



2020 Corporate  
Social Responsibility  
Report

**xerox**<sup>™</sup>

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# Letter from the CEO

Earlier this year, life changed almost overnight, a sobering reminder of how circumstances can shift dramatically from one day to the next. This year will be remembered for years to come. COVID-19, along with racial and social justice events in the U.S., tested each of us in different ways and challenged us to think about how we can help each other and continue to support our businesses, communities, customers, and our global society as a whole.

While corporate social responsibility (CSR) isn't new, this year has crystalized what it really means, and the role we must play, as we face three enormous challenges – the impacts of the pandemic, social inequality, and climate change.

When the pandemic hit, we immediately looked for new ways to support our employees, customers and communities. The security of our team, both in terms of health and safety, has been our top priority from the start. Early in the crisis, we took proactive measures to keep our employees safe. While some have been able to work from home during this crisis, others have needed to work on-site to support essential businesses.

Leveraging the expertise and experience of Xerox engineers and scientists, for example, we began producing single-use low-cost ventilators, disinfectants and hospital-grade sanitizer within weeks of the initial outbreak in the U.S. Our goal for these initiatives was simple: to help save lives.

We also found new and safe ways to keep customers up and running so they could continue their essential work. Our team's efforts were felt across the world, from preparing printer networks and crew onboard the USNS Comfort and USNS Mercy before embarking on humanitarian missions, to transitioning schools to remote learning, to quickly developing software that enabled companies to monitor the health of their employees.

In addition to battling the effects of COVID-19, another challenge – one centuries old – demanded immediate action: systemic racism. While Xerox has long been a leader in diversity and inclusion (D&I), we believe the best way to honor this legacy is to dig deeper, with a renewed sense of urgency.

## 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 value our employees.
- We succeed through satisfied customers.
- 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.

With such determination, we established a new diversity, inclusion and belonging roadmap to focus on the areas where we can make the biggest impact—both within and outside of Xerox. We held “All of Us Together” conversations so employees globally could hear firsthand what our colleagues have experienced and personally understand what’s at stake. Our roadmap includes partnering with organizations such as A Better Chance, a non-profit dedicated to increasing education, access and opportunity for young people of color, accelerating the careers of high-potential employees who come from a diversity of backgrounds, among other things.

As we vigorously responded to these two challenges, we continued to assess and make good progress on our important sustainability programs. One such initiative: setting new goals to help slow the impact of climate change. In this endeavor, we plan to achieve carbon neutrality no later than 2040 and reduce our greenhouse gas emissions by at least 60% by 2030.

We also added clean technology as our fifth innovation pillar, with a focus on identifying those innovations that help reduce harmful emissions around the world. A case in point is our development of more efficient cooling technologies. With air conditioning today accounting for significant global greenhouse gas emissions, we are working with the U.S. Department of Energy to develop technologies that could reduce the energy consumption of air conditioners by up to 80%.

With the enormous challenges this year has brought, we at Xerox are prouder than ever to help provide a more sustainable future for all. We have learned in profound ways just how interconnected we are, despite our differences, and that we must work together to make meaningful progress against all that challenges us as individuals and society.

Regards,



John Visentin  
Vice Chairman and Chief Executive Officer

# 2020 Progress Summary

None of us have lived through a global health crisis of this proportion while continuing the battle against racial inequality and social injustice. We are learning fast, adapting and making decisions in the best interests of all our stakeholders, including employees, customers, partners, shareholders and society.

Throughout it all, we continued to zero in on the company's sustainability goals and have made meaningful progress during the year. Our [Corporate Social Responsibility Progress Summary for 2020](#) provides a snapshot of data, accomplishments and goals that cover our work within the environmental, social and governance (ESG) categories. It's updated throughout the year, and we encourage you to check it often.



Since our work aligns with the United Nations Sustainable Development Goals (SDGs), we've also included SDG icon(s) beside section titles throughout this report to note the alignment.

Given the magnitude of both the COVID-19 pandemic and the fight for racial equality, we provide a brief summary of how we are navigating through these and other critical issues to help the Xerox community and society at large forge a better future.

## PAVING THE PATH FORWARD IN A COVID-19 WORLD



Xerox has actively managed this crisis from early in the year, continuing to evolve protocols and processes as needed. In February, we activated our [business continuity](#) and pandemic preparedness plans, which contain the latest standards from

industry best practices and the company's own experience, to define the following initiatives:

- Setting up a COVID-19 Response Team that includes senior leaders from across the enterprise as well as members from the Environmental, Health, Safety and Sustainability (EHS&S), Corporate Security, Human Resources and Communications teams;
- Establishing a 24-hour command center to conduct thorough risk assessments and develop mitigation plans;
- Ensuring the command center has access to and includes the right subject matter experts, including representatives from Corporate Security, EHS&S, Information Management, General Counsel, Operations, Human Resources, Communications, etc.; and
- Crafting a multi-channel communication strategy to keep all of our key stakeholders informed.

The Response Team acted swiftly to monitor and implement all COVID-19 guidance from the Centers for Disease Control and Prevention (CDC); the World Health Organization (WHO); and federal, state, local and international governments, as applicable. The efforts of the Response Team were critical since many of our employees and operations are considered "essential" with a large portion of employees continuing to work at our facilities or on site with those clients also considered essential.

We learned lessons quickly and leveraged them to establish safety protocols and criteria to determine how and when we can safely resume more onsite operations at both Xerox and client facilities. As a result, we created an extensive set of health and safety protocols that every Xerox facility and operation across the world will implement. These protocols include, but are not limited to:

- Completing a daily health check to confirm that employees meet health requirements for entering a Xerox or customer workplace;
- Creating mandatory COVID-19 safety training for all employees before they engage in any Xerox work outside their home;
- Implementing specific risk-based safety requirements to address various workplace scenarios and role-specific protocols to guide employees on how the safety process and Personal Protective Equipment (PPE) guidelines apply to their roles;
- Requiring face coverings at all times, except when an employee is isolated for long periods of time, and always maintaining social distancing of at least 6 feet (2 meters). Xerox updated its workplace layouts throughout the world, as needed, to support this protocol; and
- Ensuring all facilities are regularly cleaned and sanitized and have sufficient ventilation.

Because of these protocols, combined with the company's cautious, methodical and phased approach, we were able to safely return more than 50% of our active employees to their workplaces by July 2020. We plan to return additional employees to workplaces based on the COVID-19 case trends, testing availability, hospital capacity and other relevant health factors that make returning safe. We are also prepared to have people work from home if the circumstances warrant.

While much remains uncertain, it is clear the workplace is going to be different for the foreseeable future. As the situation evolves, we will continue to evolve, as well.

#### HELPING CUSTOMERS AND SOCIETY FIGHT COVID-19

Given our strong focus on innovation, we were able to quickly form a team of the company's top engineers, researchers and scientists to creatively address the COVID-19 challenges. It was clear we all had a role to play and our finest problem-solvers were up for the task. Within weeks, Xerox was working to:

- Scale up production of a disposable, low-cost ventilator and related airway pressure monitor;
- Produce 10,000 three-layered, cotton face masks for Rochester Regional Health using N95 filter material from our Xerox® iGen® manufacturing process, in partnership with Hickey Freeman, a menswear retailer;
- Make hospital-grade hand sanitizer at our facilities outside of Toronto, Ontario, and Rochester, New York;

- Manufacture approximately 20,000 face shields for customers, including hospitals, senior living centers, dentists, and more throughout the U.S.; and
- Produce disinfectants included on the U.S. Environmental Protection Agency's (EPA) List N of disinfectants used against SARS-CoV-2, the virus that causes COVID-19.

Clients from across the world also turned to Xerox for traditional and non-traditional support, and many of our team members worked around the clock to deliver it. Below is a snapshot of how Xerox helped clients respond to COVID-19:

- Stood up printer networks for field hospitals in several U.S. states and abroad the USNS Mercy and the USNS Comfort for deployments to Los Angeles and New York;
- Aided several state and local governments with printing unemployment and welfare checks, health bulletins and business loan information;
- Helped schools transition to remote learning with IT services and printing learning packets;
- Worked with retailers such as Morrisons, the fourth largest chain of supermarkets in the U.K., to print and place thousands of social distancing signs and stickers; and
- Developed the Xerox® Team Availability App in five days to provide one of the largest hospitals in the U.K. with a real-time view of each employee's work location, availability and compliance with relevant health and safety protocols. We have since made this app available to all clients and deployed it internally.

#### ADVANCING EQUALITY AT XEROX AND BEYOND



We know the power of having a global and diverse team. It's the reason Xerox has endured 114 years, and we have been at the forefront of pushing for equality since the 1960s. By having a diverse workforce, Xerox is able to reflect all the clients we serve around the world. With varied backgrounds and perspectives in the company, we have access to unique thinking and problem-solving skills that help us succeed. In fact, the data show that companies with more diverse teams are more successful and benefit from greater employee engagement and retention than those that do not.

While we have made progress, the events of 2020 clearly remind us there's much more to be done. To help guide our way, we established a new diversity, inclusion and belonging roadmap to focus on the areas where we can make the biggest impact.

Building a more diverse and inclusive workforce starts with a diverse candidate pipeline. Attracting early career talent who come from different racial, ethnic and cultural backgrounds increases our chances of filling roles at all levels for years to come. That's why we have launched a partnership with [A Better Chance \(ABC\)](#), a nonprofit dedicated to increasing education, access and opportunity for young people of color. As part of this partnership, Xerox will donate \$150,000 per year for three years to ABC. We're also supporting the [Thurgood Marshall College Fund's Leadership Institute](#), a program that supports nearly 50 historically Black colleges and universities and other predominantly Black institutions.

#### **Employees play a critical role**

**Employees want to make an impact.** So, Xerox is matching up to \$500 per person for donations made to a registered D&I nonprofit organization between September 16 and December 31, 2020. This match is in addition to the \$500 matching gift granted to each employee annually, as well as the double matching the company provided for Juneteenth and GivingTuesdayNow.

**Mentorship is critical to professional advancement.** We are committed to accelerating the careers of high-potential, diverse employees and women, in addition to identifying more diverse candidates for open roles. We also will provide enhanced diversity and inclusion training for people managers.

**Our Employee Resource Groups (ERGs) provide a good head start.** One of our many firsts was the creation of ERGs back in 1964, and today, the company has nine ERGs that are aligned with an executive sponsor to drive business impact and raise the profile of each group within the broader organization. The ERGs played a key role in helping us develop the company's new D&I roadmap and will be critical in helping us bring it to fruition.

#### **Accountability, starting with our leaders, is essential.**

Transparency and reporting are key components to ensure we uphold our commitments. We are pledging to publish our progress, along with workforce diversity percentages, in this report annually under the Evolving Workplace section.

**Xerox will continue this important conversation.** This summer, we launched a series of "All of Us Together" global roundtables – open to all employees to build awareness about social injustice – where we could listen to the challenges faced by employees and determine how we could help make progress. The response has been immense, with more than 3,000 employees participating. Given the power of these roundtables and the importance of continued listening and learning, we will host "All of Us Together" roundtables twice a year with internal and external speakers.

# Innovation for Sustainable Products and Services



## Design for Sustainability

Design for Sustainability has become 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.

By following this process, Xerox has earned ENERGY STAR® status for all new products in 2019. This was all while meeting the most recent revision of the ENERGY STAR Imaging Equipment 3.0 criteria, which went into effect on October 11, 2019. Many existing products also were re-engineered to be more energy-efficient to meet the 3.0 criteria. As such, we cut the power consumption of our laser-based printing products, made adjustments in the fuser design, changed properties in our toner, and developed more efficient electronic controls and performance of the xerographic system.

These energy 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. While the standard is challenging to meet, our goal is to make sure 100% of our newly eligible products earn this label. Learn more about the ENERGY STAR program and view current Xerox eco-label registered products [here](#).

### EPEAT: FUNDAMENTAL TO DESIGN FOR SUSTAINABILITY

EPEAT – the Electronic Products Environmental Assessment Tool – is composed of criteria spanning corporate and product requirements. EPEAT registration is a rigorous process, entailing 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. Xerox continues to support EPEAT initiatives, future success and global expansion.

Xerox registers products in Canada, the U.K., France, Germany, Netherlands, Belgium, Luxembourg, Switzerland, Norway, Sweden, Finland, and Denmark. **We're 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. All new Xerox® VersaLink®, Xerox® AltaLink® and PrimeLink® Products are EPEAT Gold certified, with a few country-specific exceptions. **Xerox is the only company 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](#).

### 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. We conduct full LCAs according to the appropriate ISO standards to determine where in the product life cycle the largest environmental impacts arise, and to compare products with a significant difference in technology.





### **Sustainability from the Start: How Xerox Designs for Sustainability**

Each year, Xerox evaluates more than 30 products, including hundreds of materials, against sustainability goals, ensuring the products are safe for people and environmentally responsible. Xerox Product Safety and Materials Compliance Manager Debbie Gualtieri shares more on how Xerox designs for sustainability.

#### **Xerox pioneered design for sustainability. Can you share more about our legacy and impact?**

DG: More than 25 years ago, Xerox launched Design for the Environment, which has grown into the Design for Sustainability process in place today. Designing products to be environmentally responsible has been—and continues to be—part of our strategic product goals. We have evolved and enhanced the process over time to advance the sustainability value proposition of our products.

The sustainability of our products has been an integral part of winning bids and ultimately enabling customers to achieve their sustainability goals.

#### **How does Xerox ensure its product sustainability goals are achieved?**

DG: The product stewardship team works with the product development teams from the concept phase to delivery of the end product. At the start, we discuss everything from parts and materials selected to how the product will operate. We also discuss the product's extended life to ensure it's designed to be durable, upgradeable, easily repairable, and reusable. Sometimes products can be reused in their entirety, and sometimes they are stripped down and various components are reused to build new products.

#### **How is Xerox effecting change on Design for Sustainability beyond how we manufacture and design our products?**

DG: We work closely with the U.S. Environmental Protection Agency (EPA) and are proud to have been a charter partner of the ENERGY STAR program for imaging equipment. Recently, we participated with other companies in the development of the latest ENERGY STAR criteria and are collaborating with the EPA on new processes and criteria for remanufactured and professional imaging equipment. We are also a signatory of the Imaging Equipment Voluntary Agreement (VA) in the European Union and an active member in focus groups that define new environmental attributes spanning the life cycle of products, such as Electronic Product Environmental Assessment Tool (EPEAT). Recently, we collaborated on proposals for collection and remanufacturing of toner cartridges in the VA and refinement of corporate EPEAT criteria under consideration.

Full peer-reviewed LCAs have been performed on our AltaLink, VersaLink, PrimeLink devices, 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. We encourage our clients to learn more about how their printing behavior affects their organization's overall carbon footprint from a life cycle perspective.

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

Product design using Design for Sustainability is governed by global regulations and our [Environment, Health, Safety & Sustainability \(EHS&S\) Policy](#), which 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 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 provide consistency and guidance for meeting our policies. Our product standards encompass energy efficiency, chemical management, packaging, parts reuse and recycling, electrical and mechanical safety, ergonomics, electromagnetic emissions, noise, fire resistance, and materials safety. 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. All Xerox standards ensure our products have the appropriate labels and information needed to meet all safety and environmental label requirements to keep our clients appropriately informed. All products meet required industry labeling standards for each market.

Our EHS&S team engages with Xerox 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 our expectations in our [Environment, Health and Safety Requirements for Packaging Standard—EHS-710](#) and our [General Packaging Standard—88P311](#). Our commercial equipment is designed and tested to be shipped with minimal packaging. Eliminating or reducing packaging, where feasible, conserves natural resources and decreases fuel use for distribution—a sustainability win-win for business and the environment.

## MAKING EVERY DAY WORK BETTER

We apply the Design for Sustainability philosophy beyond the products we engineer and create solutions that have environmental, social and economic effects as well. There are thousands of stories about how we are designing solutions that make every day work better, which when combined, have a big impact on our world. Here is a glimpse at how we are working with our clients to bring their sustainability initiatives to fruition.



### Helping Millions of Bangladesh Receive More Access to Government Services

Bangladesh, one of the 10 most populous countries, has experienced tremendous economic growth, fueled in part by the adoption of new technologies. Life for millions is being transformed as the government has established its Digital Bangladesh Vision by 2021 program. A key component of this initiative was a large-scale household census project. With the [Bangladesh Bureau of Statistics](#), Xerox collected, digitized and processed data from more than 37 million filled census forms. By digitizing this once paper-laden process, the government can now easily extract data points, trends and analysis to target and improve citizens' lives through access to needed government services.



### Saving Bees from Extinction

Bees are in trouble around the world. They are dying by the millions in Brazil, struggling to survive in Nebraska, and are under threat of extinction in Northern Ireland. The Dorset Wildlife Trust in England turned to our personalized communication technology, XMPie®, to help launch the “Get Dorset Buzzing” campaign. The idea was to encourage locals to turn their gardens into pollination grounds by supplying wildflower seeds. XMPie allowed the Dorset Wildlife Trust to send relevant communications based on demographic data and user behavior. And messages were made to fit the unique needs of social media, email and printed materials. With this technology, Xerox helped the Trust exceed its targets fourfold.



### **Digitizing the HM Land Registry to Maintain Integrity**

The HM Land Registry and Xerox have been working on a multi-year project to transform its paper-based catalog and document submission process to a digital system that modernizes the entire document workflow. Using our production workflow management platform, we began to digitize new applications and extract key data, including information and images. Because people make large financial and legal decisions based on these documents, there is no room for scanning errors, missing data or unreadable records.



### **Offsetting the Environmental Impact of 1 Billion Printed Pages**

Intelligent Workplace Services clients such as Entergy, a Fortune 500 energy company, can opt in to our PrintReleaf partnership, which is similar to a carbon offset program. We leverage paper usage reporting that equates the number of trees needed to reforest that usage in geographic areas of need. Since launching the program in 2018, we have offset more than 1 billion pages. If you were to stack 1 billion sheets of paper, it would be more than 63 miles above sea level and more than 11 times taller than Mount Everest, the highest point on Earth.

## MAKING THE WORLD MORE SECURE

We take a comprehensive approach to security and measure performance against international standards with certifications such as Common Criteria and FIPS 140-2. This approach is designed to ensure our devices can be trusted even in the most secure environments.

Every Xerox® ConnectKey® Technology-enabled device is armed with our four-point approach to security, ensuring comprehensive, all-encompassing protection for all system components and vulnerability points. A set of capabilities and integrated technologies from such security leaders as McAfee® and Cisco® help prevent and detect malicious attacks, the proliferation of malware and misuse of unauthorized access to printers.

In 2019, Xerox remained the only Original Equipment Manufacturer (OEM) to have security authorization from the Federal Risk and Authorization Management Program (FedRAMP) for cloud-based Managed Print Services (MPS). The company's MPS offering also exceeds the stringent security requirements set by the U.K.'s Ministry of Defence and the U.S. Department of Defense.

Security is one of the reasons clients, such as the global defense, aerospace and security company [BAE Systems](#), select Xerox. "Security is vital to BAE Systems as we work to protect national security and maintain the security of critical information and infrastructure," said Paul Terris, head of IT Procurement, BAE Systems. "Xerox's global offering is helping us to keep our operations safe while reducing costs and delivering an innovative print solution."

## MAKING A BETTER TOMORROW THROUGH INNOVATION



Building a more sustainable world is a challenge that must be tackled on multiple fronts. The company's five innovation areas—3D Printing and Digital Manufacturing, Artificial Intelligence (AI) Workflow Assistants, Internet of Things (IoT) Sensors and Services, Digital Packaging and Print, and Clean Technology—have the potential to reduce the world's carbon footprint, among other benefits. A couple of highlights:

- In cleantech, we are focusing on identifying technologies that reduce humankind's negative environmental impact. The team is refining the techno-economic model for one of our initial, early-stage technologies that improves building energy and heating, and ventilation and air conditioning (HVAC) efficiency. This will help guide our technical team to test key assumptions in our work with the U.S. Department of Energy to develop a 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.
- Another innovation area that can have a big impact is 3D Printing and Digital Manufacturing. This technology offers the possibility of creating high-performance materials while addressing three major facets of a product's carbon footprint: materials, manufacturing and transportation. Xerox is on track to deliver its liquid metal 3D printing technology by the end of 2020. With this solution, manufacturers will ultimately be able to make production-grade parts using off-the-shelf alloys without sacrificing quality, strength or safety standards—all while reducing the products' carbon footprint.
- In sensors, PARC researchers are working with the Defense Advanced Research Projects Agency (DARPA) on the Ocean of Things (OoT), a project to expand what scientists know about the seas. DARPA is deploying small, low-cost drifters in the Southern California Bight and Gulf of Mexico to collect data on the environment and human impact. This includes sea surface temperature, sea state, surface activities and information on marine life moving through the area. PARC leveraged its more than 50 years of experience developing industry-leading technologies to design a drifter that best fits the DARPA requirements. PARC built 1,500 drifters for the first phase of the project and will deliver up to 10,000 that are more compact and cost-effective for the next phase. Data gained in this round will help further optimize the final design, at which point DARPA expects to deploy large volumes of these drifters to provide continuous information and a better understanding of oceans that's missing today.



### **How We're Helping Create the World's Cleantech Future**

Earlier this year, Xerox announced clean technology would be our newest innovation pillar. For years, researchers and scientists at the Palo Alto Research Center (PARC) have partnered with the Department of Energy's ARPA-E and other federal agencies to research technologies that reduce greenhouse gas emissions (GHG). Xerox Vice President and General Manager of Cleantech, Jessy Rivest, gives us a glimpse into some of the cleantech work we are doing.

#### **Why is Xerox focusing on clean technologies?**

JR: The significant impact of climate change is front of mind for many of us. Rising global temperatures could have devastating consequences, some of which we are already starting to see. More severe storms and forest fires and rising seas that put our drinking water and cities at risk are just a few of the issues we will face. By investing in the development of technologies that enable us to reduce our GHG, Xerox can play a critical role in helping to solve this problem.

#### **What clean technologies are we incubating now?**

JR: Our "North Star" for everything we are working on is the mitigation of climate change and the reduction of GHG. The competencies we bring to bear on cleantech innovation span hardware and software—from new materials and material deposition, to chemical and electrochemical systems, novel sensing, and all the analytics and algorithms that enable this hardware to have maximum impact globally. The areas we apply these competencies include: greenhouse gas management (think carbon capture or methane leak detection), industrial decarbonization (think burning hydrogen, not natural gas, in your factory), high strength-to-weight materials (think carbon fiber composites), and building energy (think rooftop solar or energy efficiency). This last area is particularly interesting because air conditioning accounts for significant global greenhouse gas emissions.

#### **What could be the potential impact of this technology on the world?**

JR: The potential here is huge. The use of air conditioners and electric fans account for roughly 10% of all global electricity consumption today. That number is expected to increase exponentially in the coming years as we see an explosion of air conditioning usage in countries like India, China and Brazil. It's a vicious cycle because the more air conditioning we use, the more we warm the planet, and therefore the more air conditioning we need. Ultimately, it's going to take leadership from governments worldwide and the business world to break this cycle. Xerox is well-positioned to play an important part here.

# 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, and we design technology to align with the circular economy’s key elements.

## 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.

In 2019, nearly 2 million Xerox® toner cartridges were manufactured using recovered cartridges, representing as much as 50% of toner cartridge production, depending on the cartridge family. Over the last 20 years, our supplies recycling programs have kept more than 145 million pounds of waste out of landfills.

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.

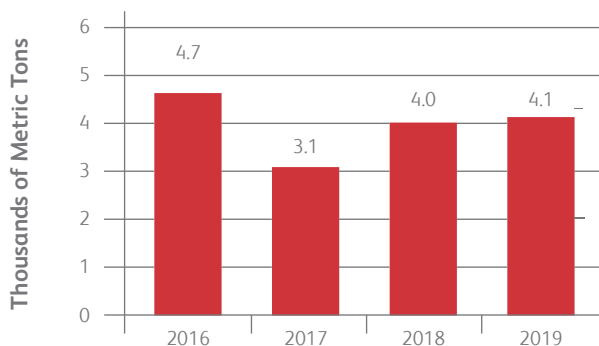
Returned toner cartridges are collected by our partners—Close the Loop in the U.S., Greiner Associates in Europe, and SCI in Canada—and managed using a specially designed manual and robotic process that scans and identifies products based on their codes. Spent toner cartridges are unboxed, assessed for 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.

Remanufactured consumables, containing an average of 90% reused/recycled parts, are built and tested to the same performance specifications as new products. 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 2019, our clients worldwide returned nearly 5.3 million cartridges, toner containers and other used supply items, equaling 4,100 metric tons, 100 metric tons more than in 2018.

In 2019, 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.

**Total Waste Diverted from Landfills from Cartridges, Bottles and Waste Toner through Reuse/Recycle and Energy from Waste**



### Equipment Takeback and Recycling

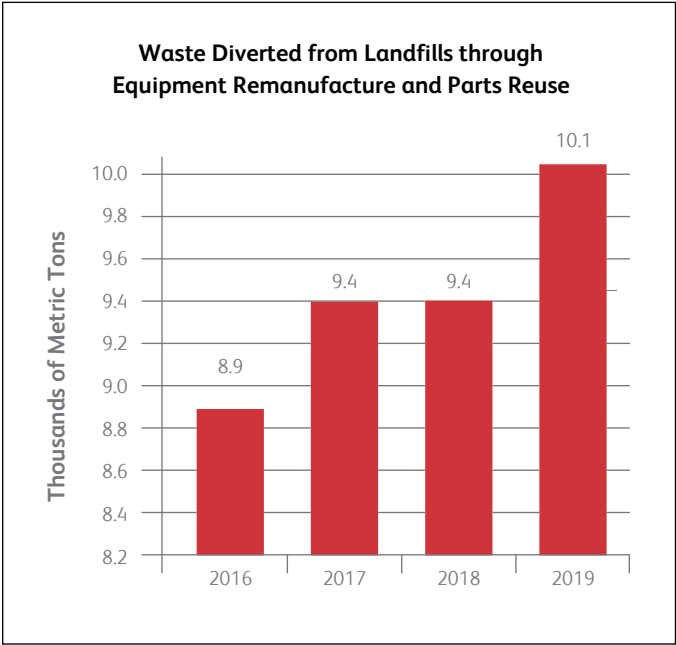
Xerox is committed to collecting and reusing equipment after the end of its useful life. In geographies where we exercise direct control over the end-of-life management of equipment, return rates are high. In 2019, 6,900 metric tons of equipment and parts-related waste were diverted from landfills to recycling at our U.S. Reverse Logistics Center. Globally, that volume rises to 16,000 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 2019, Xerox remanufactured approximately 12,500 office devices, and our programs diverted 10,100 metric tons of electronic devices and components from potentially entering landfills or 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 2019, approximately 50% 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 of the machine is then sent to an industrial reclaim facility.



- **Post-consumer recycled plastic content:** All Xerox® Products contain less than 5% post-consumer recycled plastic content.
- **E-waste:** While Xerox has long been committed to 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. We also strive to work only with electronic waste recyclers that have implemented voluntary programs certified by accredited organizations, including 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.



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# 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 2020 CSR Goals and Progress Summary](#) for a detailed breakdown of environmental metrics and goals to reduce environmental effects across our value chain.

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

- Energy management and equipment upgrades, such as utilizing free cooling systems in place of mechanical cooling for chilled water systems and installing new air compressors and compressed air systems.
- Efficiency-promoting initiatives, including optimizing the operation of pumping and air handler systems.

Data in this section 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.

Data in this section 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 forward 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.

The data presented 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. We continue to strive to increase the accuracy of the data we report.

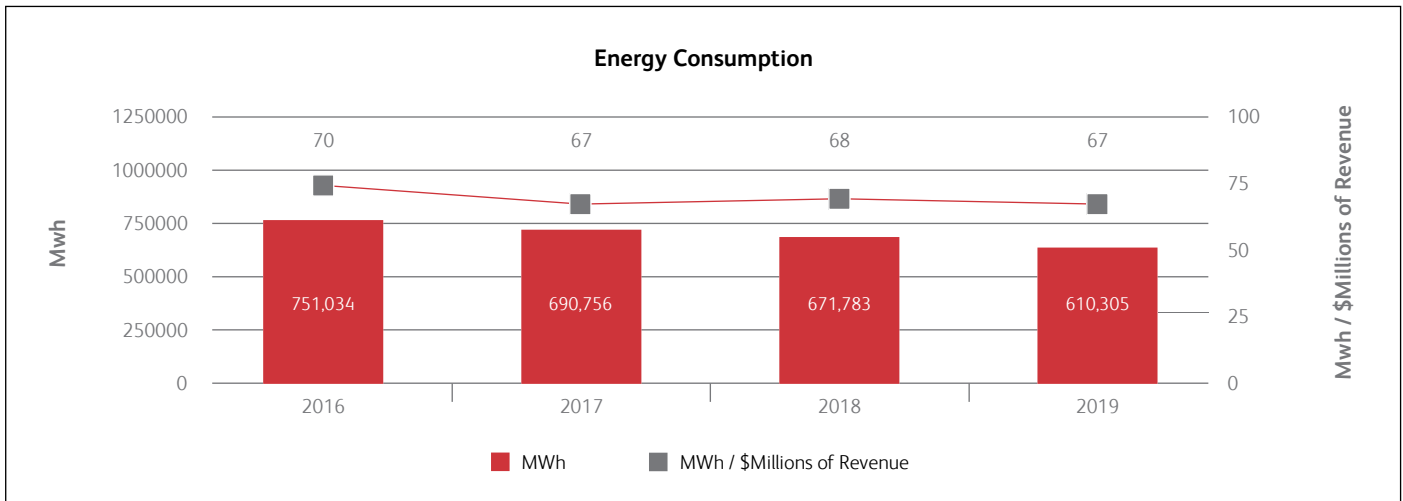
All our major manufacturing sites and some of our administrative offices employ an Environmental Management System (EMS) that conforms to ISO 14001:2015. The EMS:

- 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 and 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 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 2019, our energy consumption decreased 9% from 2018, or 1.5% when normalized by revenue.



**INVESTING IN TECHNOLOGY TO REDUCE ENERGY USE AN GHG**

To meet the company’s commitment for 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.

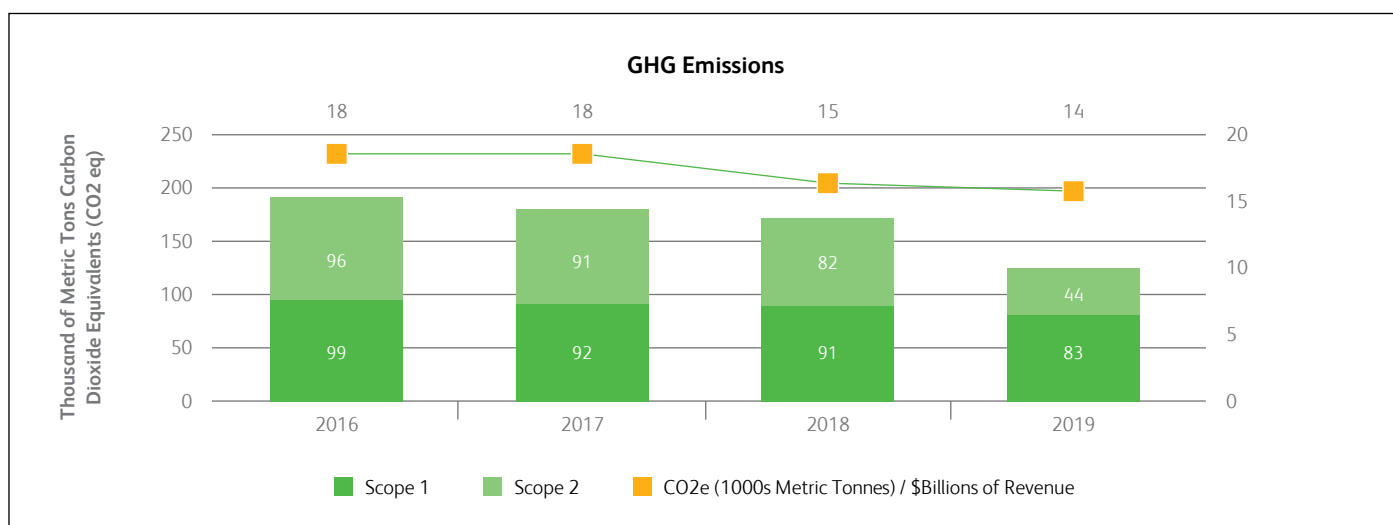
**TRACKING GREENHOUSE GASES**

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 (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF6). As noted, we express our carbon footprint in terms of carbon dioxide equivalents (CO2e).

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 [2020 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 2019, Xerox Scope 1 and 2 GHG emissions totaled 127,830 metric tons of CO<sub>2</sub>e, a 35% reduction from a 2016 baseline. About 65% were direct emissions from the combustion of natural gas, gasoline and diesel fuel. The remaining 35% of the GHG emissions total were indirect emissions from purchased electricity and steam. Xerox-owned or leased facilities such as manufacturing sites, offices and warehouses, contributed to 54% of our direct GHG emissions. The remaining 46% 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 consideration of carbon impact into our sourcing and internal decision-making. In 2019, calculated Scope 3 emissions decreased by 10% compared to 2018. Detail by category is available in the [Progress Summary](#).

### VERIFYING GHG

Our 2019 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.

### SETTING ENERGY AND GHG REDUCTION GOALS

Our aim is to achieve carbon neutrality no later than 2040, and we are well on our way. Since establishing our first targets in 2003, we have achieved 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. We are now focused on reducing our Scope 1 and 2 GHG emissions by at least 60% by 2030 against the company's 2016 baseline, in line with the ambitious 1.5°C science-based global warming target. This means we will have reduced emissions by 85% as compared to emissions in the company's original 2002 baseline year. We intend to have this science-based target validated by a third-party in 2020.

For Scope 3 emissions, we are in the process of formalizing a goal; however, we have continued to work with top suppliers to reduce their environmental impacts of the goods and services they provide us. Please see the [Xerox 2020 CSR Progress Goals and Progress Summary](#) for a detailed breakdown of Scope 3 emissions.

## **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 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 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

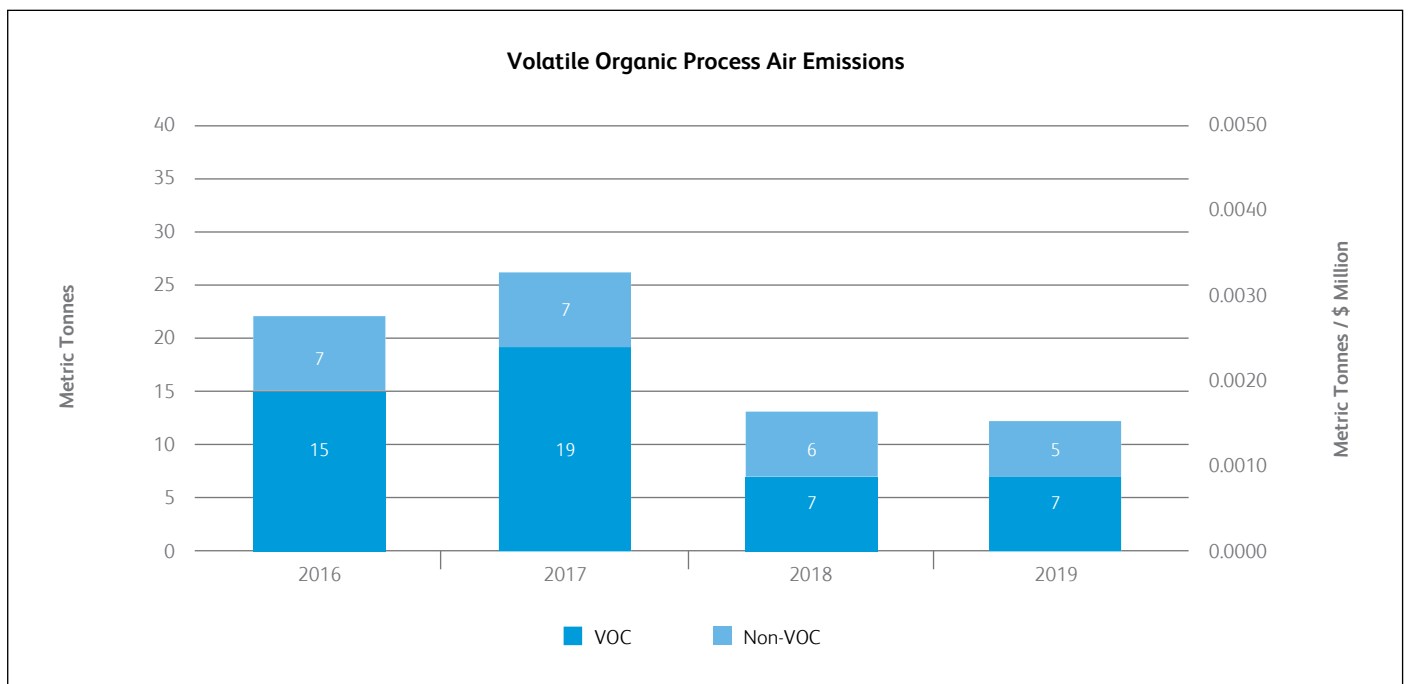


## Air emissions

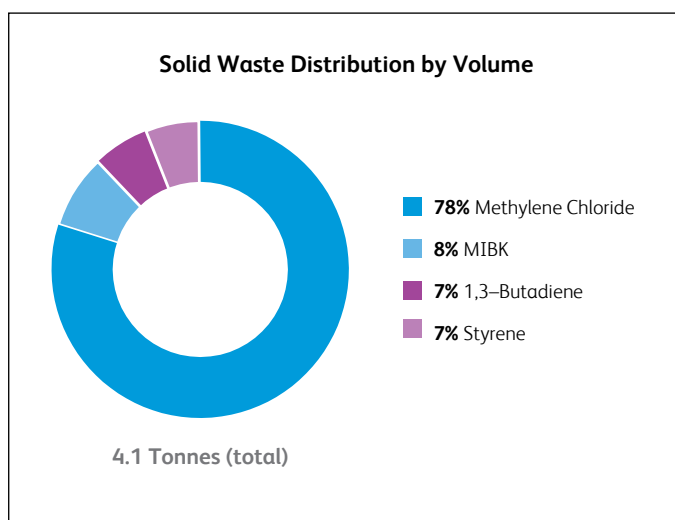
Xerox has significantly reduced manufacturing air emissions over the past 20 years, and we pledge efforts to further reduce emissions in the future.

Most of our air emissions originate from the production of imaging supplies such as toner, photoreceptor drums, and belts and fuser rolls. Approximately 12 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 2019. Over time, emission reductions have come primarily from process modifications, lower production volumes of legacy products, and production declines attributable to longer-life components.

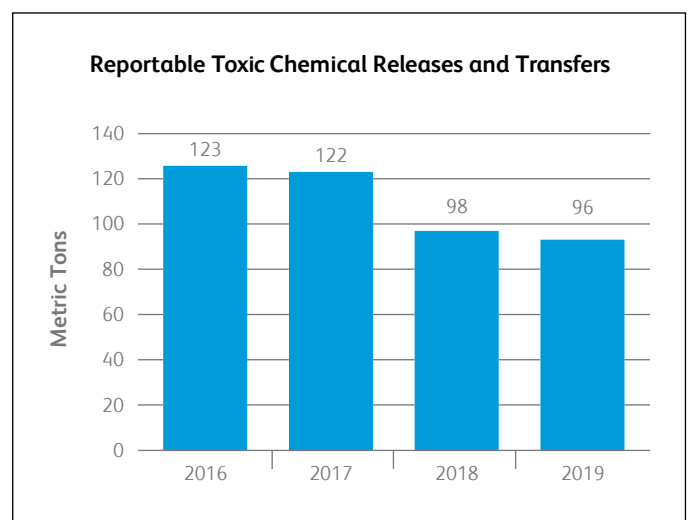


A subset of these VOC emissions is defined by the U.S. EPA as hazardous air pollutants (HAP). In 2019, Xerox reported worldwide air emissions of approximately 4.1 metric tons of HAP under national toxic chemical release regulations, including the U.S. Toxic Release Inventory (TRI) program. Methylene chloride, methyl isobutyl ketone (MIBK), 1,3-butadiene, and styrene represent virtually all these HAP emissions.



### REPORTABLE TOXIC CHEMICAL RELEASES AND TRANSFERS

In 2019, approximately 2% of the total toxic chemical releases from Xerox operations were emitted into the air. Approximately 50% of all chemical releases were recycled on-site or fueled energy recovery initiatives.



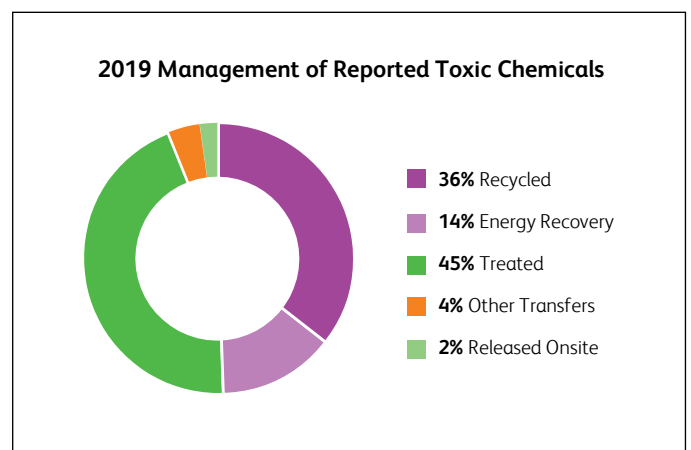
### OZONE-DEPLETING SUBSTANCES

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. 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 2% in 2019 compared to 2018 levels and were 80% lower than 2007 levels.



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. Progress against these goals as of year-end 2019 is summarized below.

Methylene chloride used in the manufacture of Xerox photoreceptor belts was reduced by 76% from the 2010 baseline primarily due to volume declines of legacy products and process modifications that cut the amount of methylene chloride used for batch cleaning of production equipment. Methylene chloride usage decreased by 14% from 2018 to 2019.

In 2019, per-batch emissions of 1,3-butadiene from U.S. toner resin manufacturing operations decreased to 7.06 pounds per batch compared to 7.07 pounds per batch in 2017. Incident-free material handling operations have continued to maintain a reduced emission rate as compared with historical values.

In 2020, Xerox is committed to establishing new goals to reduce the release or transfer of toxic chemicals from our manufacturing operations.

**SPILLS AND ACCIDENTAL RELEASES**

Our goal is to proactively prevent any accidental release of regulated materials to the air, soil and water. In 2019, 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 across company operations were reported to local government

agencies as required but were not considered significant.

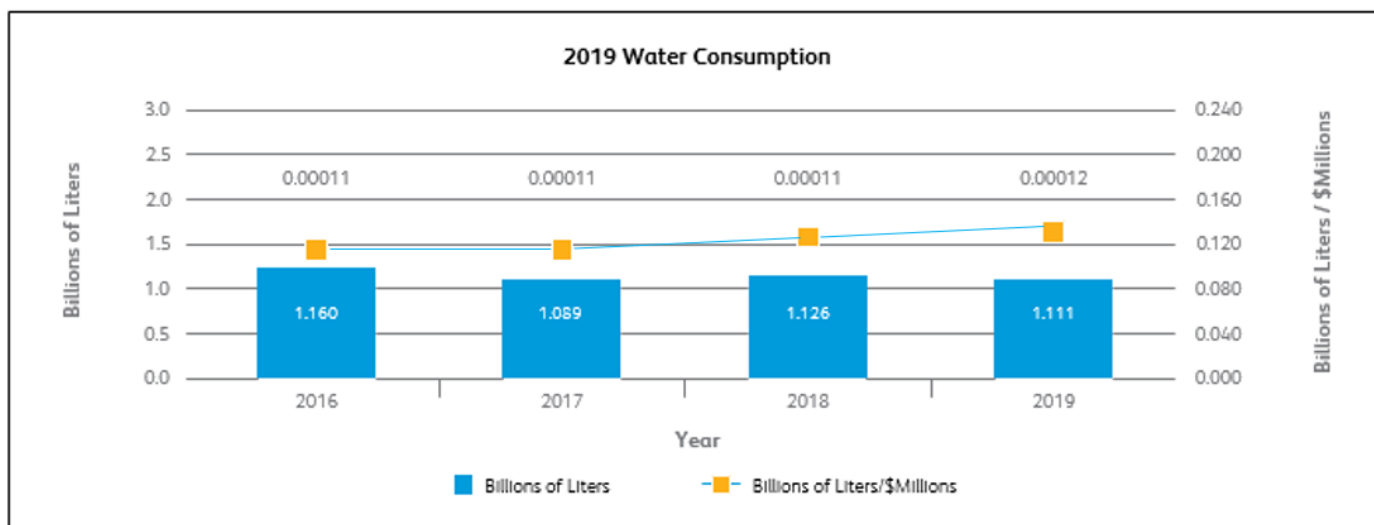
**WATER CONSUMPTION AND TREATMENT**

As part of our commitment to conserve resources, we monitor water consumption worldwide through 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 2019, the company’s worldwide water consumption was approximately 1.11 billion liters, a 45% reduction from baseline year 2010, exceeding our 2020 goal of a 35% reduction. Reductions were achieved by a combination of conservation initiatives and production declines. We strive to preserve the planet by recycling water where feasible. A program initiated in 2016 at our plant in Wilsonville, Oregon, to utilize reverse osmosis reject water in on-site cooling towers continues in operation.

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, discharge volumes roughly correlate with consumption and are down more than 40% from a 2010 baseline. Results are attributed to water conservation initiatives, adjustments to metered discharge estimates and production trends.





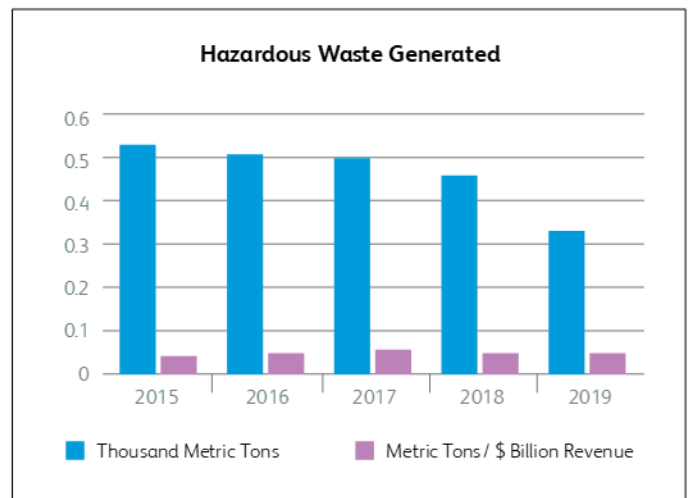
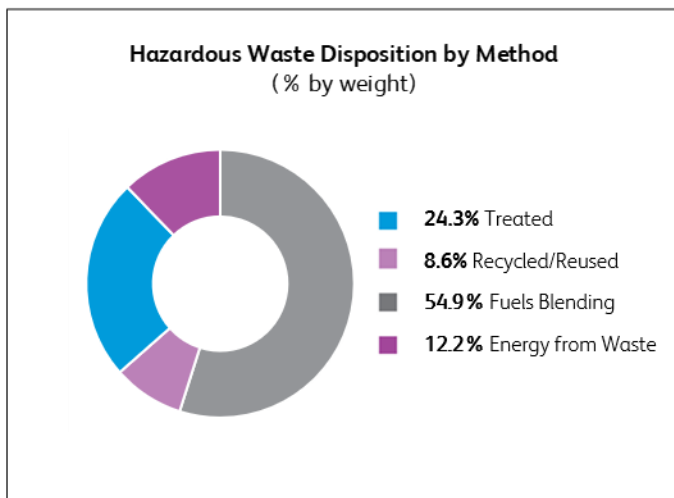
# Preventing and Managing Waste



## Hazardous Waste

Xerox has a mature program for reducing the amount of hazardous waste generated throughout the company. Historically, we've placed goals and objectives on our manufacturing operations that generate significant quantities of hazardous waste to reduce and or eliminate the generation of hazardous waste.

In 2019, approximately 64.6% of the hazardous waste generated was managed at fuels blending and solvent recycling facilities. Zero hazardous waste was landfilled in 2019 all other hazardous waste generated during the year was treated and/or incinerated. Xerox does not export hazardous waste to developing nations.



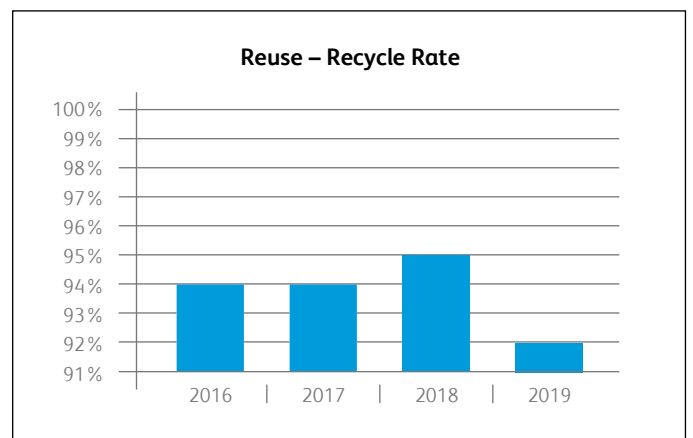
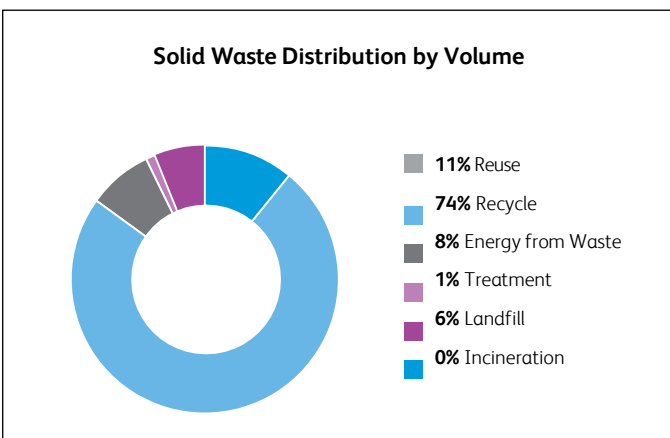
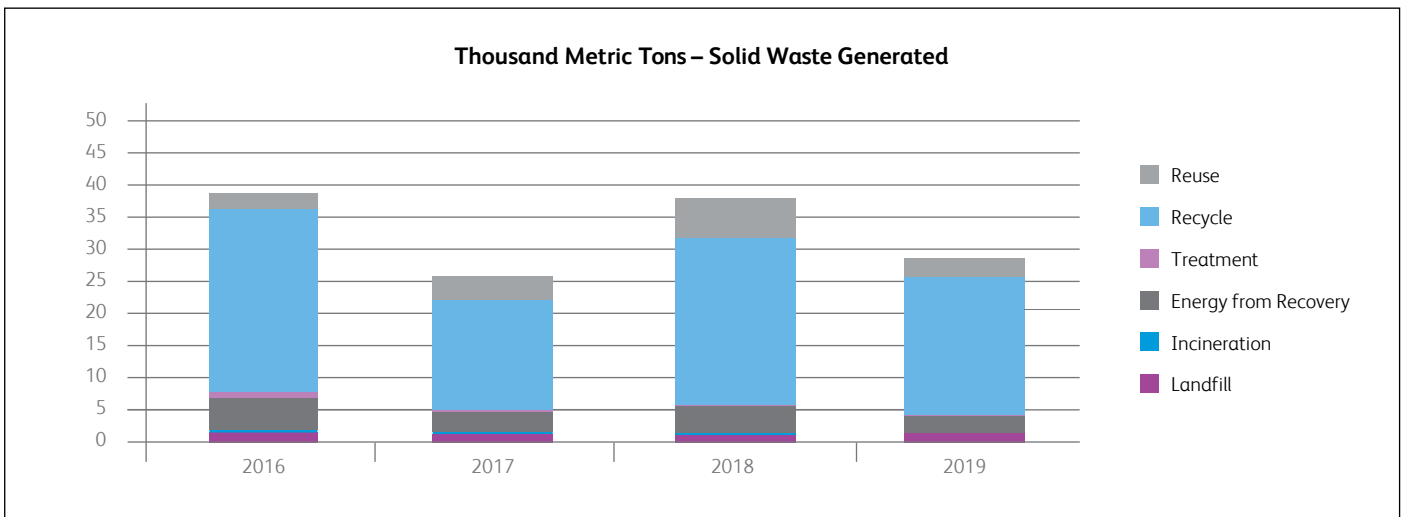
**NONHAZARDOUS SOLID WASTE**

Xerox has had waste reduction efforts in place for many years. We reuse boxes, pallets and containers for parts delivery. We capture and reprocess toner that is outside the acceptable size range during manufacturing. We recycle returned equipment, and reuse totes for recycling scrap metal and paper. Globally, operations generated 29,700 metric tons of nonhazardous solid waste in 2019, a 21 % decrease from 37,600 metric tons in 2018.

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 73 % of the nonhazardous solid waste managed by Xerox operations in 2019. 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 waste generated at facilities globally by 2020. In 2019, 93 % of nonhazardous solid waste was reused in equipment repairs or remanufacturing, recycled or used to produce energy, down from 95 % in 2018. A key contributing factor of this difference was due to equipment resellers returning about 50 % fewer products to the marketplace for resale than in 2018.



## **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 and appropriate measures to ensure the protection of 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 employed techniques, such as high-vacuum 2-Phase Extraction and enhanced bedrock fracturing, that have improved and accelerated the recovery of contaminants. We also employ technologies where contaminants are degraded or converted to less harmful substances through enhanced natural biodegradation and chemical oxidation processes.

## **COMPLIANCE REPORTING**

We require our operations and subsidiaries worldwide to report any written or verbal notices of environmental fines, citations, or formal violations. In 2019, the Xerox Webster facility was issued a Notice of Violation (NOV) that was administrative in nature with no impact to human health or the environment. Corrective actions were implemented prior to issuance of the NOV letter and no monetary fine was incurred.

# 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 Corporate Governance 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 these Guidelines. Waivers of these Corporate Governance 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 categorical 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](http://xerox.com).

## RISK MANAGEMENT

With global leadership comes global responsibility to our people and shareholders and the suppliers, distributors and 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.

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.

## 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 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.

# 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 and applicable policies and procedures and maintain high standards of legal and ethical 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. Corporate policies and procedures pertaining to CSR are summarized in our [Code of Business Conduct](#).

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 is responsible for tracking external developments, including climate change policy, and determining if they are likely to affect Xerox 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 potentially affect the company's ability to achieve its overall business objectives. The Business Continuity Assurance Process ensures that business units prepare for business disruption risks.

## **SUPPLY CHAIN MANAGEMENT**

As a critical element of supply chain governance, we extend the environment, health and safety requirements across our supply chain. Since 1998, we have asked our materials, electronics and component suppliers to meet specific criteria. Since 2006, we have been an active member of the Responsible Business Alliance (RBA) and subscribed to the RBA Code of Conduct to broaden our means for validating that suppliers are operating according to accepted industry standards. As an RBA member, we assess our facilities as well as suppliers using established auditing protocol. For more information, see the Supplier Relations section of this report for audit findings.

# Engaging with Our Stakeholders

Stakeholders include employees, clients, public policymakers, investors, non-governmental organizations (NGOs) and suppliers. Xerox 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 input to our materiality assessment. With this input, 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 and 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:** In 2019 and 2020, Xerox conducted extensive, proactive investor outreach to facilitate candid discussions about our business and strategy. Xerox 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 some of our new CSR reporting for 2020, including the addition of a Sustainability Accounting Standards Board (SASB) table and other initiatives currently underway.
- **Circular economy:** As a founding member of the Sustainable Electronics Recycling International (SERI), we collaborate to drive progress for global reuse, recycle, 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 joined 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 reviews and client-facing quarterly business reviews (QBRs) 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 client relationships and achieve client business objectives. Feedback from these reviews is 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 refine client communication and programs further.

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 the Xerox relationship, emerging business trends and innovation opportunities in the business space we share.

- **Employee engagement:** Our people are a critical link to the company’s contributions to society. For more than three decades, thousands of Xerox 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. In 2019, Xerox launched the Global Volunteer Policy and the Xerox Community Giving Tool 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 2019, Xerox joined major businesses in filing the landmark Amicus Brief to the Supreme Court in support of LGBTQ employees.

In the wake of racial events in the U.S., we launched a new campaign for action called “All of Us Together” to make real and lasting change for racial equality. We hosted 15 roundtable sessions to hear from our colleagues who have faced discrimination, help build awareness and form recommendations about how we turn what we learn into a collective set of actions. More than 3,000 Xerox employees participated in these calls, and the company is working on a plan for action as a result of these discussions.

Our employees also launched a new employee resource group (ERG) to provide support and engagement for the company’s military veterans, service members and their families and to help veterans in our communities. The Veteran Service Members Association (VSMA) is one of nine ERGs at Xerox. For a full list of ERGs, see the table below.

| XEROX EMPLOYEE RESOURCE GROUP   | PURPOSE   |
|---|---|
| <a href="#"><u>Asians Coming Together (ACT)</u></a>                             | ACT creates awareness of Asian contributions, promotes professional development, and enhances an understanding of Asian culture at Xerox.   |
| <a href="#"><u>Black Women’s Leadership Council (BWLC)</u></a>                  | 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.          |
| <a href="#"><u>GALAXe Pride at Work</u></a>                                     | 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. |
| <a href="#"><u>Hispanic Association for Professional Advancement (HAPA)</u></a> | HAPA was established to create a single, unified voice of Hispanic representation. HAPA works with Xerox senior management to ensure that Hispanics achieve increased presence at all levels.   |
| <a href="#"><u>National Black Employee Association (NBEA)</u></a>               | 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 individual professional abilities and talents - regardless of ethnic or racial group - are recognized in employment and promotion practices. |



|  |   |
|--|---|
| <b><u>The Women’s Alliance (TWA)</u></b>         | TWA seeks to ensure that Xerox recognizes and values women for their significant contributions and leadership.  |
| <b><u>Xerox Leadership Association (XLA)</u></b> | XLA is devoted to professional development, career enhancement and promoting belonging and engagement.  |
| <b>YPN Nexus (YPN)</b>                           | YPN is devoted to connecting members globally, developing members into influential leaders, and providing opportunities to lead and work alongside leaders within Xerox.  |
| <b>Xerox Veteran Service Members Association</b> | 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 their collective experience brings to our team. |

- **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 to 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.

#### **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 and drive best practices within our organization.

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

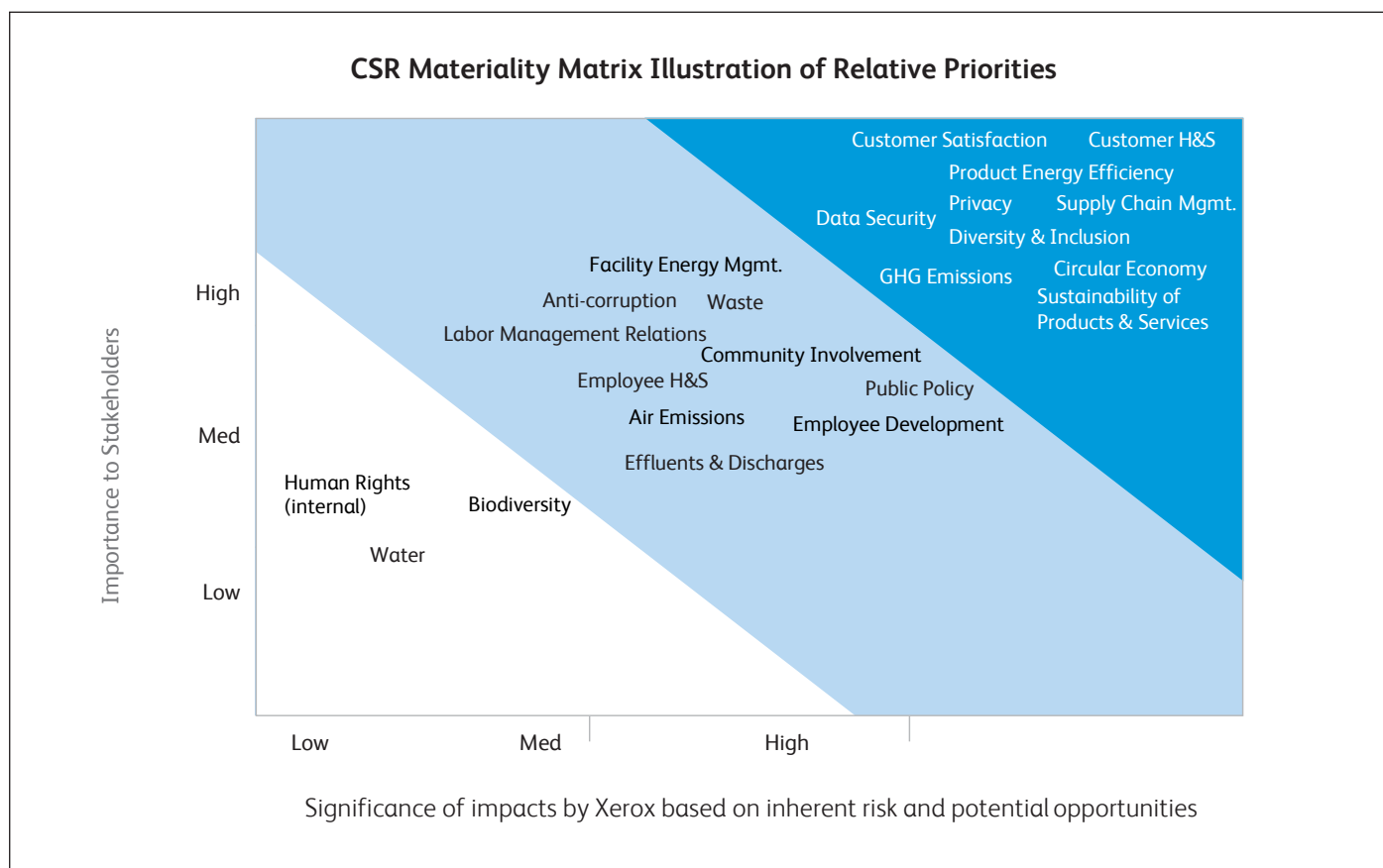
|                               |   |
|-------------------------------|---|
| <b>Procurement</b>            | Responsible Minerals Initiative   |
| <b>Quality</b>                | ISO 9001<br>American National Standards Institute   |
| <b>Safety Management</b>      | ISO 45001   |
| <b>Science and Technology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

**MATERIALITY**

We annually 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). We examine changing external factors, including regulations and standards, social challenges 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 impact 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 represents 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 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, Xerox employees are required to take refresher training 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 client and employee personally identifiable information.

# Doing Good Business

## Office of Compliance

The Office of Compliance oversees and coordinates the work of the company's subject matter experts to ensure that the organization 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 executive vice president and general counsel. The compliance leader acts as a liaison between the company and external, independent audit and compliance companies/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 executive vice president and general counsel reports directly to Xerox vice chairman and chief executive officer.

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, and mapping key corporate compliance risks to available corporate training.

### **CORPORATE POLICY REVIEW AND COMPLIANCE ASSESSMENT**

In 2019, after completing an initial high-level assessment of more than 300 corporate policies and compliance processes, 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 and U.S. Federal Acquisition Regulations. 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 Xerox have an important role to play not only in helping Xerox 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 who 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.

Xerox has established the Xerox Business Ethics Office 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 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.

### **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 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 business 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 members of the Board of Directors. As a member of the RBA, Xerox uses the RBA Code of Conduct as our supplier code of conduct.

### **CORPORATE ETHICS 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. The Governance Board represents business and corporate organizations within Xerox and its subsidiaries and participates in quarterly meetings chaired by our Business Ethics Office. Governance Board 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, and those working on behalf of Xerox, must complete ethics training annually and acknowledge that they have read the Code of Business Conduct. 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 that they 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 case management.

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 Business Ethics 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. 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 Business Ethics Office

| ETHICS MATTERS REPORTED                                      | 2015 | 2016 | 2017 <sup>1</sup> | 2018 | 2019 |
|--|------|------|-------------------|------|------|
| Human resources  | 60%  | 61%  | 42%               | 51%  | 34%  |
| Internal policy violations                                   | 3%   | 3%   | 6%                | 4%   | 9%   |
| Fraud  | 5%   | 5%   | 8%                | 6%   | 6%   |
| Misappropriation of assets                                   | 3%   | 3%   | 3%                | 4%   | 1%   |
| External relationships<br>(customers, agents, vendors, etc.) | 5%   | 5%   | 10%               | 9%   | 16%  |
| Conflict of interest   | 3%   | 3%   | 3%                | 2%   | 3%   |
| Confidential information                                     | 2%   | 2%   | 2%                | 1%   | 3%   |
| Accounting and financial reporting                           | 2%   | 2%   | 7%                | 7%   | 8%   |
| Policy inquiries   | 7%   | 8%   | 6%                | 6%   | 6%   |
| Other  | 10%  | 8%   | 5%                | 5%   | 14%  |

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.

See the [Ethics page on xerox.com](#) for additional information regarding the Xerox Business Ethics and Compliance Program.

### ANTICORRUPTION, 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 full compliance with applicable export controls and sanctions restrictions.

Xerox operates an active and comprehensive ABAC compliance program that is supported by policy and annual training that is overseen by the Compliance 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 in its contracts requiring 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, and to certify that, to the best of its knowledge, the third party has complied fully with these requirements.



## **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 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 Authorized Resellers.

## **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 free trade. International trade is a powerful engine of global economic development that fosters job growth, improves living conditions and provides opportunities around the world. We support government-to-government negotiations aimed at liberalizing trading rules and opening markets both on a bilateral and multinational

basis. Open markets offer important opportunities to showcase our products, services and business solutions to new clients.

## **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 to 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. Our 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 allow us to 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 healthcare 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   | \$2,925          | 100%                | \$ 2,925              |
| American Benefits Council   | \$20,000         | 21%                 | \$ 4,200              |
| Business Roundtable   | \$150,000        | 40%                 | \$60,000              |
| Corporate Health Care Coalition                                     | \$11,000         | 100%                | \$11,000              |
| Employees Retirement Income Security Act (ERISA) Industry Committee | \$25,000         | 35%                 | \$8,750               |
| Information Technology Industry Council (ITAPS)                     | \$195,000        | 18%                 | \$34,125              |
| National Association of Manufacturers                               | \$40,000         | 26%                 | \$10,400              |
| The Computing Tech Industry Association (CompTIA)                   | \$33,000         | 45%                 | \$14,850              |
| U.S. Chamber of Commerce  | \$140,000        | 25%                 | \$35,000              |
| Washington Tax Group/Tax Reform Coalition                           | \$50,000         | 100%                | \$50,000              |
| <b>Total Dues Paid</b>  | <b>\$666,925</b> |                     | <b>\$231,250</b>      |

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, and its regulations and all other applicable laws.

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

# Xerox Philanthropy



Our philanthropic investment strategy delivers the greatest value to society possible for every dollar spent. In 2019, we invested more than \$2.3 million in the nonprofit sector. In addition to financial support, we provided more than 25,000 hours of volunteer time in 2019. 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 2020 CSR Goals and Progress Summary](#) for a detailed breakdown of spend and volunteerism by cause.

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

- Strong vibrant communities: Xerox supports 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 and drives the company's success.
- Education and workforce preparedness: Xerox admires the role of education in society—colleges, universities, 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 as well as tracks 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 a combination of financial and human resources can bring about greater change than either on its own. In 2019, significant effort was put behind employee volunteering and enabling Xerox people to give back to their communities. Xerox provides paid time off for employees to volunteer for registered nonprofits.

This philosophy is perhaps 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 Xerox employees have rolled up their sleeves and participated in projects that make their hometown a better place. In 2019, Xerox invested \$374,365 in XCIP and employees led more than 186 projects worldwide.

## SUPPORTING OUR EMPLOYEE VOLUNTEERS

### Xerox Employees Volunteer More than 25,000 Hours

Outside of XCIP, many employees give their time and talent to a wide variety of causes. Collectively, employees volunteered **more than 25,000 hours**, understanding that a million small acts can make a big difference in our communities. Here's a glimpse of the different ways Xerox employees give back:



Xerox Data Scientist Kalai Ramea collaborated with the Association of India's Development (AID-India) to create a series of illustrations on COVID-19 for migrant workers in India. "Most of these workers are low-income and illiterate," said Ramea. "They don't have access to the resources needed to take proper quarantine precautions." The illustrations were overlaid by audio in several regional languages to explain how they can implement precautions in their daily routine.



Xerox Service Technician Daryl Johnson began volunteering at Feathered Friends Forever – a rescue organization that is home to 1,400 parrots – after personally rehoming an umbrella cockatoo. In 2019 alone, he volunteered a total of 1,000 hours, and, for the past seven years, has volunteered at the shelter nearly every weekend. Daryl works diligently to improve the lives of companion birds by providing them with a safe haven as he strives to advance avian welfare through public education and awareness efforts. “I do it for the birds because being a volunteer isn’t about notoriety or recognition,” said Johnson. “It’s about working hard for a good cause and making a difference in a parrot’s life.”



Xerox Systems Engineer DaTwan Dixon served as a long-term volunteer coach with Xerox For Inspiration and Recognition of Science and Technology (FIRST®) robotics team, whose motto is ‘We build people, not just robots.’ His team is based at his alma mater, Wilson Magnet High School, in Rochester, New York. “I continue volunteering year after year, because I can see and feel the difference that it makes,” said Dixon. “I have witnessed more success stories than I can count, and it feels great to know that I had a small part in molding these future leaders.” During the pandemic the team is staying connected with virtual check-ins, homework help, online games, and tutorials to keep their students engaged.



Melissa Gydesen of Xerox’s Production Engineering team is also a First Robotics Competition (FRC) coach with Xerox team Victor Robotics. FRC is a family affair for Gydesen. “My son was on the team during high school, and my husband had been volunteering with the team when I joined,” she said. Gydesen started as a part-time volunteer and is now a lead coach who also helps with marketing, sponsorships and community service. During COVID-19 her students used 3D printers to make parts for face masks for essential workers.



Business Systems Analyst, Luz Pellot, is a founding board member and board secretary of Graffiti HeArt, a nonprofit that gives artists an opportunity to showcase their work while beautifying and revitalizing communities and funding educational opportunities for underserved youth. Recently, they helped organize the installation and design of a Black Lives Matter street mural in Cleveland, Ohio, collaborating with more than 100 artists, volunteers and community members. “It’s about making a difference with the time, talents and resources we have to offer,” said Pellot. “It’s exhilarating and a cool mission to be a part of.” Their work can be seen across Ohio and Puerto Rico.



The Xerox Digital Sales team located in Saint John, New Brunswick, volunteered their time to raise more than \$10,000 for the Canadian Cancer Society. For the past 17 years, the Digital Sales Centre has organized a day-long curling bonspiel where teams raise money and volunteer their time for this worthy cause. This year, 10 teams took to the ice for a friendly competition at The Carlton Curling Club in Saint John.



Ian Martin and Alexis Rufus, both sales managers on the U.K.’s public sector team, work closely with the National Health Service (NHS) and saw first-hand the pressure their client was under caring for patients during COVID-19. “Working for Xerox within the Public Sector Organization and with the NHS every day, we were humbled and inspired to make our own small contribution,” said Martin.

In May, Martin and Rufus set themselves a challenge to each run 235 miles—the equivalent of nine marathons in 31 days—to raise money for the brave and dedicated NHS staff and volunteers. In total, they raised more than £4,000 and donated the money to NHS Charities Together.

Another 2019 highlight was Xerox Canada's effort to raise nearly \$200,000 to help Canadians move out of and avoid the cycle of poverty. At the same time, Xerox and our employees also donated \$654,000 to 589 organizations through the Xerox Employee Matching Gift Program. Through this program, the company matches employee donations to nonprofit organizations up to \$500 per employee, per calendar year, on a one-to-one basis. Xerox recently expanded the program to include higher education institutions.

## 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 to take an interest in the STEM principles and create a career path to success—one that eliminates poverty.

One place 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.

The Xerox Science Consultant Program began in 1968 as an effort of our founder, Joe Wilson, and was a direct result of race riots in Rochester. Xerox men and women visit elementary school classrooms to teach hands-on science to children who may never have had the exposure to the material or, most importantly, a role model who works in the STEM field. In 2019, we partnered with the Rochester Museum and Science Center to expand the program with the shared goal of increasing the number of volunteers, which would enable us to reach more students in more urban districts.

Xerox was a founding partner of [For Inspiration and Recognition of Science and Technology](#) (FIRST). FIRST is yet another 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. In 2019, 70 Xerox volunteers were the driving force behind 39 teams in the U.S. and Canada. Since 1992 when we began our partnership, we've worked with more than 10,000 students through FIRST.

### SCIENCE AND TECHNOLOGY

At Xerox, innovation is our foundation for success. Academic organizations are important in 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 market thoughtful and sustainable technology for clients.

### DISASTER RELIEF

Xerox champions a variety of organizations that respond to natural disasters around the world. We invest in The American Red Cross for its efforts to respond quickly and effectively to U.S.-based natural disasters. In 2019, Xerox partnered with the Red Cross in response to Hurricane Dorian, a powerful and devastating Category 5 Atlantic hurricane. Xerox funding provided emergency supplies including food, clean water, and cots and blankets for evacuation centers and at-risk communities throughout the U.S. and the Bahamas.



| ACADEMIA   | FOCUS   | BENEFITS   | OUTCOME   |
|--|---|--|---|
| <b>Brown University</b>                                      | Lead-free alternates to lead zirconate titanate (PZT) for printheads                            | Addresses removal of lead from printhead (PH) thus meeting regulatory requirements and competitive advantage | Several potential candidate materials developed, tested and the PH manufacturing team engaged   |
| <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 curriculum for electrical and computer engineering programs to teach intellectual property generation and management</li> <li>• Xerox Customer Innovation Center on campus</li> <li>• Faculty residency</li> <li>• New hires</li> <li>• AM Print Center</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>• \$5M+ research and development (R&amp;D) cost savings as a result of open innovation and collaboration</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   |

# 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 [2020 Corporate Social Responsibility Goals and Progress Summary](#) available at [xerox.com](http://xerox.com).

## STRENGTHENING DIVERSITY AND INCLUSION

Xerox has been at the forefront of advancing diversity and inclusion for the past 60 years and has long been recognized as a D&I leader. Here are some examples of the recognition we are so proud of:

- Most recently, 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 18 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 places great importance on workforce diversity. For example, women make up 40% and people of color make up 13% of our Executive Committee. Below is a snapshot of our entire workforce.

| CATEGORY  | 2019 |
|---|------|
| <b>Women employees by region – (% of total)</b> |      |
| Americas  | 27   |
| Asia Pacific and Japan                          | 26   |
| Europe, Middle East, and Africa                 | 29   |
| Worldwide                                       | 27   |

| <b>Women managers by region – (% of total)</b>                                    |       |    |
|---|-------|----|
| Americas  |       | 27 |
| Asia Pacific and Japan  |       | 19 |
| Europe, Middle East, and Africa   |       | 26 |
| Worldwide   |       | 26 |
| <b>New hires globally, by gender – (% of total)</b>                               |       |    |
| Women   |       | 31 |
| Men   |       | 69 |
| <b>Global workforce, Full-time by classification – (% of full-time employees)</b> |       |    |
| Executives  | Women | 27 |
|   | Men   | 73 |
| Directors   | Women | 30 |
|   | Men   | 70 |
| Managers  | Women | 29 |
|   | Men   | 71 |
| Professionals   | Women | 39 |
|   | Men   | 61 |
| Other   | Women | 24 |
|   | Men   | 76 |
| All Classes   | Women | 27 |
|   | Men   | 73 |
| <b>U.S. workforce by ethnicity – (% of total)</b>                                 |       |    |
| White   |       | 70 |
| Black   |       | 11 |
| Hispanic/Latino   |       | 11 |
| Asian   |       | 5  |

|   |    |
|---|----|
| Native Hawaiian/Pacific Islander                | –  |
| Native American/Alaskan Native                  | 1  |
| Two or more races                               | 1  |
| Not specified                                   | 2  |
| <b>New hires – United States – (% of total)</b> |    |
| White   | 66 |
| Black   | 14 |
| Hispanic/Latino                                 | 11 |
| Asian   | 5  |
| Native American                                 | 1  |

### NONDISCRIMINATION 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. We've designed our hiring and promotion efforts to ensure a deep, diverse reserve of strong talent who are ready to assume leadership roles. Our senior executives recruit at universities and career fairs to reach out to diverse candidates.

### EQUAL EMPLOYMENT OPPORTUNITY

In the U.S., Xerox complies with Equal Employment Opportunity (EEO) guidelines and all applicable federal, state, and local laws that govern the hiring and treatment of its employees. We do not discriminate against veterans, individuals with a disability, or employees who take protected leave time.

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

### RECRUITMENT

Xerox practices the Wilson Rule, which requires that women and minorities 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.

### BOARD DIVERSITY

Our Corporate Governance Guidelines 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.

In February 2020, the Board amended our Corporate Governance 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. 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.

The Board is continuously seeking highly-qualified, diverse candidates to add to the range of skills and experiences represented on our Board. The seven individuals nominated for election at our 2020 Annual Meeting bring valuable diversity to the Board. One of these seven director nominees is a woman. One of our nominees is Hispanic. These seven director nominees range in age from 41 to 64. In addition, each director nominee contributes to the Board's overall diversity by providing a variety of perspectives, personal and professional experiences and backgrounds. The tenure of the current directors averages approximately two and a half years. We believe our director nominees bring a well-rounded variety of skills, qualifications, experience and diversity as well as fresh perspectives.

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

Talent management and workforce development are crucial for the future of Xerox and fueling business growth. 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. We also continually focus on our next generation of leaders. When managers recognize an emerging leader on their team, they work with that individual to plan developmental assignments to stretch and test their capabilities. We identify and accelerate high potentials as well as provide growth opportunities for our people. Senior leaders review performance and career steps with those who are poised to assume key roles. 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 also remains committed to accelerating the careers of high-potential, diverse employees and women along with identifying more diverse candidates for open roles. Additionally, we will provide enhanced diversity training for people managers as we continue to apply policies such as the [Wilson Rule](#) to reinforce the importance of a diverse workforce.

In support of developing our future leaders, Xerox 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.

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

To manage professional learning, employees and authorized business partners use a comprehensive global learning platform. The platform provides access to hundreds of targeted online courses, virtual classroom events, simulations, job aids, and other learning and development resources.

Topics range from critical job-specific information and technical upskilling, to management development and professional effectiveness, and includes productivity tools for project management, client service, negotiations, and technology solutions. Targeted learning covers topics such as 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 package that includes a variety of compensation and benefits.

We believe our programs should 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.

We benchmark our programs to understand our competitiveness against the market and our peers. As a result, we review annually and make changes to our compensation and benefits programs to achieve these objectives. As with most global companies, compensation and benefits vary by location according to local regulations, market conditions or practices, and business 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 may consist of health insurance and services, life and accident insurance, holiday and leave programs, and retirement programs.

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, enabling them to 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. Additional information is available at [xerox.com](http://xerox.com).

### NEW POLICIES

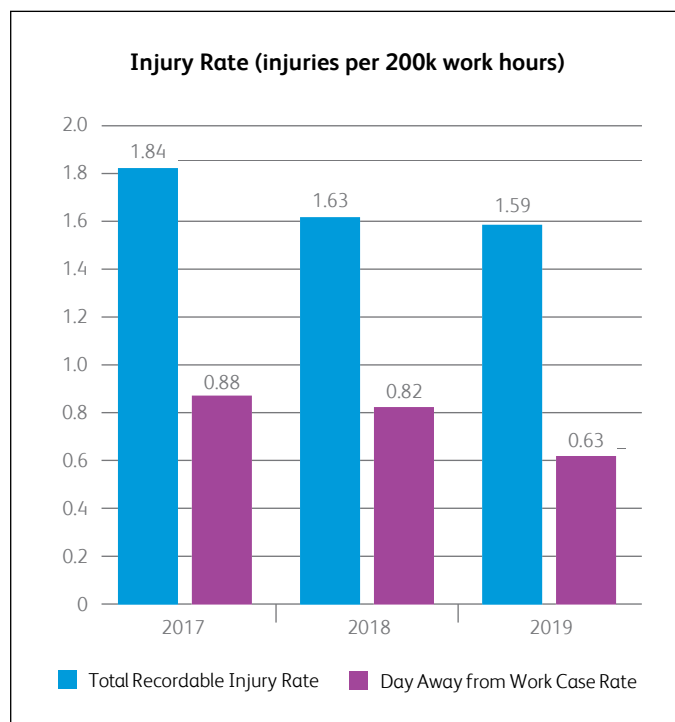
In 2019, we introduced “Dress for Your Day,” a new policy that enables employees to choose what they wear to work each day based on their work schedule. The expectation is that employees will dress appropriately for the nature of their business and the type of work performed.

At the start of 2020, we also introduced a new workplace fraternization policy that is aligned with best practices in the industry. Supervisors and the employees they supervise are prohibited from dating or engaging in a romantic relationship with each other. Romantic relationships between a supervisor/ manager and an employee must be disclosed to the Chief Human Resources Officer. Failure to do so may lead to termination or disciplinary action.

Romantic relationships between employees can interfere with work operations and job performance, damage employee morale, cause loss of productivity and lead to accusations of favoritism or disparity. They also place the reputation of the company at risk. For these reasons, Xerox reserves the right to take appropriate action, including transfer or termination.

### 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 2019, our U.S. total recordable injury (TRI) rate decreased by 2.5% and our day away from work case (DAFW) rate decreased by 23.2% from 2018 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 a decline in the total injury performance in our Developing Markets and European Operations (13% and 5% respectively).



We have a worldwide incident reporting process in place that enables tracking and monitoring safety performance. This, in combination with workplace safety, inspections and hazard analysis, focus our safety improvement efforts 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. 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 that may be 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 Xerox equipment and property from fire, explosion 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 on a regular cadence with our corporate risk management team and our loss control engineering supplier to establish strategies to reduce risk for losses. Our philosophy is to maintain 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 is to ensure contracted work conforms to all applicable regulations and Xerox 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 Xerox 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 our operations meet both Xerox and client requirements.

## ENVIRONMENT, HEALTH AND SAFETY PROJECT REVIEWS

We continually make modifications to our facilities, work processes and operations to improve efficiency and effectiveness. To ensure these changes meet applicable Xerox 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 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 with recommendations 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 upon 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 are 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 2019, 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, Xerox 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 Xerox 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 or illness to 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 medical 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 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 are implemented. Following an emergency, business resumption plans are put into action to ensure the business 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 and certain solvents and metals, Xerox 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 2019, 98% was 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

Because 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:

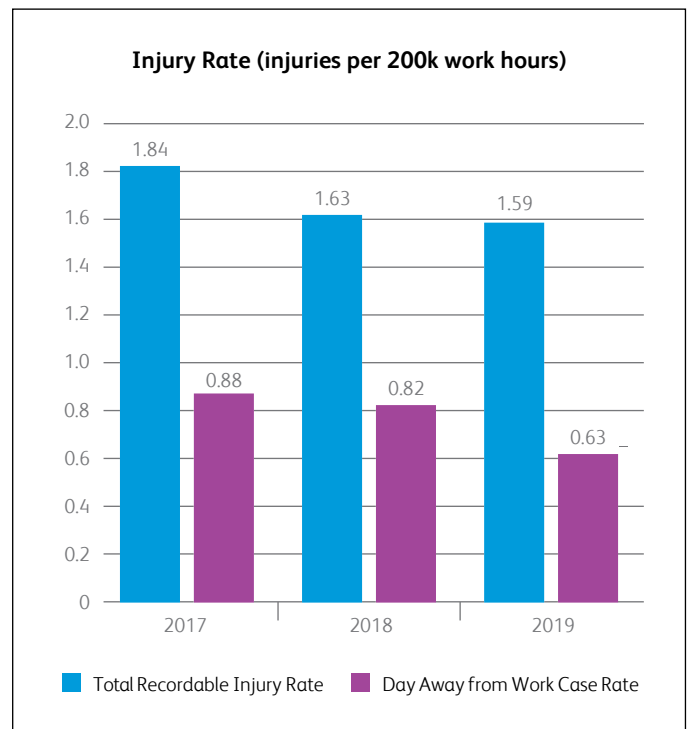
- **Manufacturing operations:** Each operating unit is required to complete an “Action Limit Checklist” for all jobs. This checklist helps to identify areas of ergonomic risk and prioritize necessary changes/modifications. All employees are required to have basic ergonomic training that includes identifying 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 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. This method of delivery enables employees to go through needed training programs at a time that minimizes business interruptions.

After detailed reviews on one of our toner lines from 2018–2019, Xerox decided to initiate a pilot program using a third-party service provider working one-on-one with manufacturing employees. The goal of the program is to assist employees with implementing ergonomic strategies at the individual level to improve productivity while reducing discomfort. Actions include stretching and exercise programs that support the individuals’ needs, ergonomic reviews to improve workstations for each employee, and immediate support for employees with discomfort—all in an effort to reduce the number of injuries experienced by our manufacturing employees.

## MOTOR VEHICLE SAFETY

Motor vehicle safety is a key component of our safety initiatives. 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 are reported to the management team.

A comprehensive safety review is conducted on any vehicle model before it is accepted as part of the Xerox 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 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, Xerox was named one of the “World’s Most Ethical Companies” by Ethisphere Magazine for the twelfth consecutive year in 2018. 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.

## **CODES 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 ethics and compliance concerns 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. 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, 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 company’s ethical culture and help us focus on areas for improvement.

Many Xerox 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 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 2020 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 48 years Xerox has been at the forefront of actively surveying our employees. Leveraging employee feedback from town halls as well as employee engagement and culture surveys allows us to:

- Strengthen two-way communications between the company and employees;
- Ensure a better experience with our clients; and
- Create an effective and 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.

As referenced in the “Advancing Equality at Xerox and Beyond” section, at the onset of the racial events in the U.S., we hosted 15 roundtable sessions, to hear from our colleagues who have faced discrimination, help build awareness and form recommendations about how we turn what we learn into a collective set of actions. More than 3,000 Xerox employees participated in these calls.

Our employees also remain engaged through volunteer efforts. As referenced in our Employee Volunteering section, employees collectively volunteered more than 25,000 hours in 2019.

# 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

We have robust processes for tracking regulatory violations and nonconformity with voluntary codes and labels. In 2019, 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 premature disposal of existing parts that have 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 2019, we reported no issues with noncompliance to RoHS. In addition, Xerox proactively collects data from its suppliers on the presence of Registration, Evaluation, Authorisation, 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.

## SAFE PRODUCTS AND SERVICES

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 Xerox imaging equipment is assessed for conformance to these standards.

Clients are encouraged to review product safety information and understand the environmental profile of our 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 Xerox device. Xerox® Device Safety Data Sheets (SDS) identify hazards associated with specific materials and describe how they can be safely handled, used, stored and disposed of. Both 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 bio accumulative 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, Xerox® Toners and Office Printing Products are noncarcinogenic and nonmutagenic. 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 emissions of chemicals. As a result, current products have achieved chemical 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

In the print industry, Xerox was the first in many ways to design products that are accessible and easy to operate by all users, including people with disabilities. Our dedicated team of design professionals upholds that commitment for the products and services we provide.

To make our systems accessible for people with disabilities, Xerox has developed several accessories such as angled consoles, braille console labels, magnifying lenses for visually impaired users and "start print" foot switches. We design software for embedded web servers and print drivers to be compatible with screen readers to enable people with visual impairments to operate them. On an ongoing basis, we strive to improve our performance around accessibility and adapt products so that ease of use is not compromised.

Xerox stepped forward in 1998 when Congress amended Section 508 of the U.S. Rehabilitation Act of 1973. We developed solutions to adapt our technology for use by government workers who are disabled. We also established a rigorous process to evaluate our products' compliance to meet Section 508 accessibility requirements. In the near future, Section 508 rules will change, and new input is expected to come from the European Union and the Far East. Learn more about our efforts pertaining to Section 508 accessibility requirements at [xerox.com](http://xerox.com).

Our focus on increased mobility has expanded with the anywhere, always-on enterprise. We're enabling enterprises to manage a complex infrastructure, as employees are bringing their own devices to work and demanding the same seamless, secure ability to find, use, and print business documents. Xerox® Technology such as mobile print solutions, is enhancing easy access to information.

## CLIENT SATISFACTION

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

## RELATIONSHIP PROCESSES

As 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 client 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 strong client relationship and 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 Sentinel Survey feedback. Surveys can be customized to receive short- or long-term feedback on certain service elements. Sentinel includes web-based "send 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 client 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 can leverage to improve performance. Client feedback is directed to the appropriate Xerox 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 Xerox proprietary closed-loop client experience system. Sentinel includes web-based “send 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. Given the broad adoption of Sentinel by clients across the globe, we are modernizing our communication methods to enable quicker client feedback. Sentinel will soon be available as an app on Xerox devices, further enhancing client experience. Sentinel 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 Xerox executive is assigned to collaborate with our 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**

Establishing client confidence through appropriate privacy 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 galvanize our clients’ confidence in our products and services.

Our client privacy responsibilities are considered throughout all aspects of the Xerox enterprise. Client privacy can be affected in the company’s marketing activities, from the processing of personal data through services Xerox provides to our clients and through events involving Xerox systems maintaining client information.

Xerox manages these impacts through implementation of a global privacy program that includes representation from all aspects of the enterprise, including Legal, Information Technology, Information Management, Corporate Security, Human Resources, Marketing, Ethics, Risk Management, Product Development, and Internal Audit. The purpose of this cross-functional team is to build on the company’s existing robust privacy practices and create consistency across the enterprise to implement binding procedures that instill confidence in our products and services. These Xerox groups are responsible for maintaining and overseeing various policies concerning privacy compliance and secure handling of personal data such as the company’s privacy statement, and different internal corporate privacy and security policies regarding personal data, marketing preferences, and human resources obligations.

The Xerox global privacy program reviews and updates these policies annually, most recently to address the EU General Data Protection Regulation and the company’s certification to the Privacy Shield Framework. Xerox has implemented new privacy management tools and practices such as privacy impact assessments to document and map data flows within Xerox and updates to our vendor management to ensure appropriate contractual obligations are agreed to and followed by vendors processing personal data on our behalf. Xerox continuously monitors and researches privacy laws throughout the world to ensure we comply with all applicable requirements.

Adherence to Xerox policies 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 is required of all Xerox employees. Additional specialized training is required for certain roles, and numerous training programs are available for employees to take on their own initiative.

Our publicly facing privacy statement provides information to individuals regarding the corporation's actions with respect to personal data Xerox may collect and process and provides rights to these data subjects regarding their personal data. Additionally, Xerox cooperates with our clients and negotiates appropriate contractual commitments to allow our clients to comply with relevant data subject rights and applicable privacy laws. 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 and an internal incident response hotline are available for reporting alleged violations for investigation by a dedicated, cross-disciplinary incident response team. During 2019, Xerox did not receive any substantiated complaints from outside parties or regulatory bodies concerning breaches of client privacy.

We also research and monitor the data-protection laws in the countries where we do business to ensure that we comply with applicable requirements. For example, we comply with the following international laws where applicable: Canadian Personal Information Protection and Electronic Documents Act; European Union Directive 95/46/EC on the protection of personal data; EU General Data Protection Regulation (GDPR); and applicable U.S. federal and state privacy laws.

#### **DATA SECURITY WITH XEROX® PRODUCTS**

To protect our clients' most sensitive data, we take a holistic approach to managing security throughout the product life cycle, from design to development, manufacturing, deployment and, ultimately, disposal.

Security functionality is integrated at the individual device level and extends seamlessly to the fleet. State-of-the-art encryption is used extensively to protect client information, both while at rest in the device and in motion to and from the device. The authentication and authorization features are unmatched in their ability to control usage; yet, they also are easy to use. We put special emphasis on the care and handling of machines that are returned to us after lease expiration or otherwise. Disks in these devices are destroyed or completely remastered to remove any residual client information before they are reused.

In the unlikely event that data and network defenses are bypassed, ConnectKey technology will 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 built-in solutions use McAfee allow list 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.

To further support information security, Xerox has policies and controls in place to provide privacy protection for personally identifiable information maintained by the company. Our policies follow industry best practices, including the use of encryption technology and data loss protection software.

Our approach has earned us top levels of compliance and certifications such as the Common Criteria (ISO/ IEC 15408) and FIPS 140-2, and in 2018 Xerox became the first document technology company to achieve an Authority to Operate (P-ATO) from the U.S. Federal Risk and Authorization Management Program (FedRAMP), a government-wide initiative that provides a standardized approach to security. FedRAMP authorization was granted for Xerox® Cloud-Based Managed Print Services.



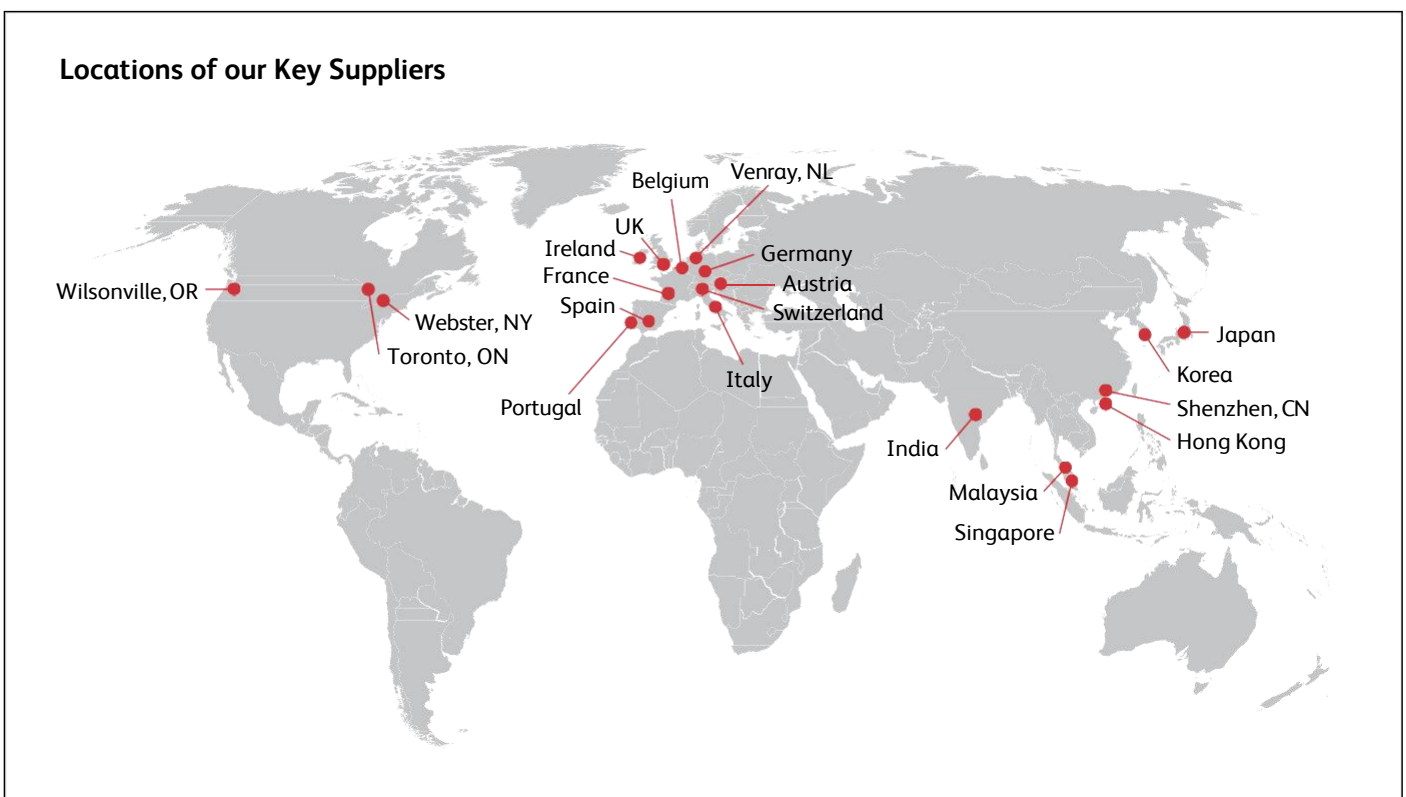
# Supplier Relations

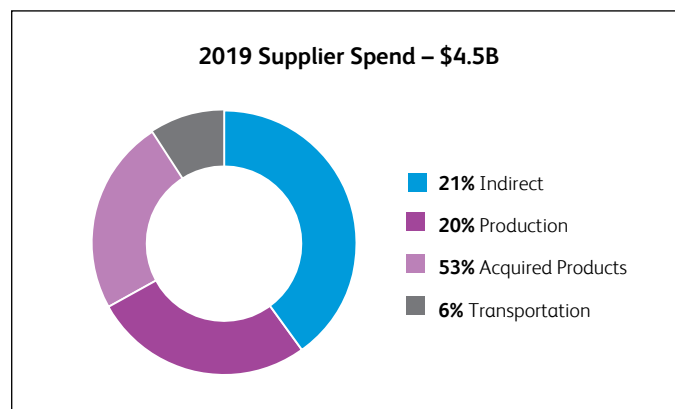
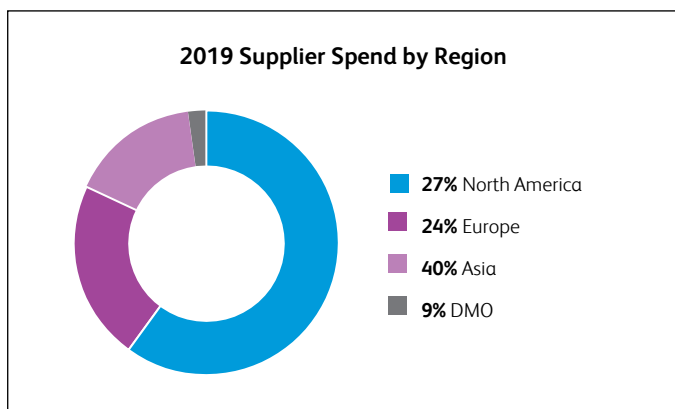


As a major Xerox organization spending approximately \$4.5 billion per year to support our operations, we recognize an obligation to actively manage our global supplier base and ensure these critical partners meet our high social, environmental, and ethical standards.

As part of the purchasing process, we assess the quality, cost, delivery, and sustainability of all products and services whether we purchase 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 72% of spend is from local suppliers; in Europe, it is 92% and 55% in Asia.





In 2019, we sourced the majority of our needs from the partners listed below.

| Name of Company                  | Sustainability Site                                | Sustainability Report                          |
|----------------------------------|--|--|
| <b>Fuji Xerox Co. Ltd.</b>       | <a href="#">Fuji Xerox Sustainability</a>          | <a href="#">2019 Sustainability Report</a>     |
| <b>Flextronics International</b> | <a href="#">Flextronics Social Responsibility</a>  | <a href="#">2019 Sustainability Report</a>     |
| <b>Hewlett Packard</b>           | <a href="#">Hewlett Packard Global Citizenship</a> | <a href="#">2019 Sustainable Impact 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.

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 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;
- Percent 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

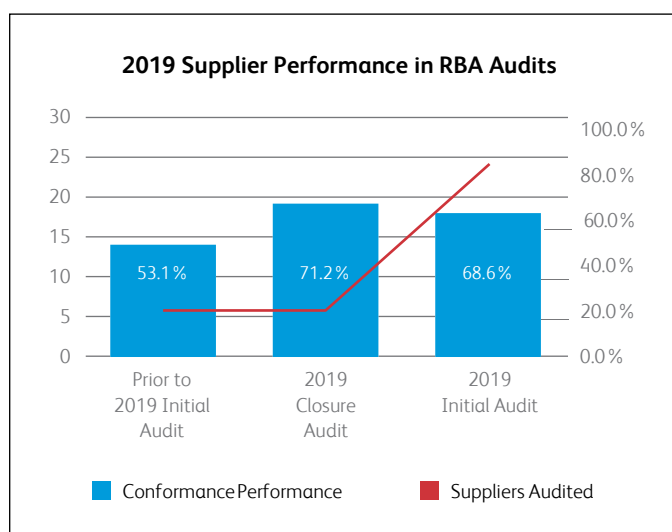
One of the key elements in our risk assessment framework is to identify potential sustainability risk in our supply chain. Xerox focuses its supplier audit program on those suppliers that comprise the greatest percentage of annual spend. Suppliers in the Asia-Pacific region comprise approximately 80% of Xerox annual direct spend. Approximately 24.6% of these suppliers were audited in 2019.

The audits conducted by Xerox Global Procurement organization are based on the RBA Code of Conduct and relevant local laws and regulations. For audits conducted in 2019, Xerox used the latest ratified RBA Code of Conduct (version 6.0) that included additional requirements pertaining to social and environmental dimensions. With the addition of requirements pertaining to pregnant workers and water resource management, Xerox suppliers are required to provide additional evidence of ongoing continual improvement practices.

| SUPPLIER AUDITS — SCOPE AND STATUS BY YEAR | 2017   | 2018   | 2019   |
|--|--------|--------|--------|
| <b>RBA "In-Scope" Workers coverage</b>     | 33,799 | 14,208 | 18,251 |
| <b>Initial audits</b>                      | 10     | 6      | 24     |
| <b>Closure audits</b>                      | 27     | 17     | 6      |

## PERFORMANCE

In 2019, Xerox conducted 24 initial audits and closed six audits that were initiated before 2019 in various Asian countries. As compared to the initial audit findings, the average level of supplier conformance observed during the closure audits increased 53.1% to 71.2%.



## EXTENDING CSR AUDIT FOOTPRINT

In 2020, Xerox intends to extend the CSR audit footprint into other geographic regions such as Europe and the U.S., as it continues to meet all commitments of a full RBA corporate member.

## CORRECTIVE ACTION AND CONTINUAL IMPROVEMENT

Xerox requires suppliers to provide a comprehensive corrective action plan for all nonconformances within a designated time frame that varies according to the severity of the nonconformance. The time frame can range from immediate up to 180 days from the original audit. Our team then reviews these plans and schedules a closure audit to ensure all corrective actions plan put into place are effective. If such remedies are found to be inadequate, we intervene to help the supplier develop a more robust and effective solution.

Upon a supplier's request, Xerox may offer further improvement guides to specific areas of response to CSR audit results.

For example, most suppliers have difficulty reporting their Green House Gas emissions (GHG's). In these cases, Xerox provides the supplier with guidance on calculating and reporting GHG's. If suppliers want additional help to improve other nonconformances as well as Green House Gas emission management, the Xerox audit team is willing to provide adequate guidance.

## ADDRESSING NONCONFORMANCES

Sixteen of the thirty suppliers assessed were identified as having significant actual and potential negative CSR impacts, defined as priority non-conformances or nonconformance ratings of less than 70%. The priority nonconformances are the most serious type of findings during our CSR audit. Xerox takes such audit findings very seriously; the supplier will be required to take immediate action to rectify the situation and provide a corrective action plan within thirty days from the original audit.

In 2019, there were 14 priority nonconformances identified during the audit for deficiencies related to Labor, Health & Safety and the Environmental sections of the RBA Code. Suppliers were required to provide their corrective action plan within the 30-day time frame. After review and acceptance by Xerox, all suppliers agreed to the corrective action plans.

### Top Five Nonconformance Categories from 2019 RBA Audits

| RBA CLAUSE | ISSUE  | % OF AUDITS | DESCRIPTION  |
|------------|--|-------------|--|
| E12.2      | <ul style="list-style-type: none"> <li>Supplier Responsibility</li> <li>Management System</li> </ul> | 80.0%       | Most suppliers have an adequate understanding of RBA code but don't have the management procedures or effective implement the procedures.  |
| B1.2       | <ul style="list-style-type: none"> <li>Occupational Safety</li> <li>Health and Safety</li> </ul>     | 70.0%       | Most suppliers have well documented procedures and records, but some procedures pose potential risks to workers' safety. In addition, the documented procedures are not always followed. |
| E9.1       | <ul style="list-style-type: none"> <li>Audits and Assessments</li> <li>Management System</li> </ul>  | 63.3%       | Most suppliers are ISO14001 certified. However, it has been observed that self-auditing performed in some areas, or not at all.  |

|      |   |       |  |
|------|---|-------|--|
| A3.1 | <ul style="list-style-type: none"> <li>Working Hours</li> <li>Labor</li> </ul>          | 56.7% | Excessive working hours observed on 12 out of 14 audits of suppliers in China conducted in 2019.   |
| C7.1 | <ul style="list-style-type: none"> <li>Water Management</li> <li>Environment</li> </ul> | 53.3% | Xerox requires suppliers to comply with RBA code to effectively manage and control water use and treatment such as conserving water and controlling pollution channels. In particular, all wastewater must be characterized, monitored, controlled and treated as needed prior to discharge or disposal. |

### CONFLICT MATERIALS

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 publish due diligence activities in an 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 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 RMI and other sources, we believe that the countries of origin of the 3TG minerals contained in our products include the countries listed in Appendix II below as well as recycled and scrap sources. More information is provided in the Form SD we filed with the SEC for 2019 on May 29, 2020.

### 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 production of finished goods. We supply papers that comply with sustainable forest management standards, including 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.

Additionally, we help reforest some of the world's most treasured ecosystems. For clients leveraging 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 thus far 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 and 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 both 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 are platinum certified to the Chartered Institute of Procurement and Supply (CIPS) in the area of procurement excellence through processes and procedures. In 2012, Xerox was the first organization globally to achieve CIP gold certification. 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.

In 2018, CIPS completed a complete recertification of the company's strategic procurement program against the standards set forth in the Platinum Certification and concurred that Xerox continues to display world-class procurement practices required to maintain this advanced CIPS certification.

The Xerox strategic procurement program continues to be periodically assessed against the standards set forth in the Platinum Certification to ensure Xerox adheres to world-class practices to maintain this advanced CIPS certification.

### 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 business 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 to 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 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](#) at [xerox.com](#).

# 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 Xerox policies and programs through April 2020 unless otherwise noted. We also share the methods we use to evaluate our effectiveness in managing these topics. That often includes internal and external feedback we have received throughout the year. With this feedback and upon 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 social media (Xerox Facebook and Twitter 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. Where appropriate, we identify operations excluded from specific disclosures. 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.



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