND RECOGNITION



Named 2021 ENERGY STAR®  
Partner of the Year



Recognized by Newsweek as one  
of America's Most Responsible  
Companies 2021



Received the EcoVadis 2020  
Platinum Rating

# Environmental

## Reaching Net Zero by 2040

Climate change is one of the defining issues of our time. It has already affected many aspects of society and has the potential to cause even greater disruption, threatening populations, economies, food security, resources and more. At Xerox, we have long believed that businesses—like ours—play a critical role in protecting the health of the planet.

Given the urgency, we fast-tracked our net zero goal by 10 years and established a new goal of 2040. In 2020, we also expanded our greenhouse gas (GHG) emissions reduction goal to cover scopes 1, 2 and 3. We plan to achieve net-zero emissions through projects that improve operational efficiency, create new technology innovations, and neutralize residual GHG emissions through carbon compensation mechanisms.

Since establishing our first targets in 2003, we have achieved a significant reduction in our energy consumption and GHG emissions. Between our first baseline year of 2002 and 2016, we eliminated 320,000 tons of carbon dioxide equivalents (CO<sub>2</sub>e). In 2016, we created a goal to reduce Scope 1 and Scope 2 GHG emissions by an additional 25% by 2025, which we achieved by year-end 2019. Our focus now is to reduce our Scope 1 and 2 GHG emissions by at least 60% by 2030 against the company's 2016 baseline. This is in line with the ambitious science-based global warming target, validated and approved by the Science Based Targets initiative (SBTi). This means that we will have reduced emissions by 85% as compared to those in the company's original 2002 baseline year.

For Scope 3 emissions, we formalized a goal of 35% reduction by 2030. For the past two decades, we have required our suppliers to meet stringent environment, health and safety goals. We will intensify our efforts and work collaboratively with our supplier chain and stakeholders to achieve this goal.

Our approach to sustainability has included partnerships to accelerate progress. With this new commitment, we have officially joined the UNFCCC's Race to Zero and SBTi's Business Ambition for 1.5°C campaigns, aligning our climate mitigation targets with the most ambitious aim of the Paris Agreement and to what science dictates is necessary to reduce the destructive impacts of climate change on human society and nature: to limit global warming to 1.5°C.

Please see the [2021 CSR Progress Summary](#) for a detailed breakdown of Scope 3 emissions and read more in our Responsible Operations section.



# Xerox Roadmap to Net Zero 2040

## Energy Efficiency & Process Improvements

- Increase remote solve to reduce service miles
- Increase fleet fuel efficiency
- Real estate optimization
- Process and facilities energy reduction projects
- Incorporate internal carbon pricing into decisions

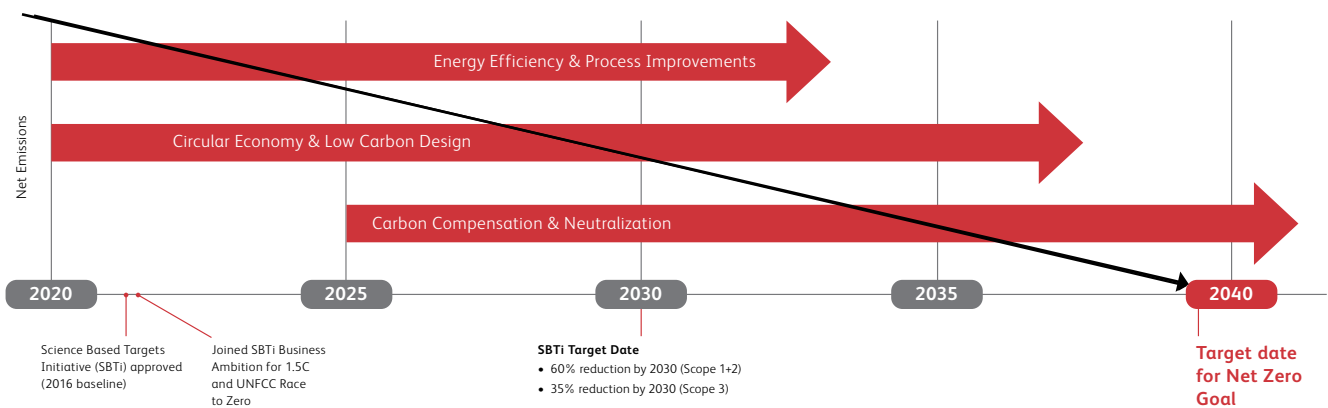
## Circular Economy & Low Carbon Design

- Increase energy efficient products
- Increase post-consumer materials in products
- Expand take-back and remanufacturing
- Test and commercialize Cleantech innovations
- Engage suppliers for lower carbon supply chain

## Carbon Compensation & Neutralization

- Zero-carbon electricity
- Power Purchase Agreements (Solar / Wind)
- Renewable Energy Credits
- Renewable natural gas
- CO<sub>2</sub> capture, sequestration, and re-forestation

## Emissions Reduction Activities and Milestones



## Core Principles

### Partnerships & Collaborations

We will work with our partners and clients to improve our business to be a catalyst for wider change.

### Leadership & Resilience

Integrate low carbon focus into business processes corporate-wide

### Innovation-driven

Xerox's innovation areas have potential to reduce the world's carbon footprint, among other benefits.



# Innovation for Sustainable Products and Services



## Design for Sustainability

Design for Sustainability has been a way of business for Xerox, recognizing that products have environmental, social and economic effects throughout their life cycle. With criteria for each phase of the corporation's product design and delivery process, Design for Sustainability provides a process through which design teams must respond to each step before it can pass to the next phase.

### ENERGY STAR®

Xerox has long paired its technology with sustainability, influencing not just our industry but others. Serving as an ENERGY STAR Charter Partner, Xerox helped the U.S. Environmental Protection Agency (EPA) create its standards and still works with the agency today. Since 1993, more than 500 Xerox® products have achieved ENERGY STAR registration. Since 2010, 100% of our eligible new products have achieved ENERGY STAR registration, including the most recent product launches which meet the latest revision of the ENERGY STAR Imaging Equipment 3.0 criteria, which went into effect on October 11, 2019.

Many existing products were re-engineered to be more energy-efficient to meet the 3.0 criteria. Over the years, we have cut the power consumption of our laser-based printing products by making adjustments in the fuser design, changing properties in our toner, developing more efficient electronic controls, and improving the performance of the xenographic system. A recent example is the launch of the AltaLink C8100 series with a 14% energy reduction on average over the AltaLink C8000 series.

In 2020, Xerox collaborated with the EPA to roll out ENERGY STAR criteria for remanufactured products, referred to as revision 3.1. As a pioneer in remanufacturing, Xerox provided input on terms and definitions as well as the criteria that remanufactured products are required to meet for certification. We also provided energy consumption data from several Xerox professional imaging products to the EPA. This is another

example of collaboration that will assist in the development of an ENERGY STAR specification for professional imaging equipment, known as revision 3.2. As a result of these activities and other initiatives promoting ENERGY STAR products, Xerox was named as an ENERGY STAR Partner of the Year in 2021.

ENERGY STAR requirements serve as the foundation for other eco-labels such as Electronic Products Environmental Assessment Tool (EPEAT) and Blue Angel, which demonstrate our ongoing commitment to reduce product energy consumption. Learn more about the ENERGY STAR program and view current Xerox eco-label registered products [here](#).

### EPEAT: FUNDAMENTAL TO DESIGN FOR SUSTAINABILITY

The Electronic Products Environmental Assessment Tool (EPEAT) is composed of criteria spanning corporate and product requirements. The registration process is a rigorous one and entails both a third-party desk review for initial certification and, once certified, random product verification audits. EPEAT product criteria combine comprehensive requirements for design, production, energy use, and recycling, with ongoing independent verification of manufacturer claims. EPEAT criteria reflect several categories of environmental attributes that span the life cycle of electronic products: material selection, design for end-of-life, product longevity/life extension, energy conservation, end-of-life management, corporate performance, packaging, consumables, and indoor air quality.



100%

of our eligible  
new products have  
achieved ENERGY  
STAR registration  
since 2010.



Xerox continues to support EPEAT initiatives, future success, and global expansion. We register products in the U.S., Canada, the U.K., France, Germany, Netherlands, Belgium, Luxembourg, Switzerland, Norway, Sweden, Finland, and Denmark.

We continue to be the only company with registered EPEAT multifunction devices and printers in Europe.

Since 2014, we have committed to launching all new eligible office products with EPEAT Silver or Gold certification. We have achieved this goal consistently on all newly manufactured offerings for the past four years. All new Xerox® VersaLink®, Xerox® AltaLink® and PrimeLink® Products are EPEAT Gold certified, with a few country-specific exceptions. Xerox is one of two companies to claim all eight EPEAT corporate optional criteria in the U.S. Learn more about the EPEAT program and view current Xerox eco-label registered products [here](#).

#### BLUE ANGEL

The Blue Angel is the ecolabel of the federal government of Germany, and its governing body, RAL, regularly introduces progressively more stringent requirements. Approximately 90% of Xerox® products have achieved Blue Angel certification, meeting or exceeding the stringent requirements set forth by DE-UZ-219 for chemical emissions, materials selection, recyclable design, and energy consumption.

#### MANAGING PRODUCTS THROUGH THE FULL LIFE CYCLE

Xerox integrates life cycle thinking into our product and service development and innovation activities. Life Cycle Assessments (LCAs) are a means of technically evaluating the environmental and health impact of a product's materials, manufacturing, distribution, use, and end-of-life. LCAs are completed according to the appropriate ISO standards to quantify the environmental impact of a product throughout its life cycle.

In 2020, we conducted LCAs for 60% of our current products including the AltaLink, VersaLink, PrimeLink and many other laser technology devices, including the Xerox® B210, Xerox® B205, and Phaser® 6510. These LCAs directly contribute to Xerox earning EPEAT Gold certification for these configurations.

#### DESIGNING PRODUCTS GOVERNED BY EHS&S POLICIES AND STANDARDS

Product design is governed by global regulations, Xerox Environmental, Health, Safety & Sustainability (EHS&S) Standards, Design for Sustainability, and our [EHS&S policy](#). Our policy states that Xerox will:

- Comply with applicable environment, health and safety laws, rules, regulations and Xerox standards;
- Take appropriate measures to protect the environment and the health and safety of our employees, clients, suppliers, and neighbors from unacceptable risk;
- Take proper measures to prevent workplace injuries and illnesses and provide employees with a safe and healthy work environment;
- Assess environment, health and safety impacts before starting a new activity or project;
- Comprehend environment, health and safety impacts in the design and acquisition of products and services;
- Eliminate unacceptable risks from facilities, products, services and processes;
- Strive for continual improvement of our environmental management system and conserve water and other natural resources, eliminate toxic and hazardous materials, prevent pollution, recover, reuse, and recycle;
- Address climate change by reducing the carbon footprint of our operations, products and services; and
- Require suppliers to adhere to the applicable environment, health and safety laws, rules, regulations and Xerox standards.

The Xerox EHS&S Standards also provide consistency and guidance for meeting our policies. Our product standards encompass materials compliance, chemical management, packaging, electrical and mechanical safety, ergonomics, electromagnetic emissions, and acoustic noise. Xerox business teams and our EHS&S organization review our products at each stage of the development process for conformance with environmental, health, and safety standards, which is a requirement for introducing any product. Our standards ensure that our products have the appropriate labels and information needed to meet all safety and environmental label requirements to keep clients appropriately informed. All Xerox® products meet the required industry labeling standards for each market.

The EHS&S team engages with our researchers and product development teams from the earliest product conception throughout the development process. Internal processes ensure that product design teams are informed about regulatory and market-driven changes that may impact product design.

Our product development and delivery processes include environmental evaluations of materials and parts selected, products in use, and end-of-life. These processes ensure that product design teams can incorporate timely environmental metrics and product safety considerations into new products in development.

We solicit feedback from clients and other stakeholders and take a forward-looking view of global trends in technology, regulations and eco-labels.

#### **ELIMINATING WASTE WITH PACKAGING AND DISTRIBUTION**

Packaging and distribution are integral considerations in our product commercialization process. We strive to eliminate, reduce, reuse and recycle packaging whenever feasible. Product teams actively seek out more environmentally responsible packaging alternatives. We also require packaging suppliers to comply with bans and restrictions for a variety of chemicals. We document expectations in the [EHS Requirements for Packaging Standard—EHS-710](#) and the [General Packaging Standard—88P311](#). Commercial equipment is designed and tested to be shipped with minimal packaging. Eliminating or reducing packaging, wherever feasible, conserves natural resources and decreases fuel use for distribution—a sustainability win-win for business and the environment.



The Xerox® C235 Color Multifunction Printer is one of our newest EPEAT-registered devices and contains 10% post-consumer recycled plastic content.



The Xerox® C230 Color Printer is one of our newest EPEAT-registered devices and contains 15% post-consumer recycled plastic content.



# Delivering Innovation with Impact



Building a more sustainable world is a challenge that must be tackled on multiple fronts. We believe that innovation is key to creating a better future, not just for Xerox, but for the world. Our focus is on areas where we can have the most impact by solving some of the largest problems affecting business, society, and the planet.

We have a long history of solving these types of problems and a wide range of expertise that enables us to create solutions for issues facing the world today and in the future. The company's innovation areas—3D Printing and Digital Manufacturing, Industrial Internet of Things (IoT) Sensors and Services, and Clean Technology (Cleantech)—have the potential to reduce the world's carbon footprint, among other benefits. Read on to learn more about our work in these areas.

## 3D PRINTING

In additive manufacturing, our solutions are designed to integrate into manufacturing operations to reduce risk in the supply chain. Global ones that rely on the just-in-time model are becoming increasingly more vulnerable. The recently launched Xerox® ElemX™ 3D Printer helps alleviate some of these issues.



The Xerox® ElemX™ 3D liquid-metal printer

Our printer also provides advantages over powder-based metal 3D printing, which is the predominately deployed technology today. The ElemX™ 3D Printer delivers a quicker cycle time while eliminating costly safety modifications required for powder-based technologies. For manufacturers, this reduces the total cost of ownership and their carbon footprint when compared with traditional production methods.



Production-grade parts produced by the ElemX™

At the end of 2020, we established a product development collaboration with the U.S. Naval Postgraduate School (NPS). This collaboration will aid NPS in pushing the adoption of 3D printing throughout the U.S. Navy. The military's supply chain is among the most complex in the world and NPS understands firsthand the challenges that manufacturers must address. Their feedback is helping us refine the roadmap of the ElemX™ 3D Printer, which includes incorporating additional metal alloys, more complex geometries, and larger build volumes of production parts.

[Play video](#)



## Industrial IoT Sensors and Services

In partnership with Victrack, a state-owned enterprise in Victoria, Australia, we launched Eloque, a joint venture to commercialize PARC-developed Industrial IoT technology that will remotely monitor the structural health of critical infrastructure assets, such as road and railway bridges.

This solution tackles a global secular challenge: the world's crumbling infrastructure. In the U.S. alone, 42% of bridges are at least 50 years old, and nearly 231,000 bridges are in immediate need of repair and preservation.

Our Eloque solution uses tiny fiber optic sensors that attach to a bridge to accurately measure its structural health. Advanced analytics are then used to evaluate the sensors' data and deliver insights directly to the bridge owners and operators in real time, revealing if the bridge has structural problems or damage that needs repair. As a result, infrastructure operators can rely on technology and data to prioritize repairs rather than waiting until a physical inspection reveals a major problem.

[Play video](#)

Nearly 231,000 bridges are in immediate need of repair and preservation work in the U.S. alone.



## Cleantech

On the Cleantech front, we are focusing on identifying technologies that reduce humankind's negative environmental impact. For instance, air conditioning accounts for nearly 10% of all electricity consumption and 3.9% of GHG gas emissions. The team continues to make progress on engineering an air conditioning solution that could reduce the energy consumption of air conditioners by up to 80%, improve indoor air quality in buildings, and reduce greenhouse gas emissions through greater energy efficiency. We are working toward completing an alpha unit by the end of the year.

Air conditioning accounts for nearly 10% of all electricity consumption and 3.9% of greenhouse gas emissions. Our solution has potential to reduce energy consumption by to 80%.



# Redefining the Workplace Experience

For more than 115 years, Xerox has continually redefined the workplace experience. Harnessing our leadership position in office and production print technology, we've expanded into software and services to sustainably power today's workforce. From the office to industrial environments, our differentiated business solutions and financial services are designed to make every day work better for clients — no matter where that work is done. Today, Xerox scientists and engineers are continuing our legacy of innovation with disruptive technologies in digital transformation, augmented reality, robotic process automation, additive manufacturing, Industrial Internet of Things and Cleantech. Read on to learn more about how we are redefining the workplace experience for our customers.

## Revolutionizing the service experience with CareAR

CareAR, A Xerox Company, created the industry's first end-to-end Service Experience Management (SXM) platform, which makes any user an expert capable of solving technical issues. Harnessing the collective power of the company's augmented reality platform, DocuShare's content management system, XMPie's personalization and customer content creation tools, and PARC's artificial intelligence, this platform enables enterprises to digitally transform the service experience and deliver improved customer outcomes, greater operational efficiencies and better environmental, health, and safety results—all while helping enterprises close the skills and talent gap of their workforce.

[Play video](#)

## Xerox® IT Services: Upgrades help Bowe crush revenue goals

When Jeff Hassel arrived as chief financial officer at Bowe Machine Company in 2014, he knew of Bowe's strong manufacturing reputation, but when he conducted an IT assessment, "sirens went off right away." Its Enterprise Resource Planning (ERP) system ran on servers that were, inexplicably, not being backed up. With only a single IT employee in-house, Bowe turned to RK Dixon, a Xerox Business Solutions company, for help. "During discovery, we pointed out outdated infrastructure and operating systems, which was a security risk," says Don Godke, senior account executive at Xerox IT Services. "Their backups needed to be sent off-site."

Xerox upgraded the company's servers and infrastructure, so the Wi-Fi became dependable and speedy—and crucial documents were now backed up in the cloud. With its connectivity issues resolved, Bowe has switched to electronic record-keeping. It is calculated that the bolstered IT infrastructure contributed to a 10% increase in revenue.

[Play video](#)



### **Xerox Capture and Content Services help Argentina's oldest private bank**

BBVA, Argentina's oldest private bank, recently brought in Xerox to digitize its onboarding process to speed up new customer enrollment times. BBVA used Xerox technology to cut down on paper use while making its operations more efficient and secure. "By using Xerox's Capture and Content Services, BBVA is on its way to eliminating all paper onboarding forms in its 250 branches throughout Argentina," said Claudio De Siervi, Xerox digital transformation specialist. It is estimated that the paper eliminated via this process represents thousands of trees and hundreds of metric tons of greenhouse gas emissions. Additionally, onboarding time at the branches decreased from 40 minutes to 10 minutes, and the banks' maintenance process for its documentation was reduced from 10 minutes to only one minute.

[Play video](#)

### **How Xerox helped a family-owned furniture company go digital**

Fairfield Chair, a 99-year-old, family-run furniture maker based in Lenoir, North Carolina, had an entire office floor full of filing cabinets. They turned to Xerox to help them move from an analog to digital system, using Xerox® DocuShare®, which allows users to scan papers into a central content management system in the cloud where they can be measured, managed, and securely stored for users to access.

With nearly 500,000 pages digitized and captured, Fairfield Chair eliminated 180 file cabinets, reduced its print costs by 35–40%—supporting their commitment to sustainability—and can now respond to customers faster. "Going in, we just wanted a digital file cabinet for all our files. But we ended up getting so much more," said John Thomson, director of Information Technology, Fairfield Chair Company.

[Play video](#)

# Pioneering a Circular Economy



Our first commercial product in 1959, the Xerox 914, introduced electronics remanufacturing long before the term “circular economy” became popular. Our vision was to transform Xerox manufacturing, operations, offices and facilities into waste-free workplaces.

We had this same vision for our clients’ workplaces: a world where electronics and supplies at the end of their useful life would come full circle to become raw materials for tomorrow’s technology. In this model, quality and performance are not compromised, precious natural resources are conserved, and waste becomes obsolete. Six decades later, we continue to demonstrate that a circular economy delivers environmental, economic and societal benefits.

We aim to design products, packaging and supplies that efficiently use resources, minimize waste, reuse material where feasible and recycle what cannot be reused. To meet this commitment, we developed several collection and waste reduction programs, while also designing technology to align with the circular economy’s key elements.



**Did you know?**  
Xerox manufactured consumables contain an average of 90% reused and recycled parts and are built and tested to the same performance specifications as new products.

## MAINTAINING THE VALUE OF OUR MATERIALS

### Consumables Takeback and Recycling

Starting more than 20 years ago with the 5090-product family, Xerox has kept toner cartridges out of landfills thanks to our remanufacturing process, which recovers toner cartridges and waste toner for reuse.

The sales and use of Xerox® products and supplies were down in 2020 due to the COVID-19 pandemic. Despite the challenges of the pandemic, Xerox was able to maintain a steady stream of remanufactured toner cartridges into our production facilities. In 2020, more than 1.5 million Xerox® toner cartridges were manufactured using recovered cartridges, representing as much as 50% of toner cartridge production, depending on the cartridge family.

Central to this effort is the Xerox Green World Alliance® (GWA), which is a collection and reuse/recycling program for spent consumables. GWA efficiently manages supplies at end-of-life and recovers materials for reuse in our supplies and products. As a result, this program reduces the demand for raw materials and diverts material from landfills.

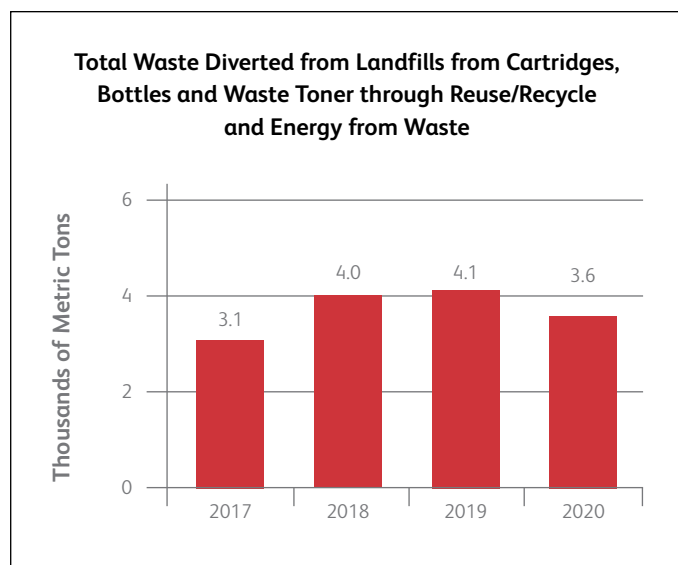
After changing out a toner cartridge, customers can aggregate the spent cartridges and return them to Xerox via prepaid shipping labels. We expanded the cartridge take-back program in 2020, enabling all toner cartridges to be returned in the European Union.

Returned toner cartridges are collected by our partners—Close the Loop in the U.S., Greiner Associates in Europe, and SCI in Canada—and managed using a specially designed manual and robotic process that scans and identifies products based on their codes. Spent toner cartridges are unboxed, assessed for damage, disassembled, cleaned, inspected and packaged for shipment to Xerox. Collected toner from spent cartridges is used for color additives or returned to Xerox for reprocessing.

If items are not suitable for remanufacturing, they are recycled or recovered through energy from waste. Recycled waste toner and toner reclaimed from manufacturing that qualifies for reuse may account for 25% of the new toner's weight without compromising toner functionality. Reusing waste/reclaimed toner saves several million dollars in raw material costs each year. Of the toner that cannot be reclaimed, 75% is recycled by our consumables recycling partner while the remaining volume is sent to a third party that processes it for generating steam and electricity.

More than 35 countries currently participate in the Xerox GWA. In 2020, our clients from around the world returned over 4.8 million cartridges, toner containers and other used supply items, equaling 3,600 metric tons, 500 metric tons less than in 2019. This decrease was driven by the global impact on the office environment in response to the COVID-19 pandemic.

In 2020, Xerox received the Non-Product Award from the U.S. EPA's Sustainable Materials Management Program for the GWA program's significant positive sustainability impact.



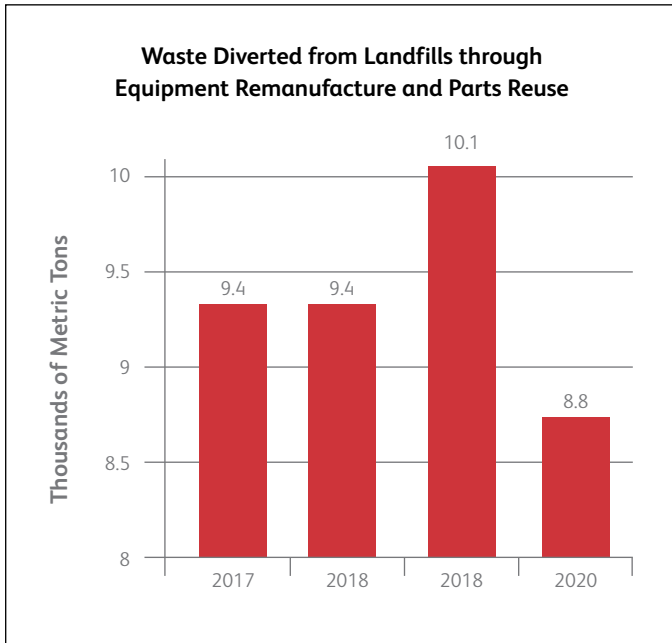
## Equipment Takeback and Recycling

Xerox is committed to collecting and reusing equipment at the end of its useful life. In geographies where we exercise direct control over the end-of-life management of equipment, return rates are high. In 2020, 6,030 metric tons of equipment and parts-related waste were diverted from landfills to be recycled at our U.S. Reverse Logistics Center. Globally, that volume rises to 13,020 metric tons. We also participate in several European Union member states' Waste Electrical and Electronic Equipment (WEEE) programs. However, the equipment collected and recycled through these programs is not included in our recycling data.

Our equipment reuse is guided by the following:

- **Reuse of complete end item:** This approach requires the least reprocessing, transportation, and energy usage.
- **Remanufacture or conversion into a newer-generation product or part:** Product families are designed with a high level of commonality to maximum reuse. This allows Xerox to remanufacture parts to "like new" performance specifications while reusing 70–90% of the machine components by weight, without degrading quality or performance. In 2020, Xerox remanufactured approximately 6,050 office devices, with 8,800 metric tons of electronic devices and components diverted from being potentially discarded at landfills or through other forms of uncontrolled disposal.
- **Used equipment:** Equipment returns are evaluated for potential reuse. Based on the condition and market demands, equipment may be put through an extended maintenance and verification process to return it to a high standard before redeploying it. In 2020, approximately 44% of machines returned in the U.S. were sold as used or sent for remanufacturing.
- **Reuse of major modules, subcomponents, and parts for spares or manufacturing:** Many machines that have outlived their useful life are stripped of usable parts and components before the scrap/reclaim process. Used spare parts returned from the field by our service technicians are also included in this reuse stream. Xerox has continually increased the number of reused components in upstream and downstream processes after the original machine has been designated for recycling.
- **Material recycling:** After the processes noted above have been followed, any remaining portion of a machine is stripped of any recyclable material (e.g., plastics, copper wire) and material requiring special disposal services, such as printed wire boards, batteries and lamps. The remainder is then sent to an industrial reclaim facility.





- **Post-consumer recycled plastic content:** In 2021, Xerox introduced printers and multi-function devices with 10–16% post-consumer recycled (PCR) plastic content, and 21% PCR for the associated toner cartridges.
- **E-waste:** While Xerox has long been committed to the responsible end-of-life management of equipment, the proliferation of e-waste regulations has created a need for many separate programs in different countries and even states. We carefully manage suppliers that provide recycling and waste disposal services to ensure that our clients' returned equipment is protected from data breaches and improper disposal. We do not allow our vendors to send electronic scrap to developing nations for processing. Xerox also strives to work only with electronic waste recyclers that have implemented voluntary programs certified by accredited organizations, including the Sustainable Electronics Recycling International's (SERI) Responsible Recycling (R2) standard or the Basal Action Network's e-Stewards standard.



This past year marks the third year in a row that Xerox has received the U.S. EPA Sustainable Materials Management Gold Award for its responsible end-of-life processes.

# Responsible Operations



## Reducing our environmental footprint

Company vehicle fuel consumption and natural gas and electricity consumption in facilities contribute to energy and greenhouse gas emission (GHG) totals. Please see the [Xerox 2021 CSR Goals and Progress Summary](#) for a detailed breakdown of environmental metrics and our goals to reduce environmental effects across the value chain.

We invest in solutions that conserve natural resources and lower the energy intensity of our operations.

- As a part of our operational upgrade activities, Xerox has replaced chillers, boilers and compressors at manufacturing locations around the world with smaller, high-efficiency equipment with advanced controls to minimize energy use.
- We take advantage of seasonal opportunities to utilize free cooling systems instead of mechanical cooling for chilled water systems. We also recover warm air from our compressor rooms when the outside temperature is low to limit the need to preheat intake air.
- We have an ongoing program that targets lighting energy efficiency through a migration to LED lighting in our manufacturing and research facilities.
- We improve product manufacturability and reduce energy needed for production. For instance, we have modified some conventional toner products to incorporate more friable raw materials, thus improving the ease with which it can be ground down to the ultrafine sizes needed in our toner products and significantly reducing the grind time and energy use.

Here are some key points about the information presented in this section:

- Figures on air emissions, releases, water use, and hazardous and non-hazardous waste represent total quantities for our manufacturing, research, development, warehouse, and equipment recovery/recycle operations.
- Statistics on energy and GHG emissions represent total quantities for our manufacturing, research, development, warehouse, and equipment recovery/recycle operations, offices, and data centers. Normalized values from 2014 onward have been calculated using Xerox revenue from continuing operations. Unless otherwise noted, all numbers represent

worldwide totals, excluding Xerox Business Solutions locations, and are reported in commonly used international units.

- Data is based on actual measurements to the extent possible. Vendor invoices from utility and fuel providers are our preferred source of data, when available. Where direct measurements are not available, we employ engineering calculations or estimates. At Xerox, we continue to strive to increase the accuracy of the data we report.

All major manufacturing sites and some administrative offices employ an Environmental Management System (EMS) that conforms to ISO 14001:2015. The EMS:

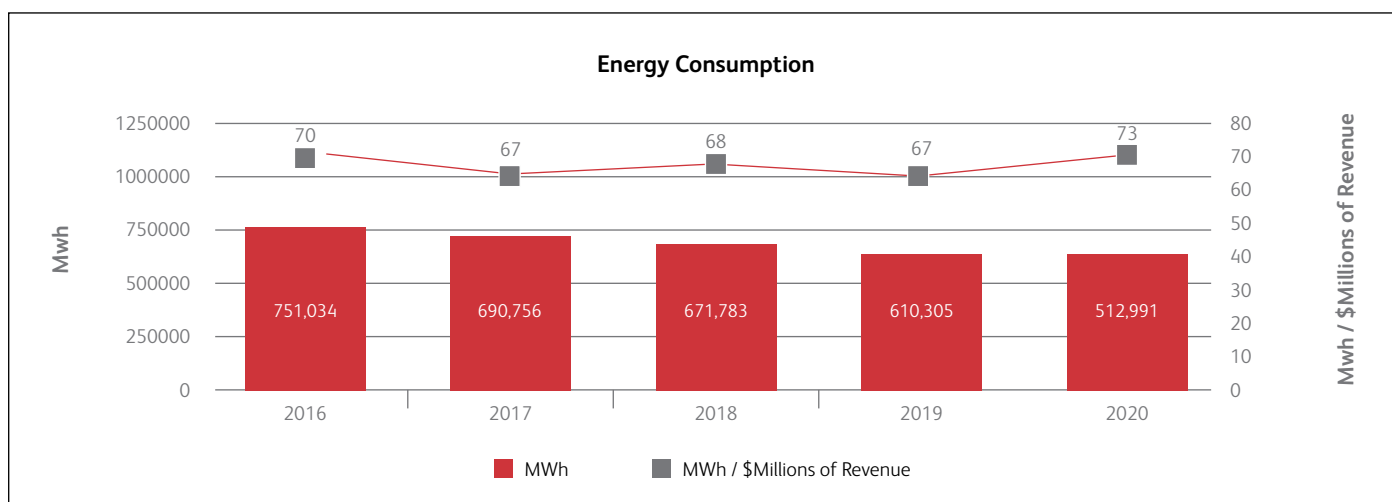
- Establishes a framework to ensure compliance with regulations and Xerox standards;
- Identifies environmental effects considering a life-cycle perspective and sets objectives and performance targets;
- Identifies, manages and addresses risks and opportunities related to environmental aspects, compliance obligations, other issues or needs, and expectations of interested parties;
- Strives for continual improvement by conserving natural resources, eliminating toxic and hazardous materials, preventing pollution, and recovering, reusing and recycling materials;
- Ensures integration between day-to-day business activities, environmental planning and program management; and
- Encourages innovative engineering solutions, creative partnerships and employee involvement.

Our major manufacturing operations have been certified to ISO 14001 since 1997. Quarterly status meetings and the use of an environmental performance scorecard provide visibility, best-practice sharing and innovation across our operations.



## MANAGING ENERGY AND GREENHOUSE GASES

We recognize that energy costs and security are issues that affect our operations, suppliers and customers. Given that energy sources account for a majority of our GHG emissions, our focus is on reducing energy consumption, whether in our own operations or in the impact we have on our customers' consumption. In 2020, our energy consumption decreased 15.9% from 2019. However, it increased by 8.5% when normalized by revenue, which was impacted due to COVID-19.

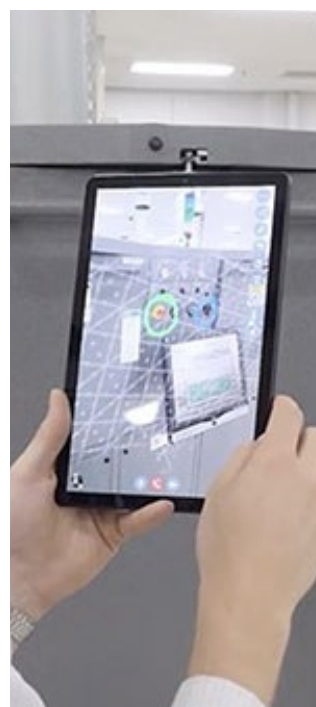


## INVESTING IN TECHNOLOGY TO REDUCE ENERGY USE AND GHG

To meet the company's commitment to reducing energy use and protecting the climate, the long-term strategy is to continue to invest in technologies that reduce the carbon footprint of our operations and develop technologies that help clients reduce the energy and environmental impact of their businesses. We will continue to pursue energy reduction through the following means that have been proven drivers in our past reduction efforts:

- Manufacturing process changes;
- Improved product reliability and field support strategies;
- Building consolidations and facility upgrades; and
- Product innovation (e.g., toners that require less energy to manufacture and require less material to achieve print quality).

Beyond energy reduction, we will further reduce our GHG emissions by employing low- and no-carbon alternatives, such as alternative fuels for service and sales fleet vehicles and renewable energy for Xerox operations.



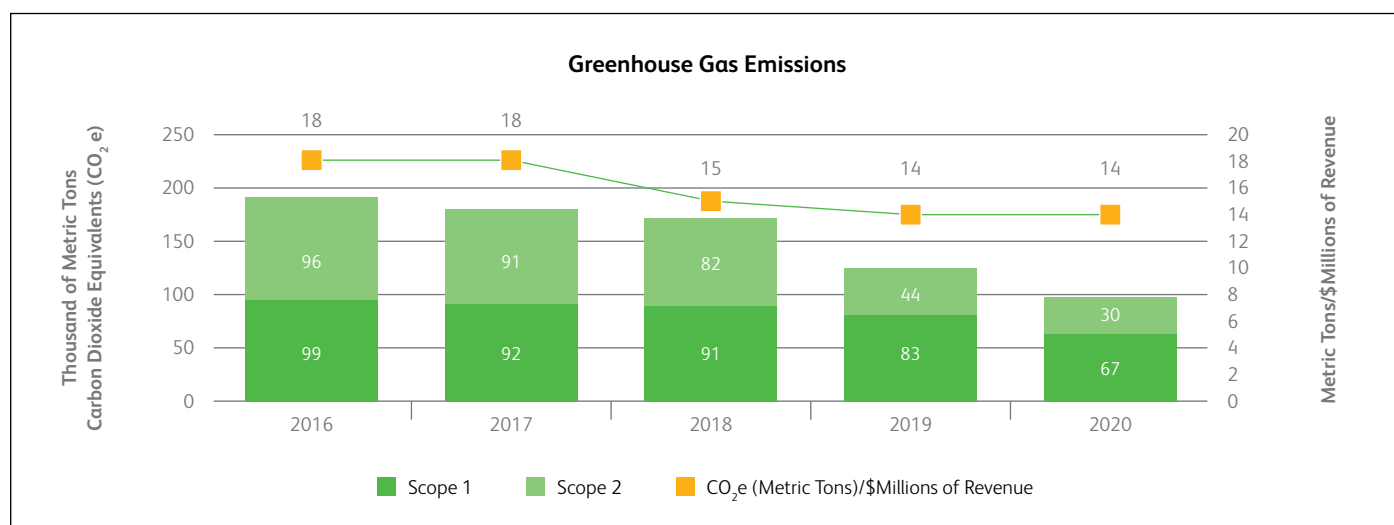
### SUPPORTING SERVICE EMPLOYERS' SUSTAINABILITY AND SOCIAL RESPONSIBILITY GOALS

CareAR facilitates remote preventative and maintenance-based actions, thereby reducing initial and follow-up technician dispatches. Lower dispatches result in fewer truck rolls, thereby lowering carbon emissions for service organizations. And better-informed employees make for a safer workplace.

## TRACKING GREENHOUSE GASES

Under the international guidelines of the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development, we track the six major GHGs: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>). As noted, we express our carbon footprint in terms of carbon dioxide equivalents (CO<sub>2</sub>e).

Our GHG inventory includes direct emissions from the combustion of fossil fuels in our facilities, primarily natural gas, and the combustion of gasoline and diesel fuels in our service and sales vehicle fleet (Scope 1). Indirect emissions included in the inventory primarily result from purchased electricity and steam at our manufacturing sites, offices, and warehouses (Scope 2).



We continually strive to expand the tracking of our GHG emissions from our product and operations value chain, or Scope 3 emissions. Our [2021 Progress Summary](#) includes relevant Greenhouse Gas Protocol Scope 3 emissions categories.

In accordance with the Greenhouse Gas Protocol, and to make annual data comparable, we make baseline adjustments each year based on the opening and closing of facilities, changes to fleet inventory, and the availability of more appropriate emission factors. These adjustments are reflected in the Energy Consumption and GHG Emission data.

## SCOPE 1 AND 2 EMISSIONS

In 2020, Xerox Scope 1 and 2 GHG emissions totaled 97,456 metric tons of CO<sub>2</sub>e, a 50% reduction from the 2016 baseline. About 69% were direct emissions from the combustion of natural gas, gasoline, and diesel fuel. The remaining 31% of the GHG emissions total were indirect emissions from purchased electricity and steam. Facilities owned or leased by Xerox, such as manufacturing sites, offices and warehouses, contributed to 70.5% of our direct GHG emissions. The remaining 29.5% are direct emissions from our service and sales vehicle fleet and other mobile sources.

### SCOPE 3 EMISSIONS

Scope 3 emissions result from Xerox activities, but take place at a third party and/or arise from sources we do not own or control. Therefore, the collection of these GHG emissions is challenging. The probability of data inaccuracy with these emission estimates is higher than for Scope 1 or 2 emissions due to the limited availability of data from the value chain and a lack of transparency in the data collection process. To overcome some of these challenges, we calculate Scope 3 emissions according to the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

This standard provides requirements and guidance to collect, prepare and publicly report a GHG inventory that includes indirect emissions. The Scope 3 emissions information is also used to prioritize our GHG emission reduction efforts and integrate the consideration of carbon impact into our sourcing and internal decision-making. In 2020, calculated Scope 3 emissions decreased by 15.4% compared to 2019. Details by category are available in the [Progress Summary](#).

### VERIFYING GHG

Our 2020 Scope 1, Scope 2 and Scope 3 GHG emissions have been [third-party verified](#), according to ISO 14064-3:2006, as well as by an internally defined methodology described in the company's inventory management plan.

### ANALYZING CLIMATE CHANGE RISKS AND OPPORTUNITIES

For the last two decades, we have maintained both a comprehensive GHG emissions inventory and tracking function to stay abreast of developing external factors.

In 2020, Xerox completed an analysis to identify the physical, transitional, reputational and market risks and opportunities associated with climate change across our value chain and develop appropriate action plans. Please see the [Xerox 2020 Task Force on Climate Change Disclosures Report](#) for further details.

We recognize that our business, suppliers and clients could be affected by more frequent disruptions because of severe weather in locations where we operate. We may need to invoke our business continuity and resumption plans to aid clients and employees affected by severe weather disruptions.

We have experience working to ensure the continuity of critical applications by prioritizing business needs and developing client-specific preparedness plans, where appropriate. These plans include communication with employees and clients, management of employee health and safety issues, business continuity and resumption processes, and interaction with government organizations.



# Preserving Clean Air and Water

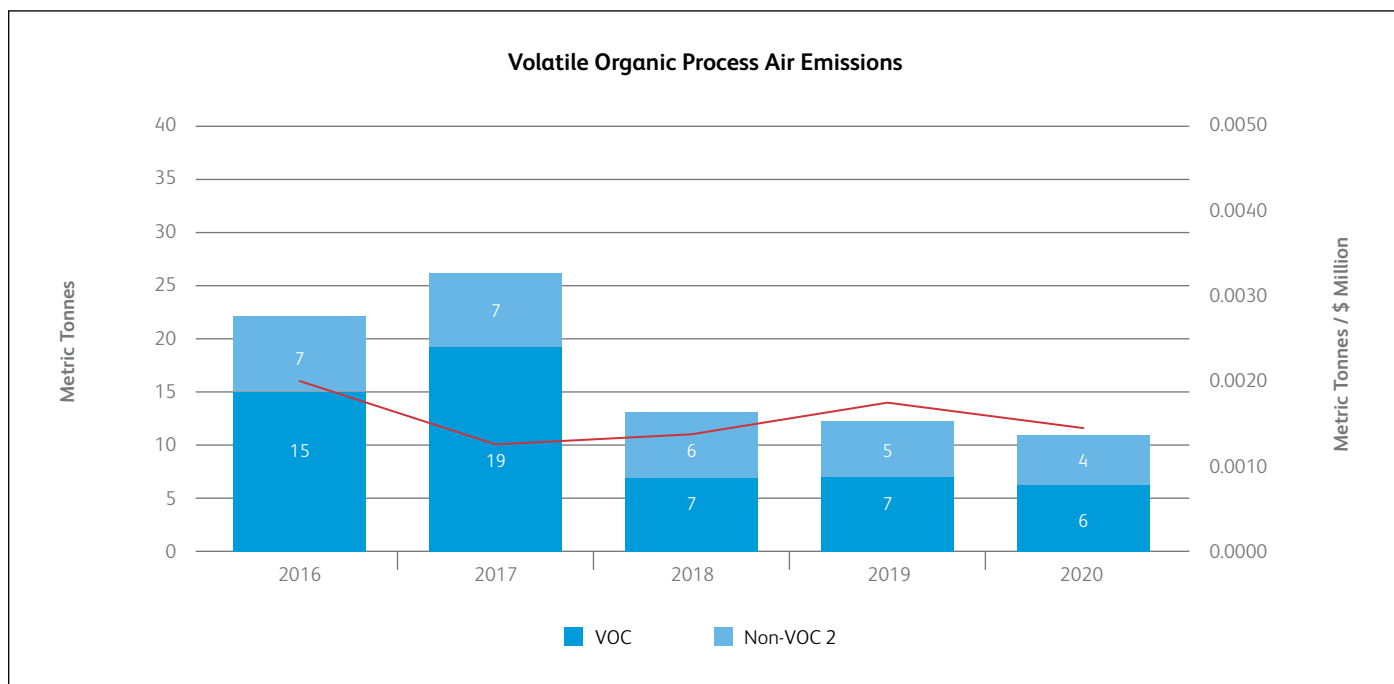


## Air emissions

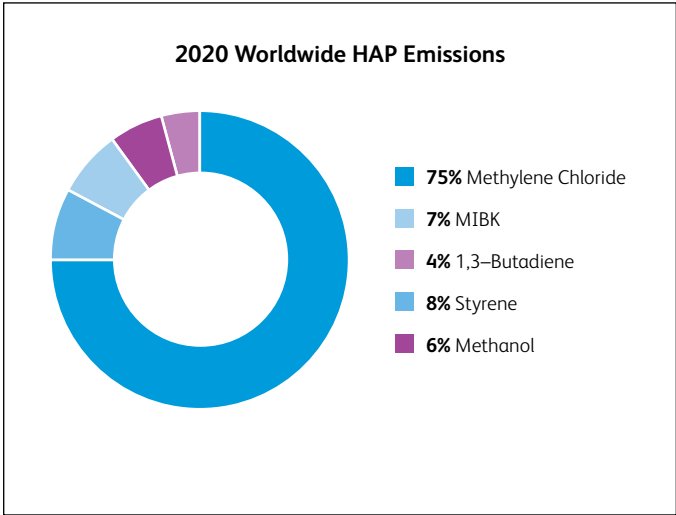
Xerox has significantly reduced manufacturing air emissions over the past 20 years, and we pledge efforts to further reduce emissions in the future.

Most of our air emissions originate from the production of imaging supplies such as toners, photoreceptor drums and belts, and fuser rolls. Approximately 10 metric tons of volatile organic compound (VOC) process air emissions (defined as both VOC and non-VOC per the United State Clean Air Act)

were released into the atmosphere from these activities in 2020. Over time, emission reductions have come primarily from process modifications, lower production volumes of legacy products and production declines attributable to longer-life components.



A subset of these VOC emissions is defined by the U.S. EPA as hazardous air pollutants (HAP). In 2020, Xerox reported worldwide air emissions of approximately 3.3 metric tons of HAP under national toxic chemical release regulations, including the U.S. Toxic Release Inventory (TRI) program. 2020 HAP emissions were 20% lower than 2019 emissions. Methylene chloride, styrene, methyl isobutyl ketone (MIBK), methanol and 1,3-butadiene make up virtually all these HAP emissions.



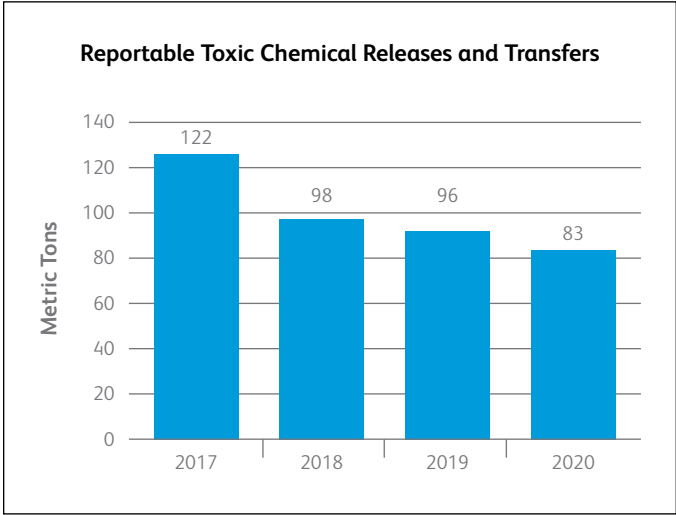
**OZONE-DEPLETING SUBSTANCES**

Xerox policy prohibits using ozone-depleting substances (ODS) as ingredients in the manufacturing processes for its products and finished products, including spare parts, accessories, consumables and packaging. ODS used as refrigerants in facility and vehicle air conditioning systems and various food/ equipment cooling systems comply with applicable global regulations. The elimination of ODS as refrigerants is managed according to government phase-out dates.

**TOXIC CHEMICAL RELEASES**

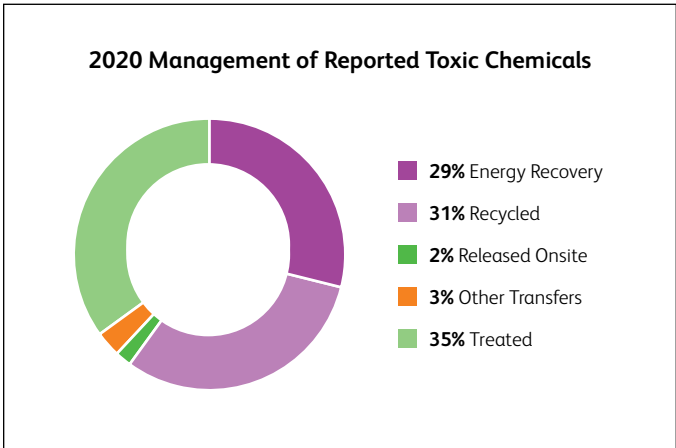
Xerox evaluates the release of materials used in our worldwide operations annually and reports to government agencies under national toxic chemical release reporting regulations such as the U.S. EPA’s Toxic Release Inventory, the Canadian National Pollution Release Inventory, and the European Pollutant Release and Transfer Register.

Toxic chemical releases decreased by more than 13% in 2020 when compared to 2019 levels and were 57% lower than 2010 levels and 82% lower than 2007 levels.



**REPORTABLE TOXIC CHEMICAL RELEASES AND TRANSFERS**

In 2020, approximately 2% of the total toxic chemical releases from Xerox operations were emitted into the air. Approximately 60% of all chemical releases were recycled or fueled energy recovery initiatives.



In 2011, Xerox established goals, targets and objectives related to chemical releases for operations with reportable toxic chemical releases to the air, land or water in amounts greater than one metric ton. Our progress against these goals as of year-end 2020 is summarized below.

Methylene chloride used in the manufacture of Xerox photoreceptor belts was reduced by 81% from the 2010 baseline primarily due to volume declines of legacy products and process modifications that cut the amount used for batch cleaning of production equipment. Methylene chloride usage decreased by 21% from 2019 to 2020.

In 2020, per-batch emissions of 1,3-butadiene from U.S. toner resin manufacturing operations decreased to 7.01 pounds per batch compared to 7.06 pounds per batch in 2019. Incident-free material handling operations have continued to maintain a reduced emission rate as compared to the previous year.

## SPILLS AND ACCIDENTAL RELEASES

Our goal is to proactively prevent any accidental release of regulated materials to the air, soil and water. In 2020, no spills or releases occurred at Xerox operations that presented a significant risk to human health or the environment or caused liabilities significant enough to be included in company financial reports. The few spills and releases that occurred were reported to local government agencies as required but were not considered significant.

## WATER CONSUMPTION AND TREATMENT

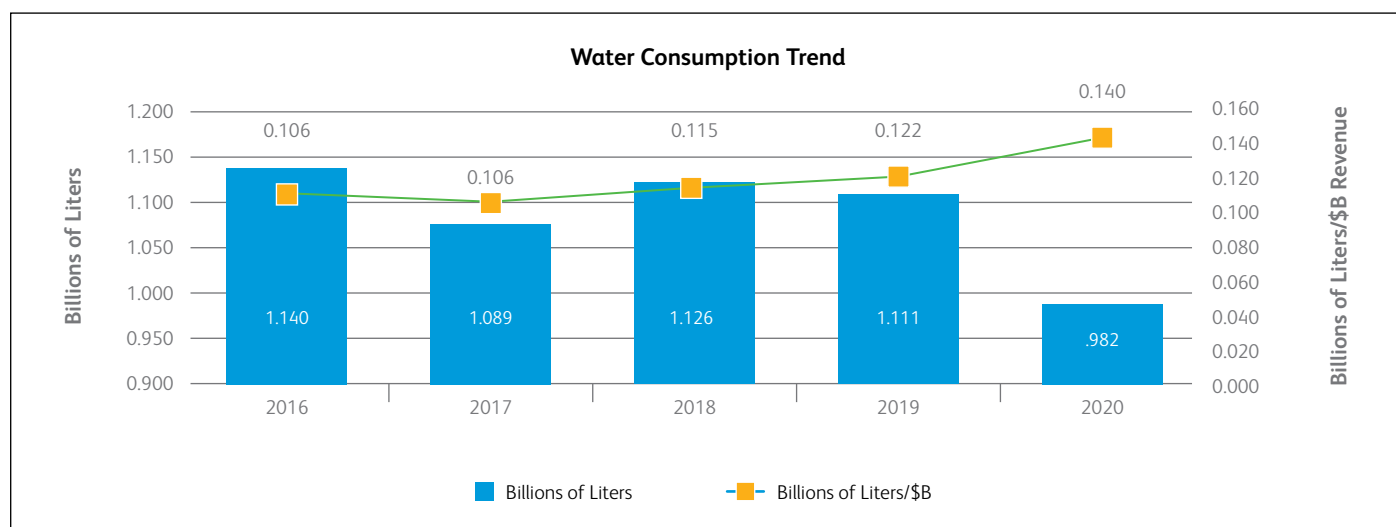
As part of our commitment to conserve resources, we monitor water consumption worldwide used in manufacturing,

distribution, and research and development facilities. Water consumed by Xerox operations is sourced from local municipal suppliers that withdraw water from the ground, lakes, rivers, or other surface waters.

In 2020, the company's worldwide water withdrawal for use in our manufacturing and research facilities was approximately 0.982 billion liters, a 52% reduction from the baseline year 2010, exceeding our 2020 goal of a 35% reduction. Reductions were achieved by a combination of conservation initiatives and production declines. Water use normalized by revenue was up substantially in 2020 as COVID-19 caused lower corporate revenues; however, absolute water use was down over 12% from the prior year. This year we renewed our commitment to continuing to lower water consumption by setting a new target of 20% reduction in water use by 2030 from a 2020 baseline.

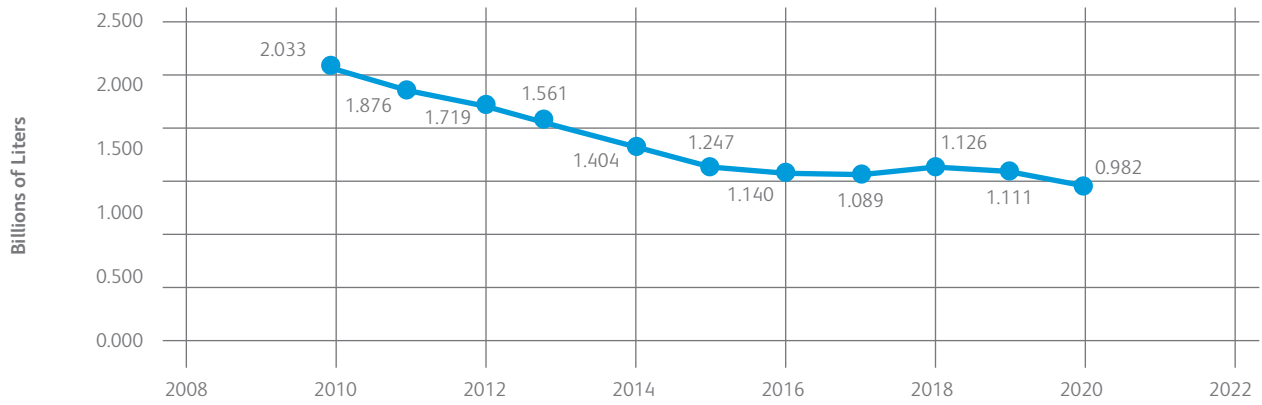
Wastewater discharges at manufacturing sites are monitored to validate compliance with local sanitary sewer discharge limits. Process wastewater is treated, as necessary, before being discharged into local sanitary sewers.

We utilize best practices to prevent unwanted pollutants from entering waterways through surface contamination and runoff. Extensive sampling of wastewater discharged to sanitary and storm sewers ensures that discharged water meets our strict requirements. Although Xerox has not established a reduction goal for wastewater discharges, these volumes roughly correlate with consumption and are down more than 50% from a 2010 baseline. Results are attributed to water conservation initiatives, adjustments to metered discharge estimates and production trends.





**Water Withdrawals for Manufacturing and R&D**



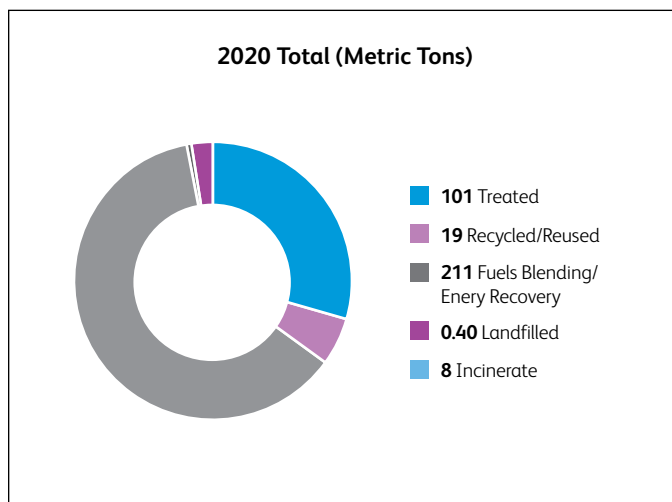
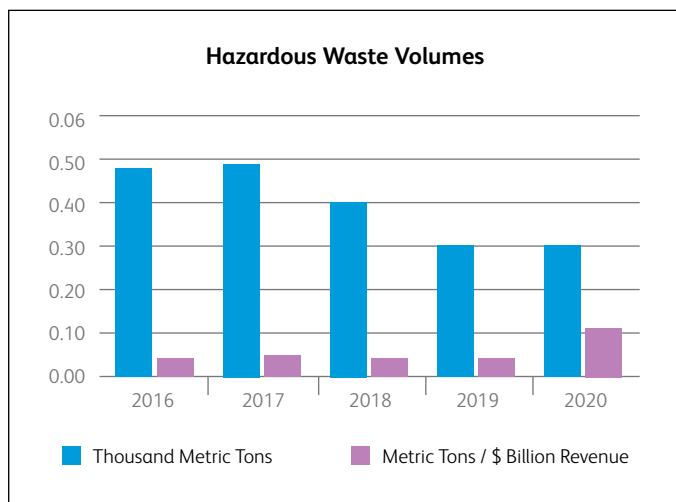
# Preventing and Managing Waste



## Hazardous Waste

Xerox has a mature program for reducing the amount of hazardous waste generated throughout the company. Historically, the manufacturing operations that generate significant quantities of hazardous waste have goals and objectives to eliminate and/or reduce the amount of hazardous waste generated.

These hazardous waste reduction activities have included manufacturing technology changes and reuse/recycling initiatives. Xerox strives to manage these waste streams in a beneficial manner. Approximately 68% of the hazardous waste generated in 2020 was managed at fuels blending and solvent recycling facilities. Only 0.1% (0.40 ton) was landfilled; all other hazardous waste generated during the year was treated and/or incinerated. Xerox does not export this waste to developing nations.



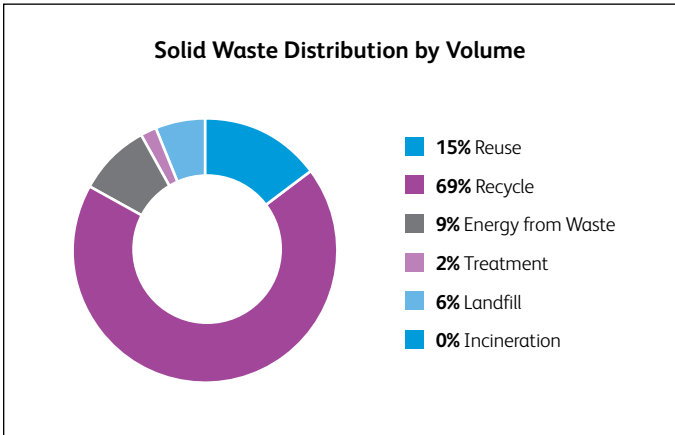
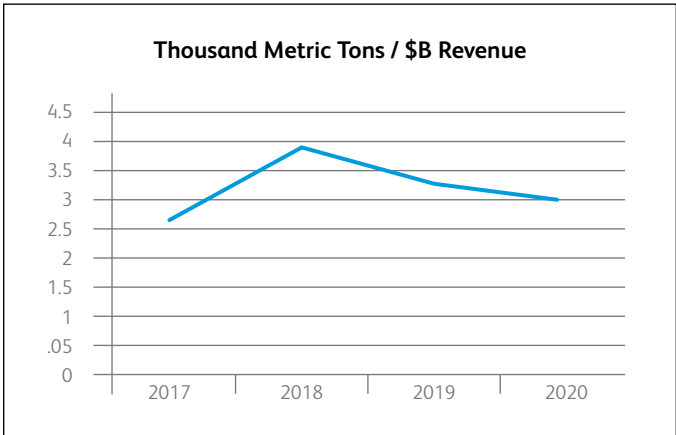
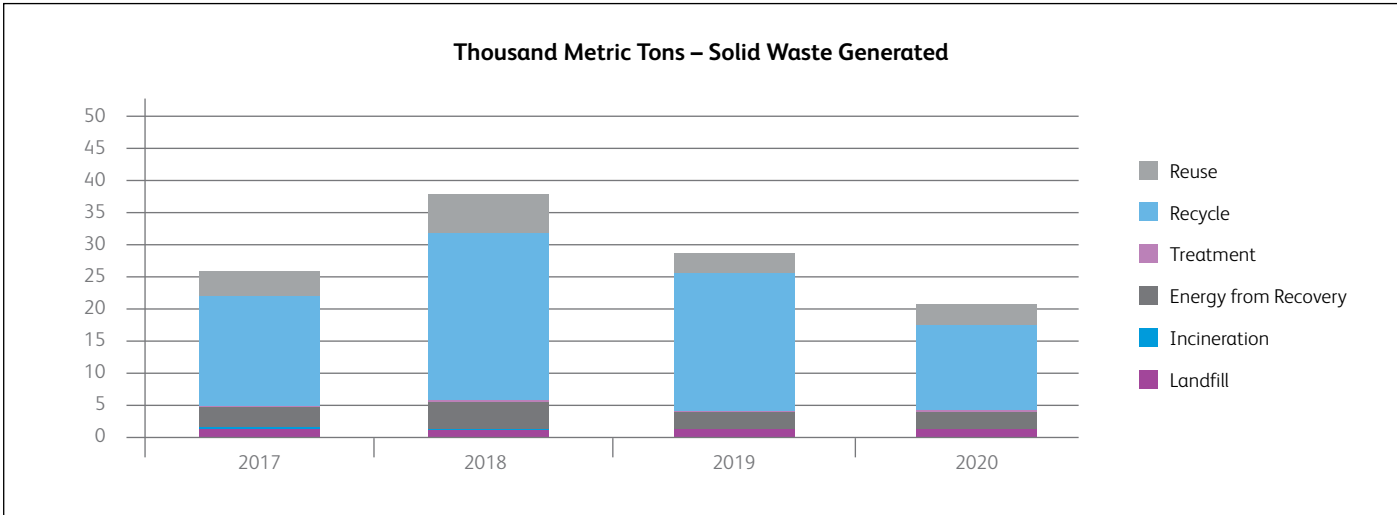
NON-HAZARDOUS SOLID WASTE

Xerox has had waste reduction efforts in place for many years. We reuse boxes, pallets and containers for parts delivery and capture and reprocess toner outside the acceptable size range during manufacturing. We also recycle returned equipment, and reuse totes for recycling scrap metal and paper. Globally, our operations generated 21,100 metric tons of nonhazardous solid waste in 2020, a 29% decrease from 29,700 metric tons in 2019.

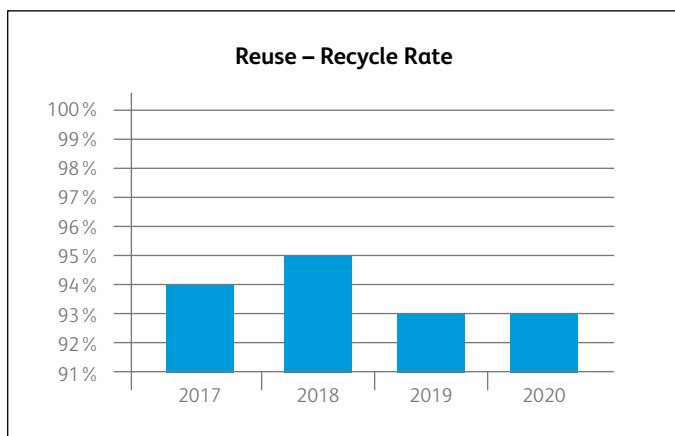
Process waste consists primarily of paper, wood, pallets, waste toner, plastics, and packaging waste, such as corrugated cardboard. Equipment manufacturing waste includes scrap metal, waste batteries and lamps, miscellaneous trash, and

unusable, end-of-life equipment and parts that our clients return to Xerox for processing and remanufacturing. This waste made up 38% of the nonhazardous solid waste managed by our operations in 2020. Xerox reuses or recycles nearly 100% of the equipment and parts generated from our client and field service returns.

Our goal is to reuse, recycle or recover energy from 100% of the waste generated at facilities globally. In 2020, 93% of nonhazardous solid waste was reused in equipment repairs or remanufacturing, recycled or used to produce energy, remaining flat from 93% in 2019. The global economic conditions resulting from the COVID-19 pandemic had a direct impact on our ability to improve the recycling performance in our manufacturing operations.







## COMPLIANCE REPORTING

We require our operations and subsidiaries worldwide to report any written or verbal notices of environmental fines, citations, or formal violations. In 2020, there were no notices of environmental fines, citations, or formal violations against Xerox operations or subsidiaries.

## ENVIRONMENTAL REMEDIATION AND COMPLIANCE

In 1985, we voluntarily assessed our global real estate portfolio and identified 68 facilities that required corrective actions to address environmental contamination. We worked closely with the appropriate federal, state and local agencies to implement prompt appropriate measures to ensure the protection of our employees, neighbors and the environment.

Today, only three of the original 68 sites require active remedial or control measures, and we are conducting post-remediation compliance monitoring at three sites that are no longer subject to active remediation. We continue to work closely with the regulators who have oversight of both the active and monitored sites to identify opportunities to increase program efficiency and accelerate the path to completion of remedial activities.

We have a history of developing innovative technologies to enhance our remedial efforts. Besides employing conventional techniques for groundwater recovery and treatment and soil excavation, we have also used techniques, such as high-vacuum 2-Phase Extraction and enhanced bedrock fracturing, that have improved and accelerated the recovery of contaminants. We also utilize technologies where contaminants are degraded or converted to less harmful substances through enhanced natural biodegradation and chemical oxidation processes.

# Leadership

The [Xerox board of directors](#) represents shareholders' interests in the operation of a successful business, including the continuation of our legacy of corporate social responsibility.

[Xerox Corporate Governance Guidelines](#) have been adopted by the board of directors of Xerox Holdings Corporation. These Corporate Governance Guidelines reflect the board's commitment to monitor the effectiveness of policy and decision making both at the board and management level to enhance long-term shareholder value. These Guidelines are reviewed by the board, through the Corporate Governance Committee, on an annual basis. They are subject to modification from time to time by the board acting by a majority of the independent directors as determined under the Corporate Governance Guidelines. Waivers of these Guidelines may be made by the board or the Corporate Governance Committee only.

The board's responsibility is to monitor the effectiveness of management policies and decisions, including creating and executing its strategies. The board is also responsible for overseeing the establishment and enforcement of procedures designed to ensure that our management and employees operate in a legal and ethically responsible manner.

### INDEPENDENCE OF THE BOARD

The board comprises a substantial majority of directors who qualify as independent directors, including an independent chairman. The company's board of directors is 86% independent. The board determines each director's independence, broadly considering all relevant facts and circumstances, and has adopted categorical standards to help it make the independence determination. Under these standards, to be presumed independent, a director shall not have a material relationship with Xerox or its consolidated subsidiaries.

### BOARD MEMBERSHIP CRITERIA

The ultimate responsibility for the selection of new directors resides with the board. The Corporate Governance Committee reviews candidates for election as directors and annually recommends a slate of directors for approval by the board and election by the shareholders.

The board requires that a substantial majority of its members consist of independent directors. Any management representation should be limited to top Xerox management. Nominees for director are selected based on, among other things, broad perspective, integrity, independence of judgment, experience, expertise, diversity, ability to make independent analytical inquiries, understanding the company's business environment, and a willingness to devote adequate time and effort to board responsibilities. Members should represent a predominance of business backgrounds and bring various experiences and perspectives to the board.

Our Corporate Governance Guidelines also dictate that diversity should be considered by the Corporate Governance Committee in the director identification and nomination process. Although the board does not establish specific goals with respect to diversity, the board's overall diversity is a significant consideration in the director nomination process. This means that the Corporate Governance Committee seeks nominees who bring a variety of business backgrounds, experiences and perspectives to the board.

Bylaws, committee charters and our [Corporate Governance Guidelines](#) are available on [xerox.com](#). In 2020, Xerox included ESG in the compensation criteria for Executives. These cover climate change, balanced workforce and workplace safety.

### CORPORATE GOVERNANCE COMMITTEE AND COUNCIL

The Corporate Governance Committee of the board of directors has oversight of CSR. The Committee reviews significant shareholder relations issues and environmental and CSR matters and ensures that our actions align with our core values and citizenship priorities. The CSR Council, comprised of senior executives who manage a specific CSR topic area, has centralized oversight of the corporation's management approach, including policies, goals, strategies and actions to drive progress. Each CSR Council Member is supported by individuals who have expertise and experience in the various CSR topic areas. An individual from the Executive Committee of the CEO chairs the Council to provide direction and guidance. The primary mission of the CSR Council is to drive

strategies with a client-centric impact across Xerox globally to advance our legacy of leadership in corporate citizenship. Actions taken must meet our stakeholders' expectations, including clients, employees, investors, regulators and communities worldwide. In 1946, CEO Joseph C. Wilson established our core values that have stood the test of time and align with the United Nations Sustainable Development Goals (SDGs). We will continue our efforts to bring our operations and those of our clients closer to goal achievement.

## RISK MANAGEMENT

With global leadership comes global responsibility to our people, shareholders, suppliers, distributors and the citizens of the countries where we operate. That's why we devote considerable resources toward Enterprise Risk Management (ERM), anticipating and mitigating risks to our business' financial and operational health.

ERM follows a clearly defined business strategy shared across the company and aligned with our strategic and organizational goals. Our ERM process is based on the COSO II (Committee of Sponsoring Organizations of the Treadway Commission) framework. We assess business risk based on the risk of failing to attain our strategic objectives. Steering committee members meet monthly to assess emerging risks, risk appetite and occurrence probability. The committee also monitors action plans put in place to mitigate risk at the enterprise level. ERM assessments are coordinated with our Internal Audit Risk Assessment to ensure consistency between the ERM plans and upcoming internal audits. Xerox has integrated consideration for climate change-related risks and opportunities into its ERM Process.

Several executive committees integrate ERM with business management by monitoring both risk exposure and how effectively those risks are managed.

These committees include:

- Management Committee;
- Enterprise Risk Management Steering Committee;
- Business Ethics and Compliance Governance Board;
- IT Risk Governance Board;
- Credit Committee;
- Currency Strategy Committee;
- Reputation Management Committee; and
- Management Audit Committees.

In addition, the Audit Committee of the board of directors has a vital role in ERM oversight, while the roles of other committees, including Compensation, Governance, and Finance are restricted in scope. As needed, the board will establish special committees to focus on specific business risks.



# Xerox Policies and Standards

Assuming a leadership role in sustainability requires a focused approach to drive the greatest value to our stakeholders and company. We use a materiality assessment to prioritize our activities. Corporate policies are statements outlining requirements to be followed by all Xerox organizations falling within their scope. Corporate staff and their designated functional experts are responsible for determining the need and content of policies in their respective functional areas and coordinate policy development with affected operating units and other corporate staff functions.

Since each employee of Xerox contributes to the overall reputation of the company, it is critical that each employee understands their important role, the policies and procedures applicable to them, while maintaining high standards of legal and ethical conduct. Corporate policies and procedures pertaining to CSR are summarized in our Code of Business Conduct. All employees can readily access the global Code of Business Conduct and all corporate policies on the Xerox Office of Business Ethics intranet site.

Standards are the means to implement our policies and guide employees and suppliers in complying with corporate policies. These worldwide principles such as those for the environment, health and safety, apply across Xerox and establish specific requirements for products, services and operations.

## **TRACKING OF EXTERNAL DEVELOPMENTS**

The Office of Global Government Affairs at Xerox is responsible for tracking external developments, including climate change policy, and determining if they are likely to affect our products and operations. Through trade associations and partnerships, EHS&S tracks applicable regulations and policy changes that may affect the company. We develop processes, new technologies and products to counter risks associated with external changes.

Our major operating units and key corporate functions (e.g., Risk Management and Real Estate) are also responsible for evaluating, monitoring and managing specific risks within their respective businesses that could potentially affect the company's ability to achieve its overall objectives. The Business Continuity Assurance Process ensures that operating units prepare for business disruption risks.

# Engaging with Our Stakeholders

Xerox stakeholders include employees, clients, public policymakers, investors, non-governmental organizations (NGOs) and suppliers. Business units and operations across the company gather input from stakeholders about CSR pertaining to our products, operations, and how we may positively affect the world. The engagement may take the form of partnerships, sponsorships, collaboration on industry initiatives, client reviews, supplier audits, or conference participation. The collective knowledge of individual Xerox organizations is compiled at the Xerox Corporate Social Responsibility Council level.

Stakeholder engagement provides essential inputs to our materiality assessment. With this information, we prioritize issues and emerging risks and understand opportunities. We believe that prioritizing stakeholder concerns enables Xerox to develop a materiality matrix that is robust, inclusive and satisfies stakeholder needs. In 2019, the Business for Social Responsibility (BSR) validated our materiality matrix by soliciting input from a sampling of stakeholders.

Examples of stakeholder engagement for our most material CSR priorities include:

- **Stakeholder satisfaction:** For the second consecutive year, Xerox conducted extensive, proactive investor outreach to facilitate candid discussions about our business and strategy. In 2020, the company hosted 21 calls with 17 investors and solicited feedback about ESG reporting metrics, diversity and executive compensation practices. Participants included Xerox executive management, the chief sustainability officer and a member of the Xerox board of directors. The feedback provided valuable insights to the senior leadership team and helped inform our CSR corporate goal setting.
- **Data security:** Xerox works with compliance testing organizations and security industry leaders such as McAfee and Cisco to wrap their overarching standards and expertise around ours. Xerox achieved top levels of compliance. Certification bodies such as Common Criteria (ISO/ IEC 15408) and FIPS 140-2, measure our performance against international standards. In 2018, Xerox achieved an Authority to Operate (P-ATO) from the U.S. government's FedRAMP Joint Authorization Board.
- **Product energy efficiency:** We share our leading practices across the industry by contributing to standards development that affects product sustainability such as ENERGY STAR and EPEAT. We work closely with EPA ENERGY STAR and EPEAT, providing input for the development of future standards.
- **Supply chain responsibility:** As a member of the Responsible Business Alliance (RBA), we join other companies to drive improvements in global supply chains. See Supplier Relations.
- **Circular economy:** As a founding member of the Sustainable Electronics Recycling International (SERI), we collaborate to drive progress for the global reduction, recycling, and reuse of materials and parts of end-of-life electronics in an energy-efficient manner and with socially sound practices. Additional details can be found in the document, "[You and Xerox: Enabling a Circular Economy.](#)"
- **Energy and GHG emissions:** We are a member of We Mean Business, a global nonprofit coalition working with the world's most influential businesses, to act on climate change. As a member, Xerox committed to establishing science-based GHG emission reduction targets.
- **Client satisfaction:** Through the company's account management process, more than 800 systematic internal and client-facing business reviews are conducted monthly across Xerox globally. These reviews are designed to align the company's actions and processes to client feedback and business goals, ensure strong relationships and achieve client business objectives. Additionally, feedback from over 50,000

touch points with SMB customers are collected each month. Feedback from these reviews and touchpoints are captured, organized by business objective and used to determine account-specific and programmatic activities to improve operational, financial, and relationship performance and goals. These reviews culminate in a pulse relationship survey, used to further refine client communication and programs.

Additionally, client councils are semi-annual multi-day events held to directly solicit Voice of the Client input and feedback for current experience and future strategies. A varied set of clients meet with regional leadership to discuss their relationship with Xerox, emerging business trends and innovation opportunities in our shared business space.

- **Employee engagement:** Our people are a critical link to the company's contributions to society. For more than three decades, thousands of our employees have participated in the Xerox Community Involvement Program (XCIP). XCIP gives employees a chance to give back to their community with funding support from Xerox. Our Global Volunteer Policy and the Xerox Community Giving Tool is used to manage, compile, and communicate volunteer opportunities to Xerox employees. See the Philanthropy section for additional details.

- **Diversity and inclusion:** Our CEO and vice chairman signed The Business Roundtable Statement on the Purpose of a Corporation and the CEO Action for Diversity & Inclusion™. Both aim to rally the business community to advance diversity and inclusion within the workplace by working collectively across organizations and sectors.

In order to reinforce a company-wide culture of belonging, we are continuing to host "All of Us Together" events and listening sessions to help facilitate an ongoing dialogue about how we can create a more diverse and inclusive Xerox and the communities we live in. In honor of World Day for Cultural Diversity for Dialogue and Development, we hosted our next series of All of Us Together in May 2021. These sessions provided an ongoing forum to listen and learn from others, share progress on our Diversity, Inclusion and Belonging (DIB) roadmap, share information on social topics that impact our people and our communities, and finally, discuss how our employees can get more involved. Approximately 1,500 employees participated in the sessions.

Additionally, Xerox has nine Employee Resource Groups (ERGs), which are voluntary, employee-led, non-faith-based, and underrepresented groups that foster a diverse, inclusive workplace aligned with the company's mission, values, goals, business practices and objectives. Our ERGs are focused on member development, engagement, belonging, support and community. For a full list of ERGs, see the table below.

Xerox Employee Resource Group	Purpose
<b>Asians Coming Together (ACT)</b>	ACT creates awareness of Asian contributions, promotes professional development, and enhances an understanding of Asian culture at Xerox.
<b><u>Black Women's Leadership Council (BWLC)</u></b>	The Black Women's Leadership Council serves as a catalyst to advance professional development and address issues unique to Black women in the Xerox workplace. We work to forge partnerships with senior management that facilitate the hiring, retention and development of Black women and satisfy business needs.
<b><u>GALAXe Pride at Work</u></b>	GALAXe is for employees who are or who support gay, lesbian, bisexual, or transgender (GLBT) persons. The group aims to increase the visibility of its members within Xerox and beyond and provide a connection between its membership and Xerox as well as with other gay, lesbian, bisexual, and transgender organizations.
<b><u>Hispanic Association for Professional Advancement (HAPA)</u></b>	HAPA was established to create a single, unified voice of Hispanic representation. HAPA works with Xerox senior management to ensure that Hispanics achieve an increased presence at all levels.



Xerox Employee Resource Group	Purpose
<u><a href="#">National Black Employee Association (NBEA)</a></u>	NBEA is committed to providing a community of support for Black employees at Xerox, with opportunities for mentoring, training and development, and outreach. It seeks to ensure that individual professional abilities and talents - regardless of ethnic or racial group - are recognized in employment and promotion practices.
<u><a href="#">The Women's Alliance (TWA)</a></u>	TWA seeks to ensure that Xerox recognizes and values women for their significant contributions and leadership.
<u><a href="#">Xerox Leadership Association (XLA)</a></u>	XLA is devoted to professional development, career enhancement and promoting belonging and engagement.
<u><a href="#">YP NeXgen</a></u>	The YP NeXgen mission is to create connections for young professionals within Xerox and provide community involvement, networking, and mentoring opportunities that contribute to personal and professional growth. YP NeXus welcomes, supports, and empowers young professionals at Xerox and helps develop them as future leaders of our company.
<u><a href="#">Xerox Veteran Service Members Association</a></u>	VSMA is dedicated to the support and engagement of our military veterans, service members, military spouses, and families. It celebrates the service, dedication, and sacrifices of these employees, recognizing both the unique challenges they may face, as well as the distinct advantages that their collective experience brings to our team.



## AFFILIATIONS

Every day Xerox strives to be a technology leader and a respected global citizen. To advance and support these goals, Xerox partners with the following public and private organizations to stay aware and ahead of global trends, while driving best practices within our organization.

Topic	Organization
<b>Climate Change</b>	CDP/We Mean Business Race to Zero Business Ambition for 1.5°C
<b>Data Privacy</b>	Canadian Personal Information Protection and Electronic Documents Act
<b>Diversity</b>	Minority Corporate Counsel Association Human Rights Campaign National Minority Supplier Development Council United Nations Human Rights Council U.S. CEO Action for Diversity & Inclusion Women's Business Enterprise National Council
<b>Economic</b>	Imaging Consumables Coalition of Europe Imaging Supplies Coalition Business Council of Canada Foro de colaboracio Publico Privada (Spain) New York Economic Development Councils Webster Chamber of Commerce (New York) Norwalk Chamber of Commerce (Connecticut)
<b>Education</b>	For Inspiration & Recognition of Science & Technology (FIRST)
<b>Employee Benefits</b>	American Benefits Council Employee Retirement Income Security Act Industry Committee Corporate Health Care Coalition
<b>Environmental Management</b>	ISO 14001 ISO 50001 Responsible Recyclers (R2) Certification for Electronics Recyclers Air and Waste Management Association New York State Water Environmental Association
<b>Export/Import</b>	Transported Asset Protection Association Policy Tier 3 Member of U.S. Customs and Border Protection Customs Trade Partnership Against Terrorism; participant in E.U. Authorized Economic Operator program
<b>Government/Voluntary</b>	U.S. Department of Energy Better Plants Program
<b>Policy and Advocacy</b>	Business Roundtable Business Council of Canada Information Technology Industry Council The Conference Board (U.S. and Canada) Digital Europe Imaging & Print Europe Imaging Supplies Coalition The Computing Technology Industry Association National Association of Manufacturers U.S. Chamber of Commerce National Association of Manufacturers

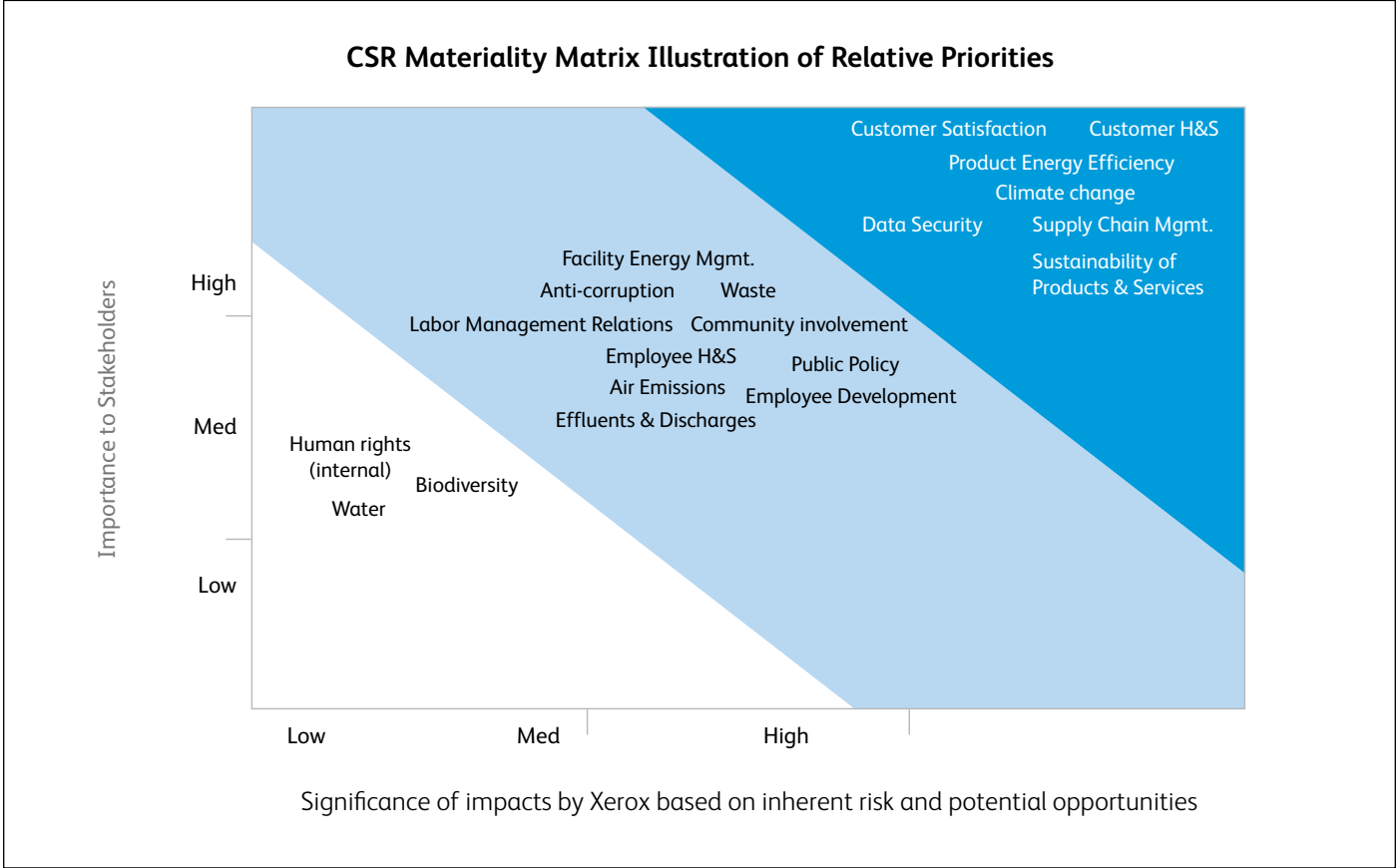
Topic	Organization
Procurement	Responsible Minerals Initiative
Quality	ISO 9001 American National Standards Institute
Safety Management	ISO 45001
Science and Technology	Cornell University Rochester Institute of Technology Clarkson University Alfred University State University of New York at Stony Brook, New Paltz, and Binghamton The Ohio State University University of Illinois at Urbana-Champaign University of California, Berkeley The Pennsylvania State University
Social Responsibility	Business for Social Responsibility Responsible Business Alliance Sustainable Electronics Recycling International

## MATERIALITY

We assess CSR topics that are important to our stakeholders and those where we can have the greatest economic, social and environmental impact at local, regional and global levels. We follow the protocol specified in the Standards of the Global Reporting Initiative (GRI), SASB, and TCFD. We examine changing external factors, including regulations and standards, social challenges that people face around the world, our evolving business model, and the environmental impact of our products, services, processes and operations. Our assessment includes interviews and workshops with internal stakeholders and Xerox leaders, discussions with external stakeholders, and feedback from our employees. Our conclusions:

- Managing operations responsibly across our value chain—from decreasing environmental impacts, addressing climate change risk and opportunities, and protecting client privacy to promoting diversity and ensuring ethical behavior—remains a priority.
- Product, service and operations-related opportunities such as improving energy efficiency and expanding access to technology represent the leading areas where we can create value for society and our business. Enhancing health, safety and labor conditions in our global value chain are among the most important ways to drive sustainable development.

The following schematic illustrates the results of our materiality assessment.



**ETHICS, INTEGRITY AND HUMAN RIGHTS**

Xerox understands its obligation to play a larger role in society. We lead by example, encouraging respect for human rights in our own company and through our business relationships. Every employee engagement, partner affiliation and client touchpoint represent an opportunity for Xerox to exercise its commitment to human rights.

Our Code of Business Conduct supports the principles of the United Nations Universal Declaration of Human Rights. A corporate-wide global policy letter serves as the foundation of our position on human rights. We make sure that those standards are followed in our labor relations and employment practices, relationships with suppliers, risk management,

internal audit systems and our approach to building business in emerging markets. Each year, our employees are required to take a refresher training course and acknowledge their conformance with the Xerox Code of Conduct.

Xerox is a member of the RBA, an organization that promotes a standards-based process for monitoring the social responsibility of suppliers. Through the RBA, we further our commitment to human rights in such areas as labor, health, safety and environmental activity.

We also manage a comprehensive data privacy program. We take utmost care to preserve and protect the personally identifiable information of both clients and employees.



## **BANKNOTE ANTI-COUNTERFEITING**

The risk of document counterfeiting is more prevalent as the quality of digital imaging tools and color printing technology grows. Xerox supports the use of appropriate anti-counterfeiting technologies and continuously cooperates with appropriate government and law enforcement agencies worldwide, when and if required, to assess and address such threats.

## **INITIATIVES TO COUNTERACT PIRACY AND FRAUD**

Xerox is leading the charge against counterfeiting and other illicit market activities, both independently and collaboratively with other original equipment manufacturers. Every year the global imaging industry—and the clients who use its products and services—suffer the loss of millions of dollars due to piracy and fraud. We are vigilant in our efforts to thwart both the use of our brand on counterfeit materials as well as “blending,” whereby counterfeit materials are mixed with the originals.

The use of counterfeit supplies can result in poor equipment performance, low supply yields, inferior print quality, toner leakage, increased failure rates, and equipment downtime all of which can cost time and money. To avoid this risk, we advise our clients to purchase solely from Xerox or an authorized Xerox channel partner.

## **PUBLIC POLICY ENGAGEMENT**

Xerox has a long-standing tradition of civic engagement. Our involvement in the political process and global public policy debates are a natural extension of our core values. We work with governments, industry and the broader business community to advocate for public policies that are consistent with our business objectives.

The company's Office of Global Government Affairs coordinates and oversees all policy-based interactions with governments and governmental organizations across the nation and around the world. We engage on issues that range from corporate governance, trade, employee benefits, and tax policy to regulatory compliance, intellectual property, and government procurement.

## **INTERNATIONAL TRADE**

We support open markets and rules-based trade among nations. Policies that create a level playing field for international trade are significant drivers of economic growth, opportunity, employment, and innovation, both in the United States and globally. We support intergovernmental dialogue and negotiation aimed at strengthening the certainty for cross-border trade and increasing market access, both

on a bilateral and multinational basis. Open markets offer important opportunities to showcase our products, services and business solutions to new clients. At the same time, we believe that all market participants must be responsible citizens of the countries in which they do business.

## **CORPORATE TAXATION**

Xerox Corporation is committed to complying with all tax laws at the federal, state, local and international levels and ensuring that it pays the correct amount of taxes owed to each authority whose tax laws govern its activity. In addition, it is committed to dealing with the various tax authorities in a transparent manner, using best practices to determine its legal obligations under the applicable tax laws and regulations. Finally, Xerox incorporates tax-related considerations into its decision-making process.

## **EDUCATION**

Xerox has had a long-standing tradition of supporting efforts aimed at ensuring American students graduating from high school and college have the necessary skills to compete in the workforce. We are particularly passionate about programs that further American students' access to science, technology, engineering and math (STEM) curricula. These efforts help us to recruit and retain a skilled workforce and also allow us to compete globally. We have worked with Congress and several Administrations to reform higher education programs, vocational education funding and K-12 standards.

## **INTELLECTUAL PROPERTY**

We actively support global policies and practices that combat theft of intellectual property by counterfeiters who manufacture knockoff products. Further, we oppose frivolous intellectual property litigation that imposes unnecessary costs on innovative companies. As a result of the U.S. Congress undertaking a serious examination of U.S. patent laws, Xerox is undertaking a review of its own patent policy priorities. This will help enhance the company's ability to innovate, protect and monetize its intellectual property and seek reforms that would permit disputes to be adjudicated based on their legal merits rather than litigation economics.

## **ENVIRONMENT**

Our [Environment, Health, Safety, and Sustainability governance policy](#) adopted in 1991 forms the foundation of our environmental leadership program. We are committed to designing, manufacturing, distributing, and marketing products and processes to optimize resource utilization and minimize environmental impact.

## INFORMATION TECHNOLOGY

Xerox promotes policy positions that make information technology (IT) more effective in supporting federal, state and local government missions, improving government technology acquisition processes, maximizing the positive financial effect of IT investments, and creating better results for those served by government agencies and programs. The Office of Global Government Affairs has an established network of resources whose responsibilities include monitoring legislation and policies that would affect our various government lines of business.

## RETIREMENT POLICY

We believe policymakers should foster a legal and economic framework that encourages employers to provide high-quality retirement security options to their employees. We take our commitment to our employees, both current and retired, very seriously, and our Office of Global Government Affairs works closely with the U.S. Congress and the Administration to formulate policies that help us meet this obligation.

## HEALTHCARE

Xerox advocates for policies that allow for sustainable, high-quality healthcare systems that are more accessible, less costly and more patient-centered. We will continue working to overcome the many obstacles—regulatory mandates, inaccessible data, inefficient processes, incomprehensible billing, and ever-rising costs—that undermine our ability to provide quality coverage for our employees.

## TRADE ASSOCIATIONS AND ORGANIZATIONS

Xerox is a member of a wide array of trade associations. These organizations develop and promote sound public policies and assist us with business development opportunities.

## POLITICAL ACTIVITY

Xerox, like most major corporations, is a member of various 501(c) organizations that may engage in political activities. We may not necessarily agree with every position taken by every organization to which we contribute. We make a reasonable effort to determine what portion of our dues is used for lobbying expenditures or political contributions. Any trade association dues, or portions thereof, that are not deductible for tax purposes are appropriately reported in our annual lobbying disclosure reports.

Organization	Dues Paid	Percentage Lobbying	Non-Deductible Amount
AmCham Turkey	\$3,062	100%	\$ 3,062
American Benefits Council	\$20,000	25%	\$5,000
Business Roundtable	\$150,000	25%	\$37,500
CompTIA	\$18,000	100%	\$18,000
CompTIA (Annual Vendor Dues)	\$5,500	100%	\$5,500
Employees Retirement Income Security Act (ERISA) Industry Committee	\$25,000	12%	\$3,000
Information Technology Industry Council (ITAPS)	\$125,000	18%	\$21,875
National Association of Manufacturers	\$40,000	20%	\$8,000
The Tax Council	\$3,000	4%	\$120
U.S. Chamber of Commerce	\$100,000	20%	\$20,000
Washington Tax Group/Tax Reform Coalition	\$50,000	100%	\$50,000
Total Dues Paid	\$666,925		\$231,250

The Xerox Code of Business Conduct contains explicit instructions on our policies governing contact with elected and appointed government officials and agencies as well as lobbying and political contributions. All Xerox employees are required to participate in annual training on the Code of Business Conduct and must certify adherence to the Code after completing the course.

#### **EMPLOYEE PERSONAL POLITICAL CONTRIBUTIONS**

We encourage our employees to participate in any community and political activities they find to be consistent with their values. We do not discriminate in favor of or against employees based on the organizations they choose to support. Employees are not reimbursed directly or through increases in compensation for their personal political contributions and expenses.

#### **XEROX CORPORATE POLITICAL CONTRIBUTIONS**

We have a long-standing policy that nothing of value may be given, paid, promised, or offered—directly or indirectly—from corporate treasury funds for any of the following: political party, committee, and/or candidate for any federal, state or local government office anywhere around the world; independent expenditure or ballot measure committees; electioneering communications; or candidates for judicial office.

We have an established policy that does not permit any in-kind political contributions. The only authorized method to make political contributions on behalf of Xerox is through the Xerox Corporation Political Action Committee (XPAC), which is funded solely with voluntary employee contributions.

The XPAC guidelines used as a basis for supporting candidates and elected officials include:

- The integrity and character of the candidate;
- The candidate's position on significant policy issues of importance to our company;
- The candidate's overall support for our company and industry;
- The candidate's overall support for the free enterprise system and U.S. competitiveness;
- A demonstrated willingness on the part of the candidate to work with our company and industry to achieve responsible public policy solutions;
- The candidate's representation of a state or district in which our company has a significant number of employees or facilities;

- Whether the candidate holds a leadership position within their political party; and
- The candidate's electability permissible under applicable law.

XPAC also focuses on contributions that go directly to candidates for office. Special exceptions are required for contributions out-of-election-cycles and contributions to leadership PACs, trade association PACs, ballot measure committees and political parties.

XPAC does not permit contributions for independent expenditure committees, electioneering communications, candidates for judicial office and presidential candidates.

XPAC discloses all contributions made and received on reports filed with the Federal Election Commission and the various state and local campaign finance commissions as required by law. In accordance with XPAC's Articles of Organization, an audit of the accounting books of the XPAC is performed at least once during every two-year election cycle to ensure compliance with the Federal Election Campaign Act of 1971, as amended, its regulations and all other applicable laws.

We use outside legal experts to provide periodic oversight of the company's political activities.

# Doing Good Business

## Ethics and Compliance Programs

Our commitment to business ethics and compliance represents more than a declaration to do the right thing. It has become an integral part of the way we do business. Our business ethics and compliance programs are designed and implemented to ensure that Xerox employees and all those working on behalf of the company follow the highest ethical standards. The program aims to prevent, detect, and address potential violations of our Code of Business Ethics and its policies, and applicable laws, and regulations.

### OFFICE OF COMPLIANCE

The Office of Compliance oversees and coordinates the work of the company's subject matter experts to ensure that Xerox is in full statutory compliance with global rules and regulations related to all applicable laws in our industry as well as internal policies. The Office of Compliance also collaborates with other departments such as internal audit, corporate security, legal, human resources, government affairs and ethics to ensure sustainable corporate compliance.

The Office of Compliance is managed by the compliance leader who reports to the vice president, Global Government Affairs, Sustainability, Citizenship and Compliance and the Chief Legal Officer. The compliance leader acts as a liaison between the company and external, independent audit and compliance companies and contractors and advises and makes recommendations to the Office of General Counsel and management team regarding the state of statutory compliance at the company. The compliance leader prepares quarterly compliance updates for executive management and the board of directors. The Chief Legal Officer reports directly to the Vice Chairman and Chief Executive Officer of Xerox.

Since the Office of Compliance was created in 2017, it has focused on reviewing all corporate policies, performing a high-level assessment of corporate compliance processes, mapping key corporate compliance risks to available corporate training, and creating a formal corporate compliance network.

### CORPORATE POLICY REVIEW AND COMPLIANCE ASSESSMENT

In 2020, after completing a high-level assessment of corporate policies and compliance processes and adherence to these policies, processes, and best practice by corporate organizations and subsidiaries, the Office of Compliance presented a summary of its conclusions and recommendations to the Office of Business Ethics, internal audit and other internal stakeholders.

The assessment is based on a format used by the Institute of Internal Audits and uses 70 criteria provided in the U.S. Department of Justice guidelines, the Office of Foreign Assets Control ("OFAC"), and the U.S. Federal Acquisition Regulations (FAR). The compliance assessment is intended to:

- Assess the design and operation of the company's corporate compliance programs, considering governmental expectations, existing/changing legal requirements, and leading practices;
- Provide observations, risks and recommendations including:
  - Identifying existing elements and gaps in the compliance infrastructure;
  - Identifying and prioritizing opportunities to enhance the company's compliance program;
  - Establishing a baseline for compliance monitoring and continuous improvement; and



- Ensure sustainable corporate compliance processes by implementing corrective actions that meet statutory requirements and balance ideal performance factors and resources.

We assessed several topics, including general corporate compliance, sexual harassment, data protection, foreign corrupt practice, third-party risk management and fraud. Based on the assessment, areas of improvement were identified, and action items were prepared to present to senior management. Next steps included:

- Prioritizing compliance processes and working with subject matter experts to complete an assessment of prioritized compliance processes;
- Identifying compliance leaders and managers in business units; and
- Developing compliance training and awareness.

## BUSINESS ETHICS OFFICE

Each Xerox employee and those working on behalf of the company have an important role to play not only in helping us succeed but also in how we achieve that success. Doing business following the highest ethical standards and in accordance with the Xerox Code of Business Conduct, company policies, and applicable laws and regulations are at the heart of what Xerox is as a company.

Since its inception, Xerox has recognized that the best possible results for our clients, shareholders and communities can only be delivered when conducting ourselves ethically and with integrity. It's a part of who we are and how we do things.

The Xerox Business Ethics Office was established to oversee our efforts to reinforce and enhance the company's culture of ethics and compliance on behalf of operating unit management, corporate management, and the Audit Committee of the Xerox board of directors. The Xerox chief ethics officer reports to the executive vice president and general counsel with a dotted-line reporting relationship to the Audit Committee.

The Xerox Business Ethics Office maintains metrics to help detect misconduct and inform continuous improvement of the ethics program. The chief ethics officer attends Audit Committee meetings and prepares reports on the status of the ethics program, including metrics, program strategy, and operations updates. The Business Ethics Office also prepares quarterly reports for the company's external auditors and the Audit Committee of the Xerox board of directors.

## CODE OF BUSINESS CONDUCT AND POLICIES

Our Code of Business Conduct serves as the foundation of our Business Ethics and Compliance Program and our means to implement the Xerox Human Rights Policy. It embodies and reinforces our commitment to integrity and helps our people resolve ethics and compliance concerns in a manner consistent with our core values and legal and policy controls. Our Code of Business Conduct is available in 19 languages and accessible on our internal and [external websites](#). The Code is aligned to our core values and covers policies and guidance on key topics, including sales and marketing activities, controllership, insider trading, bribery, non-discriminatory employment practices, privacy rights, human rights, and environmental stewardship. It also specifies employees' obligations to report suspected ethical violations and reinforces our strong non-retaliation policy, which is also supported in a separate, stand-alone corporate policy.

Xerox has a comprehensive framework of policies that incorporate a culture of compliance into day-to-day operations. Corporate policies are published on the Xerox Ethics & Policies intranet. Additionally, key policy references are included in the Code of Business Conduct to help ensure accessibility. The company's [Business Ethics Policy](#) is publicly available and translated into 19 languages. It describes the ethical conduct required when conducting business on the company's behalf or representing Xerox in any capacity. Country-specific and regional policies exist to provide additional clarity.

In addition to our global Code of Business Conduct and policy framework, we have a supplemental Finance Code of Conduct for finance employees and a Code of Business Conduct and Ethics for the board of directors. As a member of the RBA, Xerox uses the RBA Code of Conduct as our supplier code of conduct.

## BUSINESS ETHICS AND COMPLIANCE GOVERNANCE BOARD

The Xerox Business Ethics and Compliance Governance Board works closely with the Ethics Office to imbed business ethics into the company's worldwide business operations. The Ethics Office coordinates the Governance Board's activities to ensure consistency and provide an executive-level forum for discussing emerging trends, issues, and concerns. Board members are appointed by Xerox senior leadership and required to complete an annual ethics certification, memorializing their commitment to their responsibilities. The Governance board represents business and corporate organizations within Xerox and its subsidiaries and participates in quarterly meetings chaired by our Business Ethics Office. Members are responsible for establishing regional and/or local networks within their respective organizations to promote and make certain that a culture of ethics and compliance exists globally at Xerox.

## COMMUNICATION AND TRAINING

At the start of every year, the Xerox CEO distributes a message on business ethics to employees. All employees, including those working on behalf of Xerox, must complete ethics training annually and acknowledge that they have read the Code of Business Conduct. New hires are required to complete foundational ethics training. The Xerox senior leadership team is also required to complete a conflict of interest disclosure and ethics certification, confirming that each is in compliance with our Code of Business Conduct, have processes in place to support the company's Business Ethics and Compliance Program, are committed to protecting those who make good faith reports of an actual or suspected violation from retaliation, and will work to safeguard the confidentiality of investigations.

We promote awareness of our Business Ethics and Compliance Program on our Ethics and Policies intranet site and [Ethics and Compliance Program website](#). We publish video vignettes on the company's intranet site to provide real-world examples of ethics and compliance dilemmas to keep ethics and compliance front and center for employees and those working on behalf of Xerox. We periodically implement a global ethics survey across the organization to measure the state of the company's ethical culture and help us focus on areas for improvement.

## REPORTING AND INVESTIGATIONS

We provide a variety of channels for employees, suppliers and clients to report suspected ethical violations, including phone, web, email and postal mail. The [Xerox Ethics Helpline](#) is available globally 24 hours a day, seven days a week, in multiple languages, via toll-free telephone numbers and our [web reporting tool](#), which supports multiple languages. We have contracted with an independent third-party that specializes in helpline reporting with immediate electronic transfer of all reports to our Business Ethics and Compliance Office for triage and oversight and monitoring of ethics allegation cases.

For some cases, the Business Ethics Office provides guidance and takes immediate action; for others, including allegations of wrongdoing, an ethics investigation is required. The office follows a formal, consistent method for assessing alleged violations and complaints and directs them to the appropriate functional areas for investigation, resolution, and closure. Our Business Ethics Office Charter includes a "Worldwide Assignment of Responsibility Matrix for Handling Potential Ethics Violations and Associated Penalty Guidelines." This tool includes a wide range of possible ethics and compliance violations within each category of our Code of Business Conduct.

Xerox has established policies, guidelines, and collaterals on conducting internal ethics investigations and periodically provides training to investigators. The goal of our internal investigations is to ensure that they are independent, objective, thorough, effective, properly documented, and completed in a timely fashion. Appropriate actions are taken in response to investigative findings and the root cause of any violations are addressed to prevent a recurrence of issues. Ethics allegation matters substantiated, in whole or in part, result in disciplinary action (counseling, training, warning letter, job reassignment, financial penalty, or in some cases, dismissal from the company). In addition to disciplinary action, the resolution of many cases may also involve changes in processes or policies to prevent future occurrences.

## Matters Reported to the Business Ethics Office

Matters Reported	2016	2016	2018	2019	2020
Human resources	61%	42%	51%	34%	25%
Internal policy violations	3%	6%	4%	9%	28%
Fraud	5%	8%	6%	6%	3%
Misappropriation of assets	3%	3%	4%	1%	3%
External relationships (customers, agents, vendors, etc.)	5%	10%	9%	16%	24%
Conflict of interest	3%	3%	2%	3%	1%
Confidential information	2%	2%	1%	3%	1%
Accounting and financial reporting	2%	7%	7%	8%	1%
Policy inquiries	8%	6%	6%	6%	1%
Other	8%	5%	5%	14%	20%

Our Business Ethics Office tracks all cases from initial reporting to closure, case activity and trends, including the number of matters reported, case categories, outcomes and disciplinary action taken. See the [Ethics page on xerox.com](#) for additional information regarding the Xerox Business Ethics and Compliance Program.

## ANTI-CORRUPTION, EXPORT CONTROLS AND SANCTIONS COMPLIANCE

It is the policy of Xerox Corporation and its subsidiaries to comply fully with all applicable antibribery and anticorruption (ABAC) laws and regulations, including the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act (UKBA). Similarly, Xerox is committed to complying fully with applicable export controls and sanctions restrictions.

Xerox operates an active and comprehensive ABAC compliance program, supported by policy and annual training that is overseen by the Business Ethics Office in the Office of General Counsel. Xerox prohibits the giving or offering of a bribe of any amount or value. This includes small “facilitation” or “grease” payments for routine government approvals and actions unless employee security and health are at risk and even then, only with prior approval.

Xerox screens potential clients for applicable export control requirements and sanctions restrictions, drawing on an internal network of export control coordinators and subject matter experts. Xerox also conducts risk assessments of third-party intermediaries and includes a contractual obligation that requires third-party intermediaries to adhere to the same standards for compliance with ABAC, export controls, and sanctions. Xerox sends an annual reminder letter to its major distributors and resellers outside the U.S., requiring them to acknowledge and confirm awareness of the FCPA, UKBA, and all locally applicable ABAC laws and regulations, as well as any applicable export controls and sanctions. This third party must also certify that, to the best of its knowledge, it has complied fully with these requirements.

# Our Path Forward

## Ongoing Response to COVID-19

Throughout the pandemic, our priority has been the health and safety of our employees, clients, partners and their families. We continue to monitor developments around the clock and utilize a 24/7 email box to keep the entire Xerox community safe while minimizing the impact on operations during this public emergency. To date, we have responded to more than 30,000 employee emails on the topic of COVID-19.

This year, we expanded the use of the Xerox Team Availability App to track employee vaccination rates in the U.S. and Canada. Employees in the U.S. are required to use the app to indicate whether or not they are vaccinated. Employees in Canada are asked to voluntarily disclose this information to aid decision-making.

## OUR RESPONSE TO COVID-19 BY THE NUMBERS

Since the beginning of the pandemic, we have:

- 
- Tracked 6.3 million daily health statuses logged by Xerox employees and contractors through the Xerox Team Availability App
  - Distributed 128,000 reusable masks to employees and contractors
  - Distributed 1.4 million surgical masks to employees and contractors
  - Distributed 78,000 N95/KN95 masks to employees and contractors
  - Responded to 30,000 employee emails
  - Held more than 60 forums to provide up-to-date information and engage in open dialogue and answer questions from people managers and safety monitors
-



From May through July of 2021, we ran an internal campaign to encourage employees to get vaccinated once they are able to do so. The campaign kicked off with a message from our CEO, which drove to an intranet feature with employee stories about why it's important for them to get vaccinated. These included both professional and personal anecdotes.

## What's your why?

I got vaccinated to protect my mom and dad. Both of them suffer from immunocompromised health issues, and I want to keep them around as long as possible.

Clifton Gibbons  
Xerox Business Solutions Southeast



**One boat, one team**

**xerox**

To round out the campaign, we hosted a series of seven vaccination information sessions with independent medical doctors across multiple geographies and in three languages. The doctors provided helpful information and answered employee questions. These sessions were attended by more than 1,300 employees in total.

The Xerox COVID-19 Response Team—comprised of representatives from Environmental, Health, Safety & Sustainability, Human Resources, Security, Facilities, Legal, Communications and more—meets several times a week. We closely follow government and public health organizations' guidance. Our business continuity and pandemic preparedness plans contain the latest standards from industry best practices and our own experience to define requirements.

Our response plan includes, but is not limited to:

- Encouraging employees to get vaccinated as soon as they are able per eligibility in their jurisdiction;
- Establishing strict Personal Protective Equipment (PPE) protocols for employees, contractors and visitors engaging in on-site work;
- Sharing resources and guidance on how to contain the illness;
- Increasing and expanding the cleaning of facilities;
- Establishing a comprehensive visitor screening process;
- Requiring employees who exhibit any symptoms to stay at home;
- Conducting thorough contact tracing;
- Enforcing a stringent return-to-work policy if an employee becomes ill; and
- Monitoring developments around the clock and using a 24/7 inbox.

# Xerox Philanthropy



Our philanthropic investment strategy delivers the greatest value to society possible for every dollar spent. In 2020, we invested more than \$2.3 million in the nonprofit sector. Many nonprofit organizations, colleges and universities received direct financial support in the form of strategic investments, matching gifts or community involvement activities by Xerox employees. Please see the [Xerox 2021 CSR Goals and Progress Summary](#) for a detailed breakdown of spend and volunteerism by cause.

At its core, our philanthropy efforts are focused on four strategic areas:

- **Strong vibrant communities:** Xerox invests in communities where our people and clients live and work, strengthening ties with our stakeholders and embedding Xerox into the fabric of communities around the world. We enable our people to give back to the causes they believe in, and the support we provide enhances our corporate reputation, driving the company's success.
- **Education and workforce preparedness:** Xerox supports the role of education in society—colleges, universities, science, technology, engineering and math (STEM) education programs, and workforce development programs that prepare the next generation of leaders, inventors and scientists.
- **Science and technology:** Xerox invests in scientific research and partnerships to serve the long-term strategic interests of the company and our world.
- **Disaster relief:** Xerox provides aid to our employees and their neighbors in crises during natural disasters.

## GOVERNANCE

The Governance Board, along with our senior management, oversee, guide and approve our investment strategy and programs, and Xerox philanthropy strategies are vetted and reviewed by the Corporate Social Responsibility Council. The Xerox Community Giving Tool is the backbone of our community giving efforts and facilitates our Matching Gift Program and is used to track CSR activity.

## POLICY

Our Global Philanthropy Policy was created to formalize our approach for giving back to communities around the world. Along with reinforcing our core focus areas, it establishes a reporting structure to better capture and report global philanthropy activities that matched GRI core standards. The Global Volunteer Policy also grants every Xerox employee one workday of paid time off to volunteer at a nonprofit of their choice.

## EMPLOYEE VOLUNTEERING

We believe that a combination of financial and human resources can bring about greater change than either on its own.

This philosophy is best represented by the Xerox Community Involvement Program (XCIP). This grassroots initiative backs the volunteer spirit of our employees with funding support from Xerox. In this way, we're making the biggest difference in the communities where we live and work. Since the program began in 1974, thousands of our employees have rolled up their sleeves and participated in projects that make their hometown a better place. In 2020, Xerox invested \$220,310 in XCIP and employees led more than 154 projects worldwide.

We continue to evolve our philanthropy programs to meet the needs and desires of our employees and communities. In 2021, we introduced Volunteer Rewards. With this program, a Xerox employee may redeem \$10 per volunteer hour, up to \$500 per year, to donate to a 501(c)(3) non-profit organization of their choice.

The Xerox Volunteer Policy enables paid time off to volunteer for registered nonprofits, up to eight hours per employee per year. Employees committed to Xerox programs such as United Way, FIRST and our Science Consultant Program are given additional paid time off to participate and represent in the community.



Xerox presents a donation to Oxfam.

### Employee-driven philanthropy in action

During June 2021, Xerox employees in the U.K. and Ireland set themselves on a Pace Setter Challenge to fundraise for local charities. Twenty-four teams of employees and their families competed to clock the highest number of hours of physical activity – be it running, walking, swimming, or gardening – while encouraging donations to their chosen causes.

The month-long challenge raised almost \$20,000 overall, which was matched by the company, up to \$500 per employee. Xerox topped up individual giving with a \$5,000 charity pot shared between the six most successful competitors. Each participating team gifted their total donations to a different charity, with significant sums going to Oxfam, the Teenage Cancer Trust, Crisis and the Rainbow Trust in the U.K. as well as Focus in Ireland. In total, 223 people took part, clocking more than 6,500 hours of activity over 30 days.

## EDUCATION AND THE WORKFORCE OF OUR FUTURE

Our commitment to education is a key enabler to nurture the next generation of innovators and global leaders. We create opportunities for young people to pursue college degrees and, ultimately, careers in STEM.

### K – 12 EDUCATION

One way for our business and communities to thrive is to provide a means to better the lives of young people. Since the early 1960s, Xerox and our grassroots education programs have helped to inspire young men and women take an interest in the STEM principles and create a career path to success—one that eliminates poverty.

A place where we're succeeding in this endeavor is Rochester, New York, where Xerox began. The Rochester City School District has one of the state's and country's lowest graduation rates and highest poverty levels. To combat these circumstances, Xerox has created a continuum of critical programming for young students in Rochester that has proven to change lives.

Xerox was a founding partner of For [Inspiration and Recognition of Science and Technology](#) (FIRST). FIRST is a hands-on approach to learning valuable and technical skills with real-world pressures and deadlines.

Students not only build robots to compete and meet challenges out of a box of LEGO® bricks and parts but also learn valuable life lessons and skills while doing so. Since 1992 when we began our partnership, we've worked with more than 10,000 students through FIRST.

The Xerox Science Consultant Program began in 1968 as an effort of our founder, Joe Wilson, and was a direct result of the race riots in Rochester. Xerox employees visit elementary school classrooms to teach hands-on science to children who may have never been exposed to the material or, most importantly, a role model in the STEM field. In 2019, we began a partnership with the Rochester Museum and Science Center to expand the program with the shared goal of increasing the number of volunteers, allowing us to reach more students in more urban districts. Throughout the COVID-19 pandemic, we continued our work with the Science Consultant Program via virtual lessons.

### SCIENCE AND TECHNOLOGY

At Xerox, innovation is our foundation for success. Academic organizations are important for the long-term strategic interests of the company by furthering scientific research and training the next generation of scientists.



Xerox partners with universities worldwide to collaborate, innovate, and ideate—all in an effort to quickly bring to the market thoughtful and sustainable technology for clients.

#### DISASTER RELIEF

Xerox champions a variety of organizations that respond to natural disasters around the world. In 2020, the COVID-19 crisis shut down the world. Our disaster relief efforts included manufacturing and donating ventilators to hospitals in

New York, California, and India. Based on recommendations from the U.S. Chamber of Commerce, we invested \$40,000 globally to meet basic needs and help with food security. Canada Helps.org, Feeding America, European Foodbanks, and United Way Centraide each received \$10,000.

Academia	Focus	Benefits	Outcome
<b>Brown University</b>	Lead-free alternates to lead zirconate titanate (PZT) for printheads	Addresses removal of lead from printheads (PH) thus meeting regulatory requirements and offering a competitive advantage	<ul style="list-style-type: none"> <li>Several potential candidate materials developed, tested and the PH manufacturing team engaged</li> <li>Received \$250,000 funding from the National Science Foundation – Partnership for Innovation Technology Transfer (NSF-PFI TT) for additional fundamental work on PH</li> </ul>
<b>Purdue</b>	3D, electrical and computer engineering; materials science	Exploring collaborative research and business opportunities in 3D, materials science	<ul style="list-style-type: none"> <li>Developed the curriculum for electrical and computer engineering programs to teach intellectual property generation and management and soft skills</li> <li>Xerox Customer Innovation Center on campus</li> <li>Faculty residency</li> <li>New hires</li> <li>Working with the MPS sales team for the renewal of the printing contract and exploring ElemX™ sales opportunity</li> </ul>
<b>Rochester Institute of Technology</b>	Advanced Manufacturing (AM), Service Learning, talent, consulting, specialized analytical tools	Collaboration with 3D market leaders and subject matter experts; state-of-the-art facility and equipment	<ul style="list-style-type: none"> <li>AM Print Center</li> <li>More than \$5M of Research and Development cost savings as a result of open innovation and collaboration</li> <li>Working with Lockheed Martin and Rochester Institute of Technology to enable 3D metal jetting technology for printed electronics</li> <li>New hires</li> <li>Learnings translate to new Xerox product innovation</li> <li>Faculty sabbaticals</li> </ul>
<b>The State University of New York (SUNY) at Binghamton</b>	Roll-to-roll prototype infrastructure, 3D Printing	Access to tools and research	New hires

#### MATCHING GIFTS PROGRAM

Xerox will match up to \$500 or its local currency equivalent per employee to any legally verifiable 501(c)(3) nonprofit or its global equivalent. Due to special campaigns for Juneteenth, Giving Tuesday and overall broader participation, use of the Matching Gifts Program increased by 42% from year-over-year.

	2019	2020	Year-Over-Year Increase (%)
Total Employee Donations	\$258,810	\$451,693	75
Matching Corporate Contributions	\$166,023	\$419,696	153
Users	923	1,312	42



Employee  
donations  
increased  
75% from  
2019

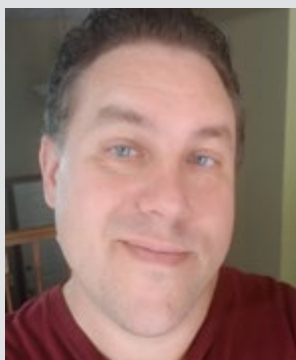
## SUPPORTING OUR EMPLOYEES IN TIMES OF NEED

In 2021, we launched the Xerox Employee Relief Fund (ERF) as a way for employees to help coworkers when the unexpected happens. The ERF provides short-term financial assistance, up to a lifetime maximum of \$5,000, to eligible employees in the event of a disaster or hardship.

The award is funded by financial contributions from Xerox and its employees. Applications are reviewed by a third-party non-profit organization to ensure objectivity and confidentiality against a consistent set of requirements. To date, more than \$63,000 has been awarded to more than 100 employees in need. Here are a few of their stories:



Gladys González is a prints administrator in Posorja, Ecuador, who has worked at Xerox for 15 years. Her family was impacted by the COVID-19 pandemic when her husband lost his job, affecting their ability to pay for food, housing, and their children's education, among other basic needs. Gladys received a grant from the Fund, providing her family with a bit of financial relief. "I am very grateful for the help provided by the Employee Relief Fund," said Gladys. "In these hard times for all, I feel safe and protected by the company for which I work."



Jeremy Brown is a DocuCare associate based in East Providence, Rhode Island. He has worked at Xerox for 24 years. Recently, Jeremy's son lost his ability to walk, so his family had to install an elevator to the second floor of their house, which cost \$18,000. Jeremy applied to the Employee Relief Fund, and within a few weeks, received a grant to help offset the cost of the elevator. "Before we had the elevator, I had to pull my son up two flights to get him upstairs in his wheelchair," Jeremy said. "Now, with the elevator installed, it is much easier as I do not have to lift him at all."

# Evolving the Workplace



Our people and their experience, skills and cultural diversity represent our company's most important asset. Our wide range of products and services requires a diverse employee population representative of the markets in which we do business.

Data pertaining to the demographics, diversity and union representation of our global workforce is available in our [2021 Corporate Social Responsibility Goals and Progress Summary](#) at [xerox.com](https://www.xerox.com).

## STRENGTHENING DIVERSITY, INCLUSION AND BELONGING (DIB)

We know the power of having a global and diverse team. It's one of the reasons Xerox has endured for 115 years. By having a diverse workforce, we gain the benefit of different ways of looking at our business, leading to innovative breakthroughs for our customers and more engaging work for our people.

In 2020, we revitalized our commitment to Diversity, Inclusion and Belonging (DIB) by appointing a Global Head of DIB, Dr. Yetta Toliver, and developed a new roadmap, identifying areas where we can have a bigger impact on employees and society. Our roadmap focuses on five verticals:

- **Diverse Pipeline:** A diverse and inclusive workforce starts with a diverse candidate pipeline. For 2021, we are focused on building this pipeline and accelerating the careers of women as well as underrepresented people of color.
- **Partnerships:** We are building relationships with external organizations to ensure that our incoming talent better reflects the markets and communities we serve. For example, we are partnering with artificial intelligence vendors to increase the pool of women and diverse candidates for our openings using their unique artificial intelligence algorithms.
- **Culture Change:** The company's nine Employee Resource Groups (ERGs) are critical in helping us reinforce a company-wide culture of belonging and helping us achieve gender equality. The Women's Alliance, for example, works to ensure that women are represented, recognized, and valued at all levels in Xerox. The UK chapter hosts regular events to support women to develop professionally and network across the company.

- **Community Outreach:** We believe our DIB efforts must extend into the community. In the U.S., we have an ongoing partnership with [A Better Chance](#) (ABC), a non-profit organization dedicated to creating pathways to education and fulfilling careers for young people of color. In 2021, as a part of our new internship program, we welcomed 13 ABC interns to Xerox from different colleges and universities all across the country. During their time here, they supported our teams and contributed to exciting projects that benefitted our clients, people and communities. In the U.K., we support [Blueprint for All](#), an organization dedicated to helping young people and local communities create an inclusive society for everyone.
- **Accountability:** Transparency and reporting are key components to ensure that we uphold our commitments. We will publish our progress annually.

"At Xerox, our most important asset is our people. By having a diverse workforce, we gain the benefit of different ways of looking at our business, leading to innovative breakthroughs for our customers and more engaging work for our people through teamwork, professionalism, respect and inclusiveness."

– Dr. Yetta Toliver,  
Global Head of Diversity,  
Inclusion and Belonging



Here are some examples of recognition, which demonstrate our commitment to DIB:

- Xerox was named one of the **50 Best Companies of the Year for Latinas** by LATINA Style Inc., a list endorsed by and created with the assistance of the U.S. Department of Labor, the U.S. Equal Employment Opportunity Commission, and women and national Hispanic organizations.
- Xerox was named one of the **“Best Places to Work for LGBTQ Equality”** in the Human Rights Campaign (HRC) Foundation’s 2020 Corporate Equality Index. In fact, the company has earned a perfect score every year since the survey’s inception 19 years ago.

- Xerox was named one of the **2020 Best Companies for Multicultural Women** by Working Mother magazine—an honor recognizing companies that create and use best practices in hiring, retaining and promoting multicultural women in the United States.
- Xerox was named **Disability Confident** by the UK Government as an employer who makes the most of the opportunities provided by employing disabled people.

We are committed to gender diversity and inclusion at the highest levels. While we have made progress in some areas, we understand there is more work to be done. Below is a snapshot of our entire workforce.

Category		Percent of total for 2020	Percent change from 2019
Women employees by region – (% of total)			
Americas		27	-1
Asia Pacific and Japan		25	1
Europe, Middle East, and Africa		29	0
Worldwide		27	0
Women managers by region – (% of total)			
Americas		27	0
Asia Pacific and Japan		18	0
Europe, Middle East, and Africa		26	0
Worldwide		26	0
New hires globally, by gender			
Women		28	4
Men		72	-4
Global workforce, Full-time by classification – (% of full-time employees)			
Executives	Women	25	2
	Men	75	-2
Directors	Women	30	0
	Men	70	0
Managers	Women	29	-1
	Men	71	1



Category	Percent of total for 2020	Percent change from 2019
<b>Global workforce, Full-time by classification</b>		
Professionals Women	40	-1
Men	60	1
Other Women	23	2
Men	77	-2
All Classes Women	27	0
Men	73	0
<b>U.S. workforce by ethnicity</b>		
White	70	0
Black	11	0
Hispanic/Latino	11	0
Asian	5	0
Native Hawaiian/Pacific Islander	0.4	0.1
Native American/Alaskan Native	0.4	0.1
Two or more races	0.8	-0.1
Not specified	1.4	-0.1
<b>New hires – United States</b>		
White	65	-1
Black	15	-6
Hispanic/Latino	11	-2
Asian	6	-1
Native American	1	-1
Military/veterans	1	-1

## NON-DISCRIMINATION POLICY

Globally, we create policies that support our business goals and reflect the culture of the countries where we do business. Xerox does not discriminate on the basis of race, color, religious belief, creed, sex, age, national origin, citizenship status, marital status, military status, union status, genetic information, abilities, sexual orientation, or gender identity.

By focusing on diversity, Xerox hires, promotes, and retains the best people who are well-suited for our business and reflects the markets and communities we serve. We've designed our hiring and promotion efforts to ensure a deep, diverse pool of talent, ready to assume leadership roles. To support this, we are working with AI vendors to increase the pool of women and diverse candidates for our openings using their artificial intelligence algorithms.

## EQUAL EMPLOYMENT OPPORTUNITY

Xerox is an Equal Opportunity Employer, complies with all applicable federal, state and local laws that govern hiring and treatment of its employees. We consider internal or external applicants for all positions without regard to race, color, creed, religion, ancestry, national origin, age, gender identity or expression, sex, marital status, sexual orientation, physical or mental disability, use of a guide dog or service animal, military/veteran status, citizenship status, basis of genetic information, or any other group protected by law.

For information on our supplier diversity program and performance, please see the Supplier Relations section.

## RECRUITMENT

As part of our commitment to Diversity, Inclusion and Belonging (DIB), we expanded our application of the Wilson Rule in 2020, which requires that women, minorities, veterans and anyone who identifies as LGBTQ+ be among the final pool of qualified candidates for open management and senior-level professional positions in the U.S. Outside the U.S., women must be considered among the final pool of qualified candidates for the same management and senior-level professional positions. A part of our commitment also includes accelerating the careers of people of color and women, and we have made progress on this through promotions and expanded roles. Externally, we partner with non-profit organizations, such as A Better Chance in the U.S. and Black Young Professionals in the U.K., to ensure that we're sourcing diverse talent that better reflects the markets and communities we serve.

## BOARD DIVERSITY

Diversity among our board of directors is of utmost importance. We believe that the backgrounds and qualifications of the directors, considered as a group, should provide a broad diversity of experience, professions, skills, geographic representations, knowledge and abilities that will allow the board to fulfill its responsibilities.

"Xerox strives to mirror the markets we serve and that extends to our business leaders and board of directors."

– John Visentin,  
Xerox Vice Chairman  
and CEO



Our Corporate Governance Guidelines dictate that diversity should be considered by the Corporate Governance Committee in the director identification and nomination process. In February 2020, the board amended these Guidelines to require that the initial list of candidates from which new, management-supported director nominees are chosen by the Corporate Governance Committee should include, but not be limited to, qualified women and minority candidates.

Although the board does not establish specific goals with respect to diversity, the board's overall diversity is a significant consideration in the director nomination process. This means that the Corporate Governance Committee seeks nominees who bring a variety of business backgrounds, experiences and perspectives to the board.

At the May 2021 annual meeting of shareholders, shareholders elected ten members to the board, resulting in 40% board diversity.

In the last year, we increased female representation on our board of directors with the additions of Nichelle Maynard-Elliott and Margarita Paláu-Hernández. The tenure of the current directors' averages approximately two and a half years.



40%  
of the board is diverse

#### **TALENT MANAGEMENT AND WORKFORCE DEVELOPMENT**

Talent management and workforce development are critical for the future of Xerox and fueling business growth and innovation. We use high-impact practices and technology to drive global workforce capability and integrate learning with work.

Our organization and talent planning processes include reviews with business leaders to build our talent pipeline. More broadly, Human Resources provides a forum for management to review the future needs of the organization, noting strengths, gaps and strategies to build strong teams for the next chapter at Xerox.

The company is also committed to accelerating the careers of high-potential, diverse employees and women along with identifying more diverse candidates for open roles. We recently launched Vista, a high-potential development program for early-career talent. This is a one-year program that provides the company's future leaders with additional assignments and opportunities to develop their career, as well as executive mentorship. A second cohort is planned for 2021. Also planned for 2021 is a two-year program to accelerate the careers of a small group of identified key successors who are women and/or diverse.

#### **GLOBAL LEARNING INNOVATION FOR EMPLOYEES AND PARTNERS**

The COVID-19 pandemic has accelerated the way HR leaders and organizations must prepare for and anticipate the needs of the business, not just today, but in the near future. In 2020, the results from our Future of Work survey found that 34% of companies are accelerating their digital transformations, which will create some skills gaps. We have been focused on preparing our employees and our customers for this change.

From an employee perspective, this includes identifying technologies that can bridge the skills gaps and enable employees to leverage digital solutions. For example, earlier this year we welcomed CareAR to the Xerox family, an enterprise augmented reality business that offers live virtual assistance technology. Its disruptive technology is modernizing field service, customer support and other IT services, as well as helping reduce skills gaps.

Our Learning and Development (L&D) function has also been using different forms of digital technology to train and reskill employees such as salespeople who can no longer go out in the field due to the COVID-19 pandemic. At the onset of the COVID-19 pandemic, our L&D function pivoted to a digital learning approach to train and reskill employees across the globe.

Our employees and authorized business partners also have access to a global learning platform, Percipio, that includes thousands of targeted online courses, virtual classroom events, simulations, job aids, and other learning and development resources. Topics include critical job-specific information and technical upskilling, management development and professional effectiveness, productivity tools for project management, ethics, diversity and inclusion, and information security. Learning history is tracked online and available for employees and partners to include in their professional portfolio. We also provide resources for industry and Xerox proprietary certifications, instructor-facilitated classes, virtual hands-on labs (vHOLs) and on-the-job experience.

#### **TOTAL REWARDS: COMPENSATION AND BENEFITS**

Our success depends on attracting and sustaining a healthy and productive global workforce. Globally, we provide our people with a comprehensive Total Rewards program that includes various compensation, benefits, and work-life programs.

Our programs are designed to achieve the following objectives:

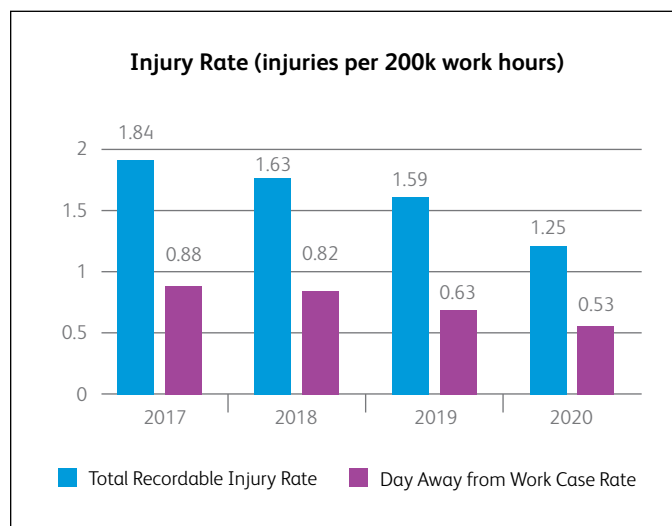
- **Drive shareholder value:** Support our business strategy and culture;
- **Align with performance:** Align our people's interests with our shareholders thus incentivizing the right behaviors; and
- **Support our talent strategy:** Attract, retain and motivate a productive workforce.

As with most global companies, our compensation and benefits vary by location based on employee eligibility, and local practices and regulations. We benchmark our programs to ensure that we know our competitive position amongst our peers and the markets we serve, while maintaining alignment with our short-term and long-term business goals. As a result, we review annually and make changes to our compensation and benefits programs to achieve our objectives. Our compensation offerings may include the following, depending on eligibility: base pay, short-term incentive pay, and long-term incentive pay. Our benefit offerings provide our employees with choice and flexibility in order to help them reach their health and financial goals. Representative offerings include the following programs: healthcare, wellness, retirement, paid time off, life and disability, and voluntary benefits.

Performance, both at the individual and company level, matters. We have an integrated Performance Management and Compensation strategy and process that drives our desired cultural behaviors, business results and high performance. This key company process touches nearly every one of our people globally, helping them achieve their stated objectives and earn appropriate rewards. Ultimately, we believe that when the company performs well, we all benefit—in the form of development opportunities as well as greater compensation.

## EMPLOYEE SAFETY

Xerox is committed to maintaining a safe work environment for our people. We strive toward a goal of zero workplace injuries, continually decreasing the frequency and severity of injuries every year. In 2020, our U.S. total recordable injury (TRI) rate decreased by 21% and our day away from work case (DAFW) rate decreased by 16% from 2019 levels. Overall, this improvement trend has continued for several years and is the result of increased safety awareness and communication to our employees and focused safety management processes within our management teams. There was also a decline in the total injury performance in our Developing Markets and European Operations (59% and 16% respectively).



Note: Data does not include any COVID-19 positive cases that may have occurred.

We have a worldwide incident reporting process in place that helps track and monitor our safety performance. This, in combination with workplace safety, inspections, and hazard analysis, focus our improvement efforts on areas where we can have the greatest effect on preventing incidents and where populations are most at risk. Workplace accidents and near misses are investigated and trends on root causes are obtained. In 2020, our system for recording and characterizing root causes of accidents was modified to further improve our injury analysis. Employee safety communications take a variety of forms, given the great diversity in our operations and workplaces. A number of methods are used to keep employee safety awareness high, including site-specific hazard management, off-the-job safety information, and communications regarding unique safety concerns endemic to the geography.

## SAFE FACILITIES

To ensure that all Xerox-owned and leased facilities meet our stringent fire and life safety requirements, all real estate transactions are reviewed by the EHS&S organization before being occupied. Xerox fire safety and life safety requirements have been established and are implemented worldwide, regardless of location, size of the facility, or occupancy classification. The focus of the safety review is life safety requirements, including safe egress in an emergency, fire and incident prevention, early detection, suppression, occupant notification, and prompt emergency response. These reviews also ensure that building-specific emergency plans are implemented and updated, and that emergency drills are completed at least annually.

## ASSET PROTECTION AND FIRE SAFETY

The Xerox Asset Protection and Fire Safety Program provides fire-safe workplaces and limits the potential for losses to company equipment and property from fire, explosions, and natural hazards such as windstorms, snow loading collapse, and floods. The program includes periodic inspections and mitigation planning of all unacceptable risks. Review meetings of locations audited are conducted regularly with our corporate risk management team and our loss control engineering supplier to establish strategies to reduce risk for losses. Our philosophy is to consistently hold our higher-value locations to a “Highly Protected Risk” standard. In addition, locations are reviewed for conformance to Xerox standards and recognized fire, property, and life safety standards. We continue to demonstrate excellent loss control performance and benefit from favorable insurance rates and premiums.

## CONTRACTOR SAFETY PROCESS

The goal of the Contractor Safety Program at Xerox is to ensure contracted work conforms to all applicable regulations and company environment, health and safety (EHS) requirements. Contractors are qualified to the safety and health requirements before beginning work at a Xerox location. Based upon the complexity and potential safety hazards of the contracted work, contractors are required to submit a job safety plan.

All workers at U.S. Xerox sites must attend a safety orientation session and complete the Occupational Safety and Health Administration’s (OSHA) 10-hour safety course when appropriate to the job function. Incidents and injuries are tracked both as feedback to the contractor and to measure program effectiveness. First established in our Webster, New York, operations, this model has been applied successfully in many of our larger locations.

Xerox also functions as a contractor for many client accounts. At these sites, we follow our internal safety standards, establish worker protection plans, deliver specific employee training, and maintain management oversight to ensure that our operations meet both Xerox and client requirements.

## ENVIRONMENT, HEALTH AND SAFETY PROJECT REVIEWS

At Xerox, we continually make modifications to our facilities, work processes and operations to improve efficiency and effectiveness. To ensure these changes meet our applicable safety standards, regulatory requirements and good

management practices, projects are reviewed by occupational safety and health professionals. The scope of the project is defined, potential safety and environmental impacts are characterized, and control requirements are established and communicated before the project is initiated. The process serves to inform the engineering and management teams of safety requirements and ensures that all project designs have controls integrated into the work plans. The process ensures environmental, health and safety requirements are understood and implemented at the beginning of each project. Examples include capital improvements to facilities, manufacturing and R&D areas.

In addition, assessments of the health and safety hazards of new product technologies undergoing R&D are performed. Recommendations are made on the design and implementation of controls to ensure employee safety (e.g., laser safety of medium and high-powered lasers, 3D metal printing technology, local exhaust ventilation systems and personal protective equipment).

## AUDIT PROGRAM

A well-established internal audit program measures our success in implementing corporate standards, allows us to share best practices, and helps us validate regulatory compliance. Audits at major operations are conducted once every three to five years or sooner based on performance. The frequency and the focus of the audits are based on the inherent risks associated with the operations.

Xerox audit teams evaluate operations against our internal standards, external regulations and industry guidelines. When necessary, we also focus on a particular EHS aspect based on new technologies with unique hazards and the teams also evaluate management system performance. With the assistance of the local managers and support staff, action plans are developed, and deficiencies corrected.

Senior management pays particular attention to situations with the potential to pose a significant risk of environmental damage, serious injury to employees or regulatory noncompliance. The company’s audit program is an important mechanism for identifying and correcting performance gaps.

## COMPLIANCE REPORT

Our workplaces continue to have exemplary safety and health compliance performance. In 2020, there were zero OSHA citations and no penalties issued.



## EMERGENCY PREPAREDNESS

Because emergencies and disasters often strike without warning, Xerox established an emergency preparedness and response program to help protect the safety of our employees, surrounding communities and the environment.

To prepare for emergencies, our facilities worldwide have implemented site-specific Emergency Action Plans to assist with the execution of appropriate actions in response to local emergencies. Our plans account for common emergencies such as fires, weather-related emergencies such as tornadoes and hurricanes, and location-specific emergencies such as earthquakes and radiological emergencies. These plans also include shelter-in-place procedures to protect our employees from emergency situations that occur outside of our facilities.

We utilize a mobile risk communications platform that enables two-way communication between our employees and Xerox Corporate Security. The application allows people to communicate with our security team during an emergency, check-in to mark themselves safe if a crisis hits, and allows us to provide support.

We also include resources and procedures for first aid medical response in the event of an injury to or illness of an employee in our facilities. In our more complex and higher hazard operations, we have Medical Emergency Response Teams (MERTs). These MERT employees are provided with the training and equipment necessary to render a quick response to stabilize the emergency until more advanced medical support arrives.

In addition to emergency action plans established at the local operation level, there are preparedness plans at the corporate level including major incident response, crisis management and pandemic preparedness. These plans are designed with a central corporate strategy that utilizes an incident command structure. Incident response managers are responsible for local/ regional tactical and emergency response, coordinating efforts at their respective locations with the Corporate Crisis Management Team, and dealing with local business operations issues. Response coordination and integration are a part of the planning process.

All preparedness plans are routinely tested for effectiveness through management reviews, corporate audits and annual drills. Any discrepancies are noted, and corrective actions implemented. Following an emergency, business resumption plans are put into action to ensure that operations are quickly restored.

## WORKPLACE HEALTH MANAGEMENT

Our workplace health programs include processes for emergency medical response, the characterization of employee fitness for duty and pre-employment drug testing. Programs are also in place for conducting medical exams in connection with safety-sensitive work and drug testing and immunizations based upon specific work operations and client accounts.

## PREVENTING AND MONITORING WORKPLACE EXPOSURE

To protect employees from unsafe exposure to chemicals, noise and radiation, Xerox applies exposure limits to worldwide manufacturing, research and technology service operations based upon the threshold limit values (TLV) recommended by the American Conference of Governmental Industrial Hygienists. These reflect the best advice of a widely respected committee of international experts. However, in jurisdictions where government regulations are more stringent, Xerox meets those regulatory requirements. For some materials, including toners, certain solvents and metals, the company has established exposure limits that are more stringent than the TLV or existing regulations and standards.

Using the Xerox Exposure Assessment process, industrial hygienists and safety professionals monitor, assess and report workplace exposure. Effective process design, engineering controls, safe job procedures and personal protective equipment are utilized to control exposure and protect employee health. Medical surveillance programs are in place to monitor the health of employees working in operations with specific jobs and hazards (e.g., high noise, organic solvents). The results of those medical exams are reviewed by healthcare professionals to ensure employee health. Of the workplace exposure monitored in 2020 more than 99% were below these more stringent limits. When necessary, inhalation exposure was controlled through the proper use of respiratory protection equipment where additional engineering controls were not feasible.

## ERGONOMICS

As musculoskeletal disorders represent a significant portion of our work-related injuries, we work to minimize the risk factors as a job is designed. We also study exposure to ergonomic hazards and raise awareness with employees so that they can make improvements to their workstations.

From manufacturing operations to office work, we continue to study the causes and potential remedies for workplace injuries. Below are some brief highlights:

- **Manufacturing operations:** Each operating unit is required to complete an “Action Limit Checklist” for all jobs. This checklist helps to identify areas of ergonomic risk and prioritize necessary changes/modifications. All employees are required to have basic ergonomic training that includes identifying risk factors, injuries most commonly related to poor setup, and simple strategies for improvement.
- **Machine service:** We have studied Xerox Technical Service Representatives’ (TSRs) exposure to ergonomic hazards. The findings have helped the company select tools and develop procedures to mitigate the risk of musculoskeletal disorders. Throughout the equipment design process, evaluations are done to assess risks for our TSRs. The best time to make a modification is when a product is still in the design or early test phases.
- **Office ergonomics:** Our largest employee population is office-based. Raising awareness and helping employees make effective workstation changes is critical to minimizing risk for this population. We created computer-based training on ergonomic principles and practices, enabling employees to go through the required training programs at a time that minimizes business interruptions. This group also faced a significant challenge during the COVID-19 pandemic when their workplace transitioned to their homes. We put together some instructions on how to modify common home areas into computer-based workstations, making the transition from working at the office to working at home a seamless one.

## MOTOR VEHICLE SAFETY

Motor vehicle safety is a key component of our safety initiatives at Xerox. We have a company car program that includes motor vehicle safety requirements for our drivers and accident prevention and reporting processes. Employee driving records are reviewed on a regular basis and remedial motor vehicle safety training is provided to improve awareness and competency. Motor vehicle accidents are tracked by frequency and type and reported to the management team.

A comprehensive safety review is conducted on any vehicle model before it is accepted as part of the company’s fleet. We review the safety ratings and crash test results of candidate vehicles and require safety features such as daytime running lights and safety barriers between the driver’s seat and storage areas. We also encourage feedback from our fleet drivers to assess vehicles in use, so that, moving forward, we can make better informed selections.

# Employee Rights

At Xerox, we protect the fundamental rights of our employees and respect the laws and customs of the countries where we do business.

We recognize that our employees are our greatest asset. We continually strive to provide all our employees with a safe workplace free from all forms of harassment and discrimination. We have global policies and practices to ensure the highest ethical standards. All our employees are to be treated fairly and equitably regardless of nationality, religion, ethnic origin, gender, sexual orientation, language, or any other protected status.

Xerox has a long-standing commitment to conducting business with integrity. In fact, the company was named one of Newsweek's America's Most Responsible Companies 2021. Our corporate Business Ethics and Compliance program was established in 2001 and designed to foster the highest ethical standards among employees and those working on our behalf. It also aims to prevent, detect, and address potential violations of the Xerox Code of Business Ethics, associated company policies, and applicable laws and regulations.

## CODE OF BUSINESS CONDUCT

Our Code of Business Conduct is the bedrock of our ethics and compliance program. It embodies and reinforces our commitment to integrity and helps our people resolve related concerns in a manner that is consistent with our core values and legal and policy controls. Our Code of Business Conduct is available in 16 languages and accessible through our internal and external websites. It is aligned to our core values and covers policies and guidance on key topics, including sales and marketing activities, controllership, insider trading, bribery, nondiscriminatory employment practices, privacy rights, human rights, and environmental stewardship. The Code also specifies employees' obligations to report suspected ethical violations and reinforces our strong no retaliation policy.

We promote communications and awareness of our ethics and compliance program on the company's Ethics & Policies website and in company intranet postings. Periodic ethics surveys are conducted of employees in several countries to gauge the state of the ethical culture at Xerox and help us focus on areas for improvement.

Many of our employees are represented by labor unions, trade unions, or work councils throughout our global operations. Relationships with these groups are based on applicable laws in each country.

In Europe, we recognize a variety of work councils and trade unions as established under European labor laws to meet the requirements for information and consultation for the protection of employee rights. Union representation ranges from 43–100% in the following countries: Ireland, France, Austria, Switzerland, Spain, Italy, Netherlands, Germany, Belgium, Norway, Sweden, Denmark, Finland, and Luxembourg.

Union representation in Latin American countries includes Argentina, Brazil, Chile, and Mexico and ranges from 50–100%. Please see the [Xerox 2021 CSR Goals and Progress Summary](#) for a detailed breakdown by country.

In the U.S. and Canada, we maintain a cooperative and effective relationship with three unions that represent nearly 3% of employees in five locations: Workers United, Unifor, and the Service Employees International Union (SEIU) through a cooperative agreement with Workers United.

## OPERATIONAL CHANGES TO COLLECTIVE AGREEMENTS

In the U.S., the notification periods required for operational changes are specified in collective bargaining agreements and vary depending on the location and type of change. As a default, each agreement contains a duration clause, which provides that if either party desires to make changes to the agreement before its termination, written notice must be given 60 days before the expiration date.

## GRIEVANCE PROCESSES

Each collective bargaining agreement in the U.S. includes a provision allowing for unions to file grievances. The number of steps in the grievance process, however, depends on each collective bargaining agreement, with the final step being binding arbitration.

## EMPLOYEE ENGAGEMENT

Open dialogue has always been a priority at Xerox and the company is committed to fostering open communication between employees and management—from one-on-one conversations to company-wide activities. Engagement requires open two-way communication, clearly articulated goals, and unambiguous expectations. It demands shared values and well-understood reward systems. Engagement is an ongoing journey, not a final destination.

For the past 49 years, Xerox has been at the forefront of actively surveying our employees. Leveraging feedback from town halls as well as employee engagement and culture surveys allow us to:

- Strengthen two-way communications between the company and employees;
- Ensure a better experience with our clients; and
- Create an effective, motivating work environment for all to thrive.

Our employee engagement goal is to tap into the knowledge, creativity and enthusiasm of our people—at all levels—who care deeply about our great company. Together, we are rallying the organization around the right plan for our future, with clear direction, straight talk and the required tools to get the job done for our clients.

In order to reinforce a company-wide culture of belonging, we are continuing to host “All of Us Together” events and listening sessions to help facilitate an ongoing dialogue about how we can create a more diverse and inclusive Xerox and the communities we live in. In honor of World Day for Cultural Diversity for Dialogue and Development, we hosted our next series of All of Us Together events in May 2021. These sessions provided an ongoing forum to listen and learn from others, share progress on our Diversity, Inclusion, and Belonging (DIB) roadmap, share information on social topics that impact our people and our communities, and finally, discuss how our employees can get more involved.

# Client Health and Safety



The health and safety of our employees, workplaces and clients is of paramount importance. Compliance is the foundation of our effort. We evaluate all potential health and safety hazards, including the ways different hazards may interact. Furthermore, we take a conservative position on the potential health risks to our employees and clients, always meeting or exceeding government safety regulations.

## COMPLIANCE

Xerox has robust processes for tracking regulatory violations and nonconformity with voluntary codes and labels. In 2020, no such instances resulted in fines or sanctions. We also have a comprehensive process in place for tracking client concerns and other field events. All client issues such as incidents involving component failures and other potential safety concerns, are investigated carefully to determine the root cause and monitored for trends. Corrective actions are implemented as necessary.

Our safety and supplier processes enable us to meet global regulations governing chemical use. Since 2006, our newly launched products have been designed to meet the European Restriction of Hazardous Substances (RoHS) requirements in all markets. However, where regulations allow and to promote the circular economy, some products may contain parts with small amounts of RoHS substances to avoid the premature disposal of existing parts with a usable life.

Similar types of legislation continue to be implemented in many other market regions. Through our proactive regulatory tracking process, we maintain compliance with all aspects of these regulations as the provisions become effective and applicable. In 2020, we reported no issues with noncompliance to RoHS. In addition, Xerox proactively collects data from its suppliers on the presence of Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) regulated substances to provide information to downstream users. The substance review process can also result in a request to the supplier to determine if a suitable alternative is available.

Xerox has long worked toward minimizing the use of hazardous substances in our products. In support of this objective, we apply strict internal standards and have deployed requirements to our suppliers governing the use of chemicals in our products,

parts and supplies. The Xerox standard EHS&S 1001, Xerox Supplier Requirements: covers chemical bans, restrictions and part marking, is aligned with IEC62474 and updated twice annually with IEC revisions. The standard sets out the requirements for regulatory compliance, chemical bans and restrictions and parts marking for parts and materials intended for use in electronic products and packaging. All suppliers must meet these requirements as a condition of doing business with Xerox. Engineers use this standard when designing new products and if a substance is identified above the reporting threshold, we have proactive supplier engagement through our supplier quality and engineering functions to eliminate it when technically feasible.

## SAFE PRODUCTS AND SERVICES

At Xerox, safety has always been a cornerstone of our work in product development. Our comprehensive product requirements document details our health, safety and sustainability requirements. All imaging equipment is assessed for conformance to these standards.

Clients are encouraged to review product safety information and understand the environmental profile of Xerox® devices. User guides contain information regarding safe use and any applicable hazard warnings. Our Product Safety Data Sheets (PSDS) offer environmental, health and safety information for each device. Xerox® Device Safety Data Sheets (SDS) identify hazards associated with specific materials and describe how they can be safely handled, used, stored, and discarded. Our SDS and product labeling have been updated to meet the requirements of the Globally Harmonized System (GHS) of Classification and Labeling of Chemicals, as implemented through regulations in our various markets. Clients can access PSDS and SDS in different languages [here](#).



## MATERIALS

Xerox was the first and remains the only company in our industry to have concluded two comprehensive investigations that lasted more than three decades on the health risks of inhaling xerographic toner. These studies included assessments of the health of current employees and the causes of death for people who worked for the company between 1960 and 1982.

The analysis demonstrated that the health and mortality patterns of Xerox employees were consistent with a healthy working population and, in fact, our employees had a lower rate of disease than the general population. In October 2010, the mortality study was published in the peer-reviewed *Journal of Occupational and Environmental Medicine*.

We have made a long-term commitment to eliminate the use of persistent bioaccumulative and toxic materials throughout our supply chain by applying strict internal standards and tightly managing chemicals. Our supplier requirements are periodically updated as regulations change and new information becomes available. All new product designs refer to these requirements and suppliers are expected to verify their compliance with them. Learn more [here](#).

Toxicologists conduct a comprehensive assessment of new materials in our products to ensure conformance with applicable global registration, hazard communication, and waste handling and disposal requirements. In addition, our strict internal standards set firm controls on the types of materials approved for use in our consumable products. As a result of our stringent requirements, standard Xerox® Toners and Office Printing Products are non-carcinogenic and non-mutagenic. These products do not: cause adverse developmental or reproductive effects; pose a toxicity hazard to humans or aquatic species; cause a permanent adverse effect to the skin, eyes, or respiratory system; or have the potential to generate federally regulated hazardous waste. Xerox sells imaging supplies through its distribution network that are manufactured by other companies for use in other OEM printers. We review these supplies to ensure compliance with appropriate regulatory requirements and our own stringent standards.

## ERGONOMICS

We consider the ergonomic aspects of our products from both a user and service standpoint to ensure inclusion and operability. Our design teams take into account all points of human interface, including a product's height, curves, and placement of touchscreens and paper trays. We also place a high value on the end-user experience through human factors,

industrial design, and user interface design to promote ease of use, ease of learning and transfer of learning. Product design teams work directly with clients in our labs to test and continually improve the usability of new products.

## MACHINE EMISSIONS

Consistent with the world's most stringent ecolabels, we design products to control chemical emissions. As a result, our current products have achieved emission levels that are well below global regulatory requirements—often at or near the detection limit of our measurement equipment—and are considered to have a negligible impact on clients' work environments. We publish emissions data for our products in our PSDS.

## ACCESSIBILITY AND MOBILITY

Our focus on increased mobility has expanded with the anywhere, everywhere and always-on enterprise. We're enabling businesses and organizations to manage complex infrastructure for a flexible workforce that uses a combination of technology provided by their organization and personal devices, to work with the expectation of the same seamless and secure ability to find, create, use, and print business documents. Xerox® technology such as mobile print solutions, remote access and touchless capability apps are enhancing easy access to information.

Our technology is designed to be accessible and easy to operate by all users, including people with disabilities. Our Corporate Accessibility Compliance Office monitors regulatory compliance worldwide, which is used to develop and maintain corporate policies, guidance, and best practices. The output of this body is integrated into product development processes, committed to delivering superior technology to people of all abilities.

Our dedicated team of design professionals uphold that commitment for the products, solutions, and services we provide. Xerox delivers several solutions to make our systems accessible for people with disabilities. Solutions, such as tilt capable consoles, voice control, secure remote access software, embedded web servers, and print and scan drivers, are designed to be touchscreen-friendly and compatible with screen readers to enable people with visual impairments to operate them. We strive to improve our performance, accessibility, and adapt products on an ongoing basis so that ease of use is paramount. A recent example is the enablement of AI-driven voice control on the Xerox® AltaLink® line of multifunction devices. With voice control capability, users skip the input screens and icons and get straight to the tasks with intuitive copy, scan, email, and fax voice commands.

Xerox has a rich history of developing solutions to adapt our technology for people with disabilities. We have established a rigorous process to evaluate our products' compliance to meet Section 508 accessibility requirements and continue to capture all such requirements, foreign and domestic. Learn more about our efforts pertaining to Section 508 accessibility requirements at [xerox.com](https://www.xerox.com).

### CLIENT SATISFACTION

Our client experience is essential to our success. By listening to our clients, we develop meaningful relationships and quantifiable analytics to continuously improve our programs and processes.

### RELATIONSHIP PROCESSES

As a part of our account management process, we have three distinct processes and activities to ensure the health of our client accounts: internal contract reviews (ICR), renewal forums and quarterly business reviews (QBRs). Each of these business processes have dashboards for performance review at a summary and detail level.

In ICRs, service delivery managers and client managers meet quarterly and review client business and organizational changes, as well as issues and opportunities within each account. Changes to client organization and business objectives are discussed and roles are assigned. Issues and opportunities are identified, actioned, categorized and summarized by topic and region. This allows Xerox to respond as needed as well as understand and identify emerging issues and opportunities for central support. Through this feedback, the account team is able to take specific, local action and leverage global programs to ensure a strong client relationship and better performance.

Renewal forums are planned eight quarters prior to contract expiration and bring together all functional areas that provide client value to understand the customer experience. Each functional area reviews and actions client feedback. Through this process, we are able to ensure cross functional alignment to meet client needs in the current contract and respond to new opportunities to meet client objectives.

Lastly, we conduct formal QBRs with clients. In these sessions, we provide performance information, seek client feedback, and discuss business challenges and opportunities aligned to the client's needs. At the conclusion of each QBR, we offer the client a web-based pulse relationship survey. The survey asks for client feedback scored in five areas: QBR quality, innovation, relationship strength, overall satisfaction and willingness to

recommend. Each is measured on a one to ten-point subjective scale. When received, specific QBR feedback is provided to the account team. A summary performance is reviewed within each region and assessed to determine common opportunities across clients.

### TRANSACTIONAL SURVEYS

Xerox conducts three types of transactional surveys:

- The first is a contact center transactional survey for voice call and chat feedback primarily in Europe, the Middle East and Africa (EMEA). Clients are asked to provide feedback on the call process, agent performance, quality of solution and overall satisfaction. Results are used to provide feedback to the contact center.
- The second are technical service surveys within the U.S. mid-market and U.K. region. These surveys are sent to customers via a web link and assess client satisfaction with on-site service events. Feedback on these surveys are provided to the local technical service teams to understand service call quality.
- Account-specific event surveys are also available using the Sentinel Customer Assurance System. Surveys can be customized to receive short-term or long-term feedback on certain service elements. Sentinel includes web-based "sense and respond" features for clients to easily raise unresolved issues or share feedback that is immediately routed to the appropriate Xerox staff for closed-loop management. The power of Sentinel is in the ability to test specific client feedback within a given environment. Given the broad adoption of Sentinel by clients across the globe, we are modernizing our communication methods to enable quicker client feedback. Sentinel also generates a Sentinel Net Experience Score that is used to track and manage overall client experience. Collection and response to client feedback is addressed at multiple levels with full accountability by the business.

### TRACKING CLIENT SATISFACTION

As highlighted above, feedback from clients is collected from multiple client touchpoints and with relationship and transactional surveys. Each element is used for specific client action to improve performance and relationship. They are also categorized and understood to help identify emerging issues and opportunities to modify processes within a region or globally. This allows a comprehensive view and comprehensive response that client-facing teams at Xerox can leverage to improve performance. Client feedback is directed to the

appropriate organization to drive pervasive improvements with the client experience, including product and services quality and capability, sales relationship and engagement, service and support practices, and progressive collaboration on social and digital platforms. Each organization manages the flow through of client feedback, with accountability to report on critical client satisfaction factors.

Additionally, we offer clients access to the Xerox Sentinel Client Satisfaction Assurance System, which is a proprietary closed-loop client experience system. Sentinel includes web-based “sense and respond” features for clients to easily raise unresolved issues or share feedback that is immediately routed to the appropriate staff for closed-loop management. Given the broad adoption of Sentinel by clients across the globe, Sentinel is now available as an app on Xerox devices, further enhancing client experience. The system also generates a Sentinel Net Experience Score that is used to track and manage overall client experience.

#### **XEROX CORPORATE FOCUS EXECUTIVE PROGRAM**

The Xerox Corporate Focus Executive Program fosters relationships with our top corporate accounts. A senior executive from our company is assigned to collaborate with the account team to understand client requirements, establish and implement strategic account plans, marshal resources to eliminate client concerns, and build strong, productive client partnerships that enhance client satisfaction and accelerate revenue growth.

#### **DATA PRIVACY AND PROTECTION**

Establishing client confidence through appropriate data privacy and protection practices is a fundamental obligation for businesses in today’s data-driven world. Xerox embraces this obligation and continuously seeks to improve all aspects of our privacy program to enhance our clients’ confidence in our products and services.

Xerox manages compliance with applicable privacy and data protection laws through the implementation of a global privacy program that spans the enterprise. Our ongoing privacy efforts build on the company’s existing robust privacy practices with the goal of driving consistency across the enterprise to implement procedures that instill confidence in our products and services as those individuals whose data we handle. Xerox maintains rigorous policies concerning privacy compliance and the safe handling of personal data, covering such topics as information classification and secure handling of confidential information such as client data and personal data, marketing preferences, and human resources obligations.

Xerox also monitors developments in privacy and data protection laws in the countries where it does business to ensure that the company complies with the applicable requirements. Our privacy policies and procedures for handling personal data are reviewed on a rolling basis, as needed, to ensure that they reflect changes to applicable privacy and data protection obligations.

Adherence to our policies governing data protection is enforced through a combination of technical and manual safeguards on our systems and facilities, disciplinary actions against employees, and audit rights and other contractual rights against our vendors. We implement the ISO 27000 Information Security Management System and the National Institute of Standards and Technology Cybersecurity Framework within Xerox, and many of our systems and data centers have been ISO 27000 certified by independent auditors. Annual training regarding ethics, privacy, and security are required of all our employees. Additional specialized training is required for certain roles and numerous training programs are available for employees to take on their own initiative.

The publicly facing privacy statement from Xerox located at [www.xerox.com/privacy](http://www.xerox.com/privacy) provides information about the handling, sharing and use of personal data and notifies data subjects of their rights. Additionally, we cooperate with our clients and negotiate appropriate contractual commitments to help our clients comply with applicable privacy and data protection laws, as to the personal data entrusted to us.

Inquiries related to our handling of personal data can be made to [privacy@xerox.com](mailto:privacy@xerox.com) or to the appropriate account manager for the client relationship. An ethics hotline for both internal and external use is available for reporting alleged privacy violations to be investigated by a dedicated, cross-disciplinary incident response team. During 2020, there were no substantiated complaints against Xerox by outside parties or regulatory bodies concerning our handling of personal data.

#### **KEEPING CUSTOMERS SECURE**

Xerox continues to receive recognition for the security of its devices and is committed to protecting our clients’ most sensitive data via a holistic approach. Most recently, Keypoint Intelligence recognized Xerox with a Buyers Lab (BLI) 2021-2022 PaceSetter Award in Document Imaging Security for the Office, which recognizes document imaging original equipment manufacturers (OEMs) who offer the strongest ecosystem of security products and services for business purchasers.

Xerox also claimed the Buyers Lab (BLI) 2021-2022 PaceSetter Award for Security in Production Printing. This accolade recognizes the OEM that excels in delivering products and services to help ensure data and network security for users of their production-class printing equipment.

We take a comprehensive security management approach throughout the product life cycle, from design and development, to manufacturing, deployment and disposal. We measure our security features and protocols against international standards with certifications such as Common Criteria and FIPS 140-2. This approach is designed to ensure that our devices can be trusted even in the most vulnerable environments. Customers can always find the latest security information about Xerox® products at <https://www.xerox.com/en-us/about/security-solutions>.

Security functionality is integrated at the individual device level and extends seamlessly to the fleet. State-of-the-art encryption is used to protect client information, both while it's at rest in the device and in motion to and from the device.

User authentication is used to grant access to Xerox® printers and multifunction printers (MFPs) for walkup and network users. Once authenticated, the user can interact with the device, subject to the restrictions of their role. Our printers and MFPs employ a variety of technologies to ensure only those authorized can access device features and functions. This includes:

- Network authentication via username and password;
- Unlocking from a mobile phone with near-field communications (NFC) technology; and
- Card swipe methods connected to Microsoft Active Directory, Lightweight Directory Access Protocol (LDAP) authentication, (Simple Mail Transfer Protocol) SMTP authentication, (Post Office Protocol 3) POP3 authentication, role-based access control, and smart card authentication methods.

A variety of security features are also used to protect Xerox® devices from malicious attacks. For instance, the Xerox® AltaLink® 8100 Series and VersaLink® printers use Trusted Platform Module (TPM) hardware chips to store encrypted keys keeping them secure from cyber-attacks. The AltaLink® 8100 Series also utilizes the Trusted Boot feature that protects the device from malicious activity at startup by engaging in a series of system checks and verifications to validate each step of the process and preventing the startup from being compromised right up to the loading of the system firm.

In addition, the Xerox® AltaLink® and VersaLink® Printers run a comprehensive firmware verification test either at start-up or when activated by authorized users. This alerts users if any harmful changes to their printer have been detected. Our most advanced solutions use McAfee whitelist technology, which constantly monitors for and automatically prevents any malicious malware from running. Integration with Cisco Identity Services Engine (ISE) auto-detects Xerox® Devices on the network and classifies them as printers for security policy implementation and compliance.

The latest AltaLink® devices now include Security Information and Event Management (SIEM) firmware support for connections to McAfee Enterprise Security Manager, LogRhythm, and Splunk. The SIEM feature enables the AltaLink® device to send security events directly to compatible SIEM systems using the syslog protocol.

Xerox® CentreWare® Web (CWW) and Xerox® Device Manager (XDM) management tools provide security features such as automated firmware downloads, security settings monitoring and remediation, and security performance reporting. All of these can be managed remotely. For smaller fleets, the embedded Fleet Orchestrator feature in AltaLink® provides a secure, server-less fleet management by using a hub and spoke method to deploy software and configuration updates automatically.

Xerox has also enhanced the security of Solid-State Drive (SSD) technology with the addition of the 'Job Data Removal' feature available on Xerox® AltaLink B8100 and C8100 Series devices. When initiated, this feature can delete either temporary files (associated with normal print, scan, and fax operations) using the 'standard' setting, or temporary files and files specifically stored for later use by the user (e.g. Print with Saved Job type, Scan to Mailbox, Fax Mailbox, etc.).

Additionally, we put special emphasis on the care and handling of machines that are returned to us after lease expiration or otherwise. Hard disks in these devices are destroyed or completely remastered to remove any residual client information before they are reused.

Xerox® Intelligent Workplace Services helps clients manage their printer and data security with a focus on four key measures: device security, fleet management, document management, and data/content management. Xerox® Workplace Cloud and Suite software applications provide comprehensive authentication, accounting, and authorization as well as content security solutions.

## QUOCIRCA

According to the 2021 Quocirca Managed Print Services (MPS) Report, “Security is core to Xerox’s MPS (Managed Print Services) engagements, and it offers multiple tools and solutions to maintain tight security with respect to print infrastructure and continues to bring new security capabilities to market. Its ConnectKey® technology features a comprehensive set of advanced security features in partnership with McAfee and Cisco – which is a strong differentiator. Secure device and document management monitors devices, usage and content for compliance to policies, regulatory requirements and data privacy acts. Xerox has also integrated with market leading SIEM software tools to communicate security event data in real-time.”

Xerox was the first provider in the industry to achieve FedRAMP certification for cloud-based MPS. Our MPS offering also exceeds the stringent security requirements set by the U.K.’s Ministry of Defence and the U.S. Department of Defense.



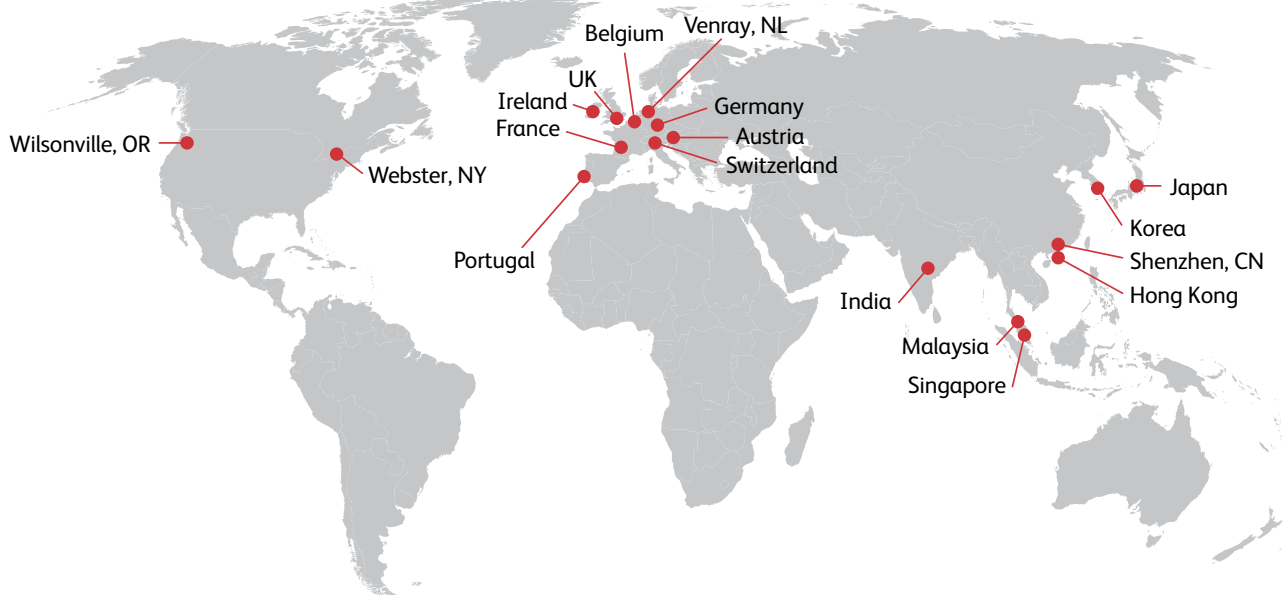
# Supplier Relations

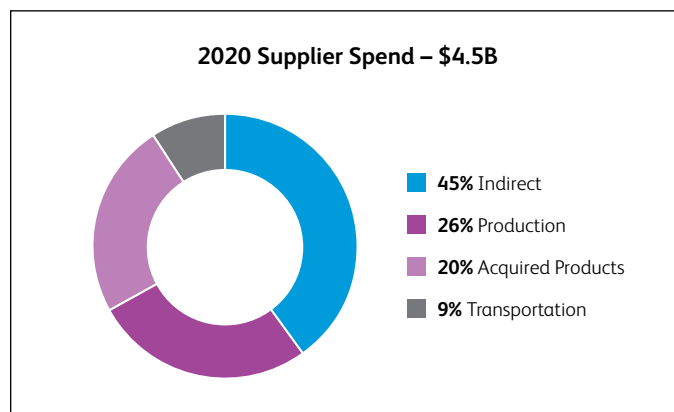
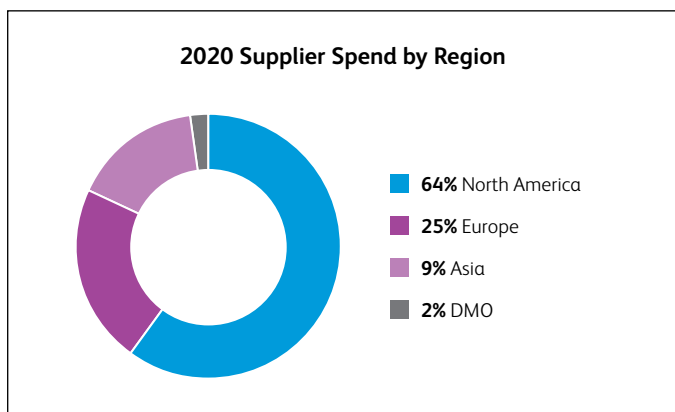
As a major Xerox organization spending approximately \$4.2 billion per year to support our operations, we recognize an obligation to actively manage our global supplier base and ensure these critical partners meet our high social, environmental, and ethical standards.

As part of the purchasing process, we assess the quality, cost, delivery, and sustainability of all products and services whether we purchase them from North America, Europe or Asia. We source, contract, and purchase everything from transportation to raw materials and components. Our local presence in these regions leads to direct interaction with our suppliers.

Our approach is to source from suppliers that are geographically located near our purchasing, manufacturing, and distribution operations. We describe these suppliers as “local.” In the U.S. and Canada, approximately 64% of our spend is from local suppliers; in Europe, it is 76% and in Asia it is 65%.

## Locations of our Key Suppliers





In 2020, we sourced the majority of our needs from the partners listed below.

Name of Company	Sustainability Site	Sustainability Report
<b>FUJIFILM Business Innovation</b>	<a href="#">FUJIFILM CSR</a>	<a href="#">2020 Sustainability Report</a>
<b>Flextronics International</b>	<a href="#">Flextronics Sustainability</a>	<a href="#">2020 Sustainability Report</a>
<b>Hewlett Packard</b>	<a href="#">Hewlett Packard Sustainable Impact</a>	<a href="#">2020 Sustainability Report</a>

## SUPPLIER CODE OF CONDUCT

Our supplier code of conduct and compliance program are the primary tools we use to instill improved social, environmental and ethical governance practices in our supply chain, as warranted.

Xerox joined the RBA formerly known as the Electronic Industry Citizenship Coalition (EICC) in 2008 to strengthen our approach for managing corporate social responsibility across the supply chain.

All RBA members are accountable to a common code of conduct for social, environmental, and governance of its operations and suppliers. Xerox has adopted the RBA Code of Conduct as our Supplier Code of Conduct.

Xerox enforces the code by including terms and conditions in our supplier purchase agreements and contracts and requiring suppliers to represent and warrant their compliance with all applicable laws and regulations for the sale of goods/materials to Xerox. We perform risk assessments and require suppliers to participate in the Xerox Compliance Program. Annually, we remind our suppliers of their contractual obligations.

An initial risk assessment is conducted to determine suppliers that pose higher corporate social responsibility risks. Suppliers classified as high-risk and those considered critical to our supply chain are required to complete a Self-Assessment Questionnaire (SAQ) annually. If significant risks are indicated on the SAQ, then Xerox will schedule an audit of that supplier.

The SAQ also serves to raise suppliers' awareness about the importance of social responsibility topics, clarify our expectations, target areas for review, and document suppliers' assessment of their performance. Annually and based on the assessments and questionnaires from the previous year, we select suppliers for compliance review or on-site audit.

In 2020, twelve of our major suppliers completed SAQ's where ten suppliers were found to be low-risk with two being medium-risk. There were no high-risk suppliers identified.



## Corporate SAQ Dashboard-2020

My Suppliers  
Average Score:

**90**

Overall RBA  
Average Score:

**86**

Medium Risk



Low Risk

10

Unreleased

7

Released

12

### My Supplier's Average Subsection Scores

Health, Safety & Environmental: Management Systems Status



91

Health, Safety & Environmental: Policies and Procedures



96

Health, Safety & Environmental: Management Accountability



90

Labor & Ethics: Management Systems Status



83

Labor & Ethics: Policies and Procedures



97

Labor & Ethics: Management Accountability



94

Xerox Global Procurement and Corporate Security organizations screen all production suppliers and significant indirect suppliers to assess compliance with global anti-bribery laws and regulations, including but not limited to the U.S. Foreign Corrupt Practices Act and U.K. Bribery Act. If a supplier is found to have violated applicable laws or contract terms and conditions, Xerox reviews each situation on a case-by-case basis and determines the necessary course of action, e.g., terminate supplier relationship, instruct supplier to take corrective action.

#### BUSINESS PERFORMANCE AND REVIEWS

We review suppliers' performance against expectations and contractual requirements, prioritizing them based on business risk and revenue impact. Suppliers with the highest business risk and potential revenue impact are considered "critical" and are required to maintain an acceptable business resumption plan. We inspect these plans on a regular basis.

Revenue risk criteria include:

- Materiality risk to business revenues;
- Annual supplier spends and total contracted value of the full relationship;
- Impact to product life cycle management; and
- Extent of the impact to related subsystems and product portfolio.

Business risk criteria include:

- If a supplier is a single source;
- Length of time to resume business after an adverse event;
- Percentage of revenue that Xerox represents to the supplier;
- Financial stability of the industry and the supplier; and
- Probability and severity regarding natural disasters, climate change impacts, and/or political turmoil.

## AUDIT PROGRAM

One of the key elements in our risk assessment framework is to identify potential sustainability risk in our supply chain. Xerox focuses its supplier audit program on those suppliers that comprise the greatest percentage of its annual spend. Suppliers in the Asia-Pacific region comprise approximately 80% of Xerox annual direct spend. In 2020, 0% of the total number of Asia-Pacific suppliers were audited on-site due to COVID-19 travel restrictions worldwide.

Remote audits conducted by Xerox Global Procurement organization were based on the RBA Code of Conduct and relevant local laws and regulations. For audits conducted in 2020, Xerox used the latest ratified RBA Code of Conduct (version 7.0) that included additional requirements pertaining to social and environmental dimensions.

## CONFLICT MINERALS

We are committed to improving mining conditions associated with sourcing goods and materials containing conflict minerals, e.g., tin, tantalum, tungsten, gold. Xerox has an extensive Conflict Minerals Policy and publishes due diligence activities in our annual [Conflict Minerals Report](#). Our internal processes incorporate the Organization for Economic Co-operation and Development (OECD) framework for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

We are an active member of the RBA and the Responsible Minerals Initiative (RMI), formerly known as the Conflict-Free Sourcing Initiative (CFSI). We use the RMI Conflict Mineral Reporting Template (CMRT) to survey our supplier base regarding conflict-free mineral usage. We also support the Responsible Mineral Audit Program (RMAP), which independently audits smelters and refiners to determine if they have a system in place to ensure the compliant sourcing of conflict-free minerals. Our supplier contract template includes a specific reference to conflict-free minerals to ensure responsible sourcing in our supply chain.

Xerox is many steps removed from the mining of conflict minerals. The origin of conflict minerals cannot be determined with any certainty once the rare ores are smelted, refined and converted to ingots, bullion or other conflict mineral containing derivatives. The 3TG smelters or refiners are consolidating points for raw ore and are in the best position in the total supply chain to know the origin of the ores.

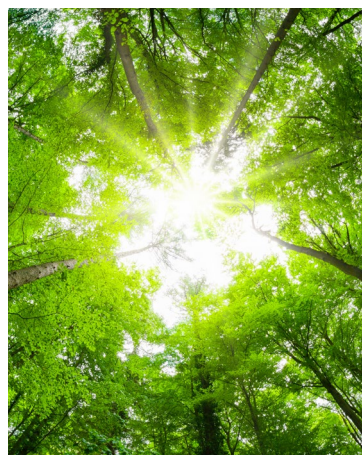
Xerox has conducted an analysis of our products and found that, although we do not directly purchase conflict minerals from our suppliers, Xerox purchases products, component parts and materials that contain metals, some of which contain conflict minerals.

We rely on our tier 1 suppliers to provide information on the origin of the conflict minerals contained in components that are included in our products by using the CMRT, which allows us to perform our Reasonable Country of Origin Inquiry (RCOI). Based on the information provided by our suppliers, as well as from the Responsible Minerals Initiative and other sources, we believe that the countries of origin of the 3TG minerals contained in our products include the countries listed in our annual [Conflict Minerals Report](#).

## PAPER

We recognize our obligation to responsibly source paper and enable efficient paper use. Our long-term goal is to support a sustainable paper cycle and minimize environmental effects while meeting our clients' exacting business needs.

Xerox maintains the paper business in its developing market geographies. We apply stringent paper sourcing guidelines for companies that provide paper to Xerox for resale. The requirements cover all aspects of papermaking, from forest management to the production of finished goods. We supply papers that comply with sustainable forest management standards, including the Forest Stewardship Council (FSC) and Program for the Endorsement of Forest Certification (PEFC). FSC-certified papers use raw materials from an FSC-certified source, controlled wood sources or post-consumer reclaimed sources.



Offset nearly

**200M**

pounds of carbon  
dioxide through  
PrintReleaf

Additionally, we help reforest some of the world's most treasured ecosystems. For clients leveraging Xerox® Intelligent Workplace Services, we provide them with an opportunity to opt in to our PrintReleaf partnership, which is akin to a carbon offset program. We leverage paper usage reporting that equates the number of trees needed to reforest that usage on an equivalent basis in geographic areas of need. Xerox helps clients select the managed forestry projects where their trees will be planted in addition to tracking and reporting on their direct reforestation impact.

Since launching this program in 2018, Xerox and our clients have reforested more than one hundred thousand trees across the world, from the Amazon to Madagascar, offsetting more than one billion pages. With one tree absorbing more than one ton of carbon dioxide in its lifetime, this program will offset nearly two hundred million pounds of carbon dioxide.

## SUPPLY CHAIN SECURITY

The Xerox brand is known worldwide for delivering industry-leading document technology, services and solutions. Counterfeit parts and supplies misrepresent the quality of our products and pose a serious threat to our reputation. Read our [Anti-Counterfeiting Statement](#).

Xerox has rigorous processes to identify and eliminate counterfeit supplies and components from our supply chain. Through these processes we:

- Microchip customer-replaceable unit module (CRUM) protect genuine Xerox® Supplies for use with Xerox® Products;
- Source from trusted established suppliers and their authorized distributors who have been through our comprehensive vetting system;
- Seek warranties guaranteeing authenticity and quality;
- Require that suppliers seek approval from our Global Procurement and Engineering groups if they want to substitute a different item from what was originally agreed upon;
- Built security controls into our supply chain to help ensure the uninterrupted flow of products from the point of manufacture to the client;
- Monitor 100% of our direct and critical indirect suppliers to ensure compliance with global anti-bribery laws and regulations, including but not limited to, the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act;

- Are certified participants of the U.S. Customs and Border Protection Customs-Trade Partnership Against Terrorism (C-TPAT) and the E.U. Authorized Economic Operator (AEO) program in the Netherlands and Ireland. As part of these memberships, we've adopted specific criteria for our Supplier Security Requirements and internal security policies and standards;
- Have an ongoing assessment program to monitor compliance of high-risk suppliers as well as internal locations; and
- Belong to the Transported Asset Protection Association (TAPA).

## GLOBAL STANDARD IN PROCUREMENT AND SUPPLY MANAGEMENT

Xerox Global Procurement operations remain platinum certified by the Chartered Institute of Procurement and Supply (CIPS) in the area of procurement excellence through processes and procedures—a designation held since 2012.

The Platinum Certification signifies world-class levels in all aspects of ethical, sustainable, and strategic procurement when measured against CIPS globally respected standards structured around leadership and organization, strategy, people, processes and systems, and performance measurement and management.

Xerox periodically assesses our strategic procurement program against the standards set forth by CIPS to ensure that we continue to follow world-class practices and procedures.

## SUPPLIER DIVERSITY

We proactively identify and seek to work with certified small and diverse businesses, and several independent groups have recognized Xerox as having outstanding supplier diversity. A diverse supplier pool is a competitive advantage and a powerful business tool. We are committed to:

- Actively seeking certified diverse suppliers that can provide competitive, high-quality goods and services and whose business models align with our strategy;
- Ensuring the inclusion of diverse suppliers as part of our strategic sourcing and procurement process;
- Communicating the value of supplier diversity both internally and externally to all stakeholders; and
- Leveraging our supplier diversity results to meet our clients' supplier diversity requirements.

Supplier diversity adds value to the supply chain and increases our competitive position. Xerox is rich in culture from our global workforce, clients, shareholders and suppliers. We know that these initiatives give us our competitive advantage and help us maintain our leadership position.

We take part in several efforts with the goal of increasing diversity and inclusion in different business areas. For instance, we are an active member of the New York/New Jersey National Minority Supplier Development Council (NMSDC) and the Women's Business Enterprise National Council. We participate in various national and regional conferences, matchmaker events, and forums, which promote business with small and diverse businesses. The Inclusion Initiative is committed to identifying and increasing opportunities for minority, women and other diversely owned law firms. Since joining the initiative in 2011, we have worked hard to increase engagements of diverse firms and have consistently exceeded our annual goals for our spend with such firms.

Current and potential vendors can learn more about supplier diversity, supplier quality assurance and supplier ethics by visiting our [Supplier Relations page](#).



# How We Report

In this report, we identify our process for prioritizing CSR topics that are relevant to our stakeholders and business. For our most material priorities, we include a description of our management approach, including policies and programs from Xerox through June 2021 unless otherwise noted. We also share the methods we use to evaluate our effectiveness in managing these topics. This often includes internal and external feedback we have received throughout the year. With this feedback and changing external dynamics, we modify our approach.

We are a performance-based, data-driven company in all areas, including CSR. We set goals, engage with stakeholders, join initiatives to make an impact, and track our progress. In this report, we share this information. Throughout the year, we communicate updates on [xerox.com](https://www.xerox.com) and our social media accounts, external speaking opportunities with trade associations, industry consortiums, and executive client engagements.

This report is in accordance with the core reporting requirements of the Global Reporting Initiative (GRI) Standards. A table linking the content of this report to the GRI Standards can be found [here](#). Much of the information in this report reflects the activities of Xerox in the countries where we do business. Some of our systems for collecting and reporting reliable social and environmental data, however, are for select operations. We identify operations excluded from specific disclosures wherever appropriate. Environmental data in this report is normalized to our financial performance utilizing company revenues, as reported using Generally Accepted Accounting Principles (GAAP). Energy and GHG emission data provided in this report was verified by a third party.

Disclosure	Location	Page(s)
GRI General Disclosures		
102-1 Name of the organization	<a href="#">Annual Report/10-K</a>	1
102-2 Activities, brands, products and services	<a href="#">Annual Report/10-K</a>	1-11
102-3 Location of headquarters	<a href="#">Annual Report/10-K</a>	33
102-4 Location of operations	<a href="#">Annual Report/10-K</a>	33
102-5 Ownership and legal form	<a href="#">Annual Report/10-K</a>	1
102-6 Markets served	<a href="#">Annual Report/10-K</a>	21
102-7 Scale of the organization	<a href="#">Annual Report/10-K</a>	13
102-8 Information on employees and other workers	<ul style="list-style-type: none"> <li>• CSR Goals and Progress Summary</li> <li>• CSR Report/Society/Evolving the Workplace</li> </ul>	11, 12 57-65
102-9 Supply chain	CSR Report/Society/Supplier Relations	74-79
102-10 Significant changes to organization and supply chain	<a href="#">Annual Report/10-K</a>	13
102-11 Precautionary principle or approach	CSR Report/Society/Client Health & Safety	68-69
102-12 External initiatives	CSR Report/Governance	39
102-13 Membership of associations	CSR Report/Governance	39
102-14 Statement from senior decision maker	CSR Report/ Letter from the CEO	3
102-15 Key impacts, risks, and opportunities (not required for reporting in accordance with GRI core requirements)	<a href="#">Annual Report/10-K</a>	25
102-16 Values, principles, standards, and norms of behavior	<a href="#">Annual Report/10-K</a>	35-46
102-17 Mechanisms for advice and concerns about ethics	CSR Report/Governance	46
102-18 Governance structure	CSR Report/Governance/Leadership	33-34
102-40 List of stakeholder groups	CSR Report/Governance/Engaging Stakeholders	37-38
102-41 Collective bargaining agreements	<ul style="list-style-type: none"> <li>• CSR Goals and Progress Summary</li> <li>• CSR Report/Society/Evolving the Workplace</li> </ul>	12 66-67
102-42 Identifying and selecting stakeholders	CSR Report/Governance/Engaging Stakeholders	37-38

<b>102-43 Approach to stakeholder engagement</b>	CSR Report/Governance/Engaging Stakeholders	37-38
<b>102-44 Key topics and concerns raised</b>	CSR Report/Governance/Engaging Stakeholders	37-38
<b>102-45 Entities included in the consolidated financial statements</b>	<a href="#">Annual Report/10-K</a>	107
<b>102-46 Defining report content and topic boundaries</b>	CSR Report CSR Report/Governance	5
<b>102-47 List of material topics</b>	CSR Report/Governance	36-37
<b>102-48 Restatements of information</b>	<ul style="list-style-type: none"> <li>• CSR Report/Environmental</li> <li>• CSR Progress Summary</li> </ul>	NA
<b>102-49 Changes in reporting</b>	<ul style="list-style-type: none"> <li>• CSR Report/Environmental</li> <li>• CSR Progress Summary</li> </ul>	NA
<b>102-50 Reporting period</b>	CSR Report/A Note about this Report	53
<b>102-51 Date of most recent report</b>	October 2020	NA
<b>102-52 Reporting cycle</b>	Annually	NA
<b>102-53 Contact point for questions regarding the report</b>	<a href="#">Annual Report/10-K</a>	179
<b>102-54 Claims of reporting in accordance with the GRI Standards</b>	CSR Report/How We Report	80
<b>102-55 GRI content index</b>	GRI Table	81-85
<b>102-56 External assurance</b>	CSR Report/How We Report	80
<b>103-1 Explanation of the material topics and its boundaries</b>	CSR Report/Governance	40-41
<b>103-2 The management approach and its components</b>	CSR Report/Governance	33-34
<b>103-3 Evaluation of the management approach</b>	<ul style="list-style-type: none"> <li>• CSR Report</li> <li>• CSR Goals and Progress Summary</li> </ul>	33-35
<b>201-1 Economic performance</b>	<a href="#">Annual Report/10-K</a>	See exhibits
<b>GRI Specific Disclosures – Material</b>		
<b>Client Satisfaction</b>		
<b>416-1 Assessment of the health and safety impacts of product and service categories</b>	<ul style="list-style-type: none"> <li>• CSR Report/Society/Client</li> <li>• Health &amp; Safety</li> </ul>	68-70
<b>Employee Development</b>		
<b>416-1 Assessment of the health and safety impacts of product and service categories</b>	<ul style="list-style-type: none"> <li>• CSR Report/Society/Client</li> <li>• Health &amp; Safety</li> </ul>	68-70
<b>404-2 Programs for upgrading employee skills and transition assistance programs</b>	CSR Report/Society/Evolving the Workplace	61

401-1 New employee hires and employee turnover	CSR Goals and Progress Summary	11-12
<b>Employee Health and Safety</b>		
403-2 Types of injuries and rates of injury, occupational diseases, lost days and absenteeism and number of work- related fatalities	<ul style="list-style-type: none"> <li>• CSR Goals and Progress Summary</li> <li>• CSR Report</li> </ul>	13 62
<b>Supply Chain Management</b>		
308-1 New suppliers screened using environmental criteria	CSR Goals and Progress Summary	14
308-2 Negative environmental impacts in supply chain and actions taken	CSR Goals and Progress Summary	14
414-1 New suppliers screened using social criteria	CSR Goals and Progress Summary	14
414-2 Negative social impacts in supply chain & actions taken	CSR Report/Society/Supplier Relations	75-77
409-1 Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor	CSR Report/Society/Supplier Relations	75-77
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	CSR Report/Society/Supplier Relations	75-77
<b>Facility Energy Management</b>		
302-1 Energy consumption with the organization	<ul style="list-style-type: none"> <li>• CSR Goals and Progress Summary</li> <li>• CSR Report</li> </ul>	6 25
302-2 Energy consumption outside the organization	<ul style="list-style-type: none"> <li>• CSR Goals and Progress Summary</li> <li>• CSR Report</li> </ul>	NA
302-3 Energy intensity	<ul style="list-style-type: none"> <li>• CSR Goals and Progress Summary</li> <li>• CSR Report</li> </ul>	6 25
302-4 Reduction of energy consumption	<ul style="list-style-type: none"> <li>• CSR Goals and Progress Summary</li> <li>• CSR Report</li> </ul>	6 25
302-5 Reduction in energy requirement of products and services	CSR Report	9-12
<b>Water</b>		
303-1 Water withdrawn by source	CSR Goals and Progress Summary	8
303-3 Water recycled and reused	CSR Goals and Progress Summary	8
<b>Greenhouse Gases (GHG)</b>		
305-1 Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> <li>• CSR Goals and Progress Summary</li> <li>• CSR Report</li> </ul>	5 24-25

<b>305-2 Energy indirect (Scope 2) GHG emissions</b>	<ul style="list-style-type: none"> <li>• CSR Goals and Progress Summary</li> <li>• CSR Report</li> </ul>	5 23
<b>305-3 Other indirect (Scope 3) GHG emissions</b>	<ul style="list-style-type: none"> <li>• CSR Goals and Progress Summary</li> <li>• CSR Report</li> </ul>	5 25
<b>305-4 GHG emissions intensity</b>	<ul style="list-style-type: none"> <li>• CSR Goals and Progress Summary</li> <li>• CSR Report</li> </ul>	5 25
<b>305-5 Reduction of GHG emissions</b>	<ul style="list-style-type: none"> <li>• CSR Goals and Progress Summary</li> <li>• CSR Report</li> </ul>	5 24-25
<b>Air emissions other than GHGs</b>		
<b>305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions</b>	CSR Goals and Progress Summary	27
<b>Waste</b>		
<b>306-2 Waste by type and disposal method</b>	<ul style="list-style-type: none"> <li>• CSR Goals and Progress Summary</li> <li>• CSR Report</li> </ul>	7 30
<b>306-3 Significant spills</b>	CSR Report	28
<b>306-4 Transport of hazardous waste</b>	CSR Report	30
<b>Compliance</b>		
<b>307-1 Non-compliance with environmental laws and regulations</b>	NA	NA
<b>417-2 Incidents of non-compliance concerning product and service information and labeling</b>	CSR Goals and Progress Summary	10
<b>Community Involvement</b>		
<b>413-1 Operations with local community engagement, impact assessments, and development programs</b>	CSR Report/ Xerox Philanthropy	53-57
<b>Public Policy</b>		
<b>415-1 Political contributions</b>	CSR Report/Governance/Doing Good Business	43
<b>Privacy</b>		
<b>418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</b>	None. See CSR Report/Governance/Doing Good Business	71
<b>Labor Relations</b>		
<b>403-1 Workers representation in formal joint management-worker health and safety committees</b>	CSR Report	66

Employee Health and Safety		
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<ul style="list-style-type: none"> <li>• CSR Goals and Progress Summary</li> <li>• CSR Report</li> </ul>	13 62-62
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404-2 Programs for upgrading employee skills and transition assistance programs	CSR Report	61
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204 Procurement practices	CSR Goals and Progress Summary	14
405-1 Diversity of governance bodies and employees	CSR Report/Letter to the CEO	11-13



**Xerox Holdings Corporation**

201 Merritt 7  
Norwalk, CT 06851-1056  
United States  
203.968.3000

[www.xerox.com](http://www.xerox.com)

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