

2014 Report on Global Citizenship



CEO Letter

Dear Stakeholders:

Xerox has a long history of innovation that has come to define responsible global citizenship. This spirit of invention is an inextricable part of our heritage as a good citizen.

If innovation is the heart of a company, then citizenship is the soul. Consider these facts: The Xerox Foundation – the arm of the corporation that oversees many of our philanthropic efforts – was launched over 50 years ago. We officially and publically embraced diversity during the civil rights struggles of the 1960s. Our sustainable product development practices trace their roots to well before the first Earth Day in 1970. We formalized our longstanding commitment to environmental management and employee safety in the 1980s with the founding of our Environmental, Health and Safety organization. During the early 1990s, we began to hone in on remanufacturing and the use of recycled paper in the office. In the 2000s, all of our manufacturing and distribution facilities achieved ISO 14001 certification.

Those early commitments have led us on a fascinating journey. And, along the way, we've gained an important insight: the more we invest in citizenship, the more value we create for our people, our customers, our shareholders and our planet.

More than ever, our story involves the commitment to innovate with the greater good as our guide. We're still pushing the boundaries of what is possible... focused on helping our customers be more successful by harnessing the potential of services and technologies for the promise of a better world.

For example, our researchers are helping cities in the U.S., Latin America and Europe improve traffic flow and parking availability to curb congestion and pollution. We're optimizing offices around the globe with our managed print services, transforming complex business processes and saving our clients energy and money while reducing their impact on the environment. And, we're helping customers manage their supply chain to increase productivity and to drive sustainability.

In 2013, we were named one of the world's most ethical companies by *Ethisphere Magazine*; No. 3 in *FORTUNE* magazine's most admired companies in the computer industry; editors at MIT Tech Review acknowledged Xerox for creating disruptive innovations most likely to change lives; and the U.S. Environmental Protection Agency and others recognized us for our work on climate change.

I'm grateful that we are being noticed for our contributions, but our work in citizenship is never-ending. In fact, our relentless focus on innovation and growth is not just helping us drive sustainable and insightful change; it is leading us to engage with new clients and new markets around the globe.

In doing so, we're behind the scenes applying our knowledge and expertise to create new solutions to help our customers solve some of the world's biggest challenges in healthcare, transportation and communications. Multiply these challenges by hundreds more and you begin to see how today's Xerox is using innovation smartly, strategically and sustainably to help the world tackle some daunting and complex tasks.

From our earliest days, we've been motivated to take a larger role in the world because we've believed that we're part of a greater community. That belief is guided by our values and propelled by our highest ideals of integrity, innovation and excellence. The 140,000 Xerox people doing business in over 180 countries recognize the tremendous opportunity – and responsibility – we have to make a positive impact on our world.

You'll see that commitment running throughout this report. And, you'll read about some of the ways we translate that passion into programs and progress. We invite you to look inside and see for yourself.



Ursula M. Burns
Chairman and Chief Executive Officer

Company Profile

Even as innovations in computer science, imaging and communications transform the world, Xerox continues to keep pace. In 2013, we marked the 75th anniversary of the first xerographic image that sparked our business in copiers and progressed into printers, multifunction devices, production-publishing systems, managed print services and related software. In the last decade, we have become leaders in business process and IT outsourcing. We now offer global services that range from claims reimbursement and automated toll transactions to management of HR benefits and customer care centers.

Today, we're helping our customers be more successful by harnessing the potential of services and technologies for the promise of a better world. We take very complex business processes and challenges, create solutions and make them appear simple to the people who need them. We use innovation smartly and strategically to help the world tackle some daunting and complex tasks.

Our Values

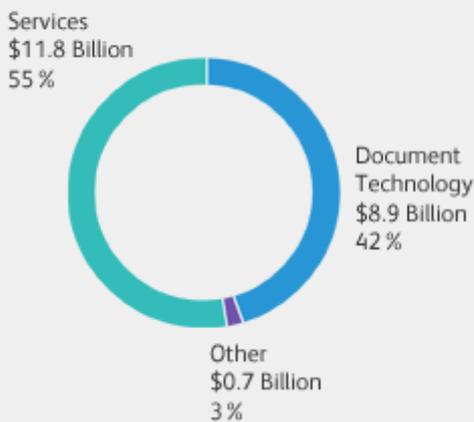
Since our inception, we have operated under the guidance of six core values:

- 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 value our employees; and
- we behave responsibly as a corporate citizen.

Major Business Segments

Xerox Services and Document Technology represent our two main business segments. We report our financial results through these two segments, plus a third smaller segment: Other.

2013 Revenue by Segment



Detailed financial information for operating segments is presented in our quarterly and annual reports available at www.xerox.com/investor.

Services

Rapid innovation in the global economy has made business processes and information technology increasingly sophisticated and challenging to maintain. By outsourcing these functions to us, our customers can better keep pace with advances in technology while reducing costs and allocating resources to their core operations. Our Services segment comprises three offerings: Business Process Outsourcing (BPO), Information Technology Outsourcing (ITO) and Document Outsourcing (DO).

Document Technology

We sell products and supplies as well as provide technical service and financing for our products. Our Document Technology business centers on strategic product groups that share common technology, manufacturing and product platforms. The strategic product groups are: Entry, Mid-Range and High-End.

[Learn more about our offerings.](#)

What We Offer: Services

We provide the industry's broadest portfolio of business process and IT outsourcing support, document technology and solutions.

Business Process Outsourcing

We are the largest diversified business process outsourcing provider in the world. Our expertise lies in transaction-intensive offerings that are tailored for industry-specific applications as well as common business process functions, such as:

- Government Healthcare Solutions;
- Healthcare Payer and Pharma;
- Healthcare Provider Solutions;
- Human Resources Services;
- Financial Services;
- Customer Care;
- Retail, Travel, Litigation and Learning;
- Communication and Marketing Services;
- Transportation Solutions; and
- Government Solutions.

Information Technology Outsourcing

We design, develop and deliver effective IT solutions. Our secure data centers and managed storage facilities around the world provide a reliable IT infrastructure that minimizes the risk of disruption to daily operations.

Our ITO services include:

- Managed IT Services;
- End-User Computing; and
- IT Solutions.

We provide ITO services across all industries and have developed deep expertise in several key vertical markets, including Healthcare, Retail, Manufacturing, Financial Services and Public Sector.

Document Outsourcing

We are an industry leader in document outsourcing services, with more than 20 years of experience and 15,000 business professionals. We help companies optimize their printing infrastructure and simplify their communications and business processes to grow revenue, reduce costs and operate more efficiently. Our primary offering within Document Outsourcing includes both Managed Print Services and Centralized Print Services.

- **Managed Print Services (MPS):** We help large global enterprises and small- and mid-size businesses cut costs, increase productivity and meet their environmental sustainability goals while supporting their mobile and security needs. We provide a roadmap to help customers manage their information today and identify opportunities for continuous innovation. We are recognized as an industry leader by several major analyst firms, including Gartner, IDC, Quocirca and Forrester.
- **Centralized Print Services (CPS):** As a world leader in CPS, we work with customers to establish a common understanding of their business needs. We address the operational and financial aspects of their business and create a document production service that supports revenue growth. Our main offerings include the following:
 - On-site print center support (on-demand printing and copying);

- transactional printing;
- complete finishing;
- track and trace;
- global governance and mainframe production printing;
- external print procurement;
- mail and distribution;
- creative and design; and
- cross-media and e-publishing.

What We Offer: Document Technology

For the Workplace

We provide solutions for workplaces and offices, large and small, through a broad array of document devices:

- Multifunction systems, in color and black and white, that combine printing, copying, faxing and scanning;
- color network printers, solid ink and laser;
- Xerox ConnectKey®, which is a software system and set of solutions embedded in many of our multifunction printers;
- mobile offerings that make it easier for office workers to print from anywhere, at any time; and
- document scanners and other computer peripherals to increase workplace efficiency.

For Production Print Environments

We pioneered the on-demand printing industry with digital production publishing and have supported its evolution through continual innovation. Books can now be printed for one or for thousands, and marketing materials can be customized for each and every prospect.

For the graphic arts, marketing and production environments, we offer these printing systems and services:

- Digital and inkjet printers and presses, both color and black and white, and solid ink and aqueous;
- continuous-feed printers;
- tools to help develop and grow a profitable digital print business;
- Solutions for short-run book publishing, on-demand documents, transactional applications, cross-media customized campaigns and more; and
- workflow software to simplify how print jobs are created and managed.

Research and Development

We lead the industry through innovation. Together with Fuji Xerox, our joint venture, we have invested more than \$1.3 billion annually in research, development and engineering. We have R&D centers in the U.S., Canada, Europe and India. Our investments in innovation align with our growth opportunities in areas such as business process services, color printing and customized communications. Our research efforts can be categorized under four themes: transforming data into actionable decisions, creating agile business processes, making personalization pervasive and enabling the sustainable enterprise. Xerox holds approximately 12,100 active U.S. design and utility patents.

Xerox Around the World

Xerox customers include small- and mid-size businesses, graphic communications companies, government

entities, educational institutions, Fortune 1000 companies and firms in key verticals such as healthcare, financial services, retail, technology and telecommunications, and transportation. Xerox offerings are sold through our worldwide salesforce, a network of independent agents and concessionaires, dealers, value-added resellers and systems integrators, the Internet, and Global Imaging Systems, a wholly-owned subsidiary of Xerox.

Revenues by Geography (\$ billions)



We operate in more than 180 countries worldwide and serve a \$600 billion+ market. In 2013, about 32 percent of our revenue was generated from non-U.S. customers. Our largest subsidiary outside the U.S. is Xerox Limited, which operates predominantly in Europe. We conduct our Developing Markets Operations in Latin America, Brazil, the Middle East, India, Eurasia and Central-Eastern Europe, and Africa through operating companies, subsidiaries and distributors.

Fuji Xerox, an unconsolidated entity in which we own a 25 percent interest, develops, manufactures and distributes document processing products and services in Japan, China, Hong Kong and other areas of the Pacific Rim, Australia and New Zealand.

In 2013, we completed acquisitions to further strengthen our Services and Document Technology offerings and distribution capacity to expand our reach into the small- to mid-size market.

[Learn more about Xerox.](#)

Xerox at a Glance

2013 Revenue: \$21.4 billion

2013 Net Income: \$1,159 million

Employees: Over 140,000 worldwide

Operates in: More than 180 countries

Founded: In 1906 as The Haloid Company; named Haloid Xerox in 1958; named Xerox Corporation in 1961

Fortune 500 Ranking: No. 131

NYSE: XRX

Headquarters: Norwalk, Connecticut, U.S.A.

800-ASK-XEROX

www.xerox.com

Our Stakeholders

Stakeholder Engagement

As part of the way we do business, Xerox seeks to be a valuable partner. That is, a partner with our customers, suppliers, employees and those who invest in our company. A citizen of the world, Xerox honors the communities where we operate and our people reside. How are we fulfilling this far-reaching commitment? The following stakeholder engagements are a few of the ways we expand our perspective to the benefit of all.

Focus	How We Engage	Examples
Our Customers	<ul style="list-style-type: none"> • Sentinel Customer Satisfaction® Assurance System®: real-time customer feedback in a closed-loop process • Customer Relationship Surveys • Xerox Customer Community and Forum • Our own blogs and all major social media platforms • Customer personalized portal offering • Xerox Corporate Focus Executive Program • Customer Care Officer of the Day • Open Xerox Website 	<ul style="list-style-type: none"> • Customer Service has gone social with new Social Support offerings enhancing the online support experience. The Customer Support forum provides a peer-to-peer environment for customers and other industry professionals to post and respond to discussion threads about Xerox equipment and software. With thousands of registered members and more than half a million message views per month, customers have the opportunity to resolve printing issues and participate in conversations about Xerox products in a 24/7 online community. • Customers can read and provide ratings for our products on our Website. • Open Xerox is a Website to encourage customers to play a part in the exploratory research that serves as a source for new products, applications and services. This online technology portal provides instant access to the latest Xerox innovations and allows anyone to test pilot technology and provide feedback directly to lab scientists and engineers. • We've hosted dozens of sustainability forums with customers, sharing best sustainability practices and encouraging customers to reduce their environmental footprint.
Our People	<ul style="list-style-type: none"> • Voice of Employee Survey • Ethics hotline • Open-door policy • Global Webcasts • Town hall meetings • Employee roundtables • Internal social networks, including our intranet • Enterprise-wide learning and career-management tools 	<ul style="list-style-type: none"> • In 2013, CEO Ursula Burns hosted 40 employee roundtables, 26 town hall meetings with employees from around the world and four global Webcasts. • In 2014, we launched Global Talent @Xerox, which provides employees with tools to manage their careers. Its sister application, Global Careers @Xerox, provides visibility to our internal talent pool and current job openings. • Yammer, a private microblogging network, allows our employees to connect and collaborate with their colleagues in open or private groups. Since launch, nearly 25,000 employees have joined the network. • ManagerConnect ensures all managers receive ongoing training on people management, communications, customer relations and business results.

Our Shareholders	<ul style="list-style-type: none"> • Annual meeting of shareholders • Quarterly teleconferences • One-on-one investor briefings • Annual investor conference 	<ul style="list-style-type: none"> • Around 90 institutional investors, analysts and investment bankers participated in the company's annual investor conference in New York City. • Xerox executives spoke with investors/analysts through approximately 350 one-on-one meetings and phone calls.
Our Suppliers	<ul style="list-style-type: none"> • Routine business reviews with key suppliers • Assess supplier performance against the Electronic Industry Citizenship Coalition (EICC) code of conduct • Annual communication of Xerox supplier code of conduct to supplier base • Xerox purchasing staff located in regions where suppliers are located • Inclusion of small and diverse businesses through our Supplier Diversity Program • Participation in diverse supplier development councils and events • Quality Management System assessment and on-site visits 	<ul style="list-style-type: none"> • Achieved the Chartered Institute of Procurement and Supplier Gold Certification globally. • By end of 2013, conducted over 275 first-time and follow-up EICC audits. • Approximately 100 purchasing employees based in Asia. • Corporate member of EICC Senior Executive Advisory Council, National Minority Supplier Development Council, and Women's Business Enterprise National Council. • Spent \$1 billion with U.S. Tier 1 small businesses in 2013.
Our Communities	<ul style="list-style-type: none"> • Employees contributed their time and talents in hundreds of community-related projects worldwide 	<ul style="list-style-type: none"> • In 2013, Canadian employees geared up and rode their bikes in urban centers across Canada in support of the "Ride for Mental Health." The Xerox team effort raised awareness and well over \$20,000 for the Canadian Mental Health Association. • During the 2013 holiday season, Xerox employees in Monroe County, New York, donated more than 1,800 gifts as part of the 16th Annual Angel Tree program. The gifts were distributed directly to 767 disadvantaged children and adults through three non-profit agencies.
Our World: Public Policy Makers and Influencers	<ul style="list-style-type: none"> • Through active memberships with business and trade associations and frequent engagement with public policy makers, Xerox helps to educate on key issues related to its business, industry and stakeholders 	<ul style="list-style-type: none"> • Xerox CEO Ursula Burns serves on the board for President Obama's initiative, Change the Equation, which focuses on increasing the number of minority and female students engaged in STEM, a national program aimed at honing students' skills in science, technology, engineering and math (STEM). The initiative is expected to help the U.S. sharpen its competitive edge in innovation. • Xerox CEO Ursula Burns serves as vice chair of the President's Export Council, aimed at helping American businesses export more products, thereby helping the economy and creating jobs. • Xerox executives serve on a variety of university and non-profit boards helping set strategy, define policy and engage in public advocacy.

How We Report

Our ninth annual Report on Global Citizenship addresses our principles, policies and practices in areas viewed under the broad definition of corporate social responsibility, including governance and ethics, customer privacy and satisfaction, employee diversity and development, environmental initiatives, corporate donations and volunteerism, and much more.

Our last report was published in September 2013. This 2014 report includes global reporting metrics when available; some of our systems for collecting and reporting reliable social and environmental performance data do not always encompass all of our operations. Unless otherwise indicated, the performance data reflects up-to-date results as of September 2014. The information in this report reflects the business activities of Xerox Corporation in the 180 countries where we operate. Fuji Xerox publishes its own citizenship report, which is available at www.fujixerox.co.jp/eng/sr/index/html.

This report was prepared using the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines and contains Standard Disclosures. A table linking the content of this report to the GRI G4 Standard Disclosures follows. Xerox did not seek external assurance for this report. Information about GRI is available at www.globalreporting.org.

As part of our ongoing dialogue with stakeholders, we welcome your feedback. For additional information, questions or comments on this report please e-mail us at citizenship@xerox.com.

Materiality

In order to determine materiality, we examined changing external factors, including regulations and standards, social challenges people face around the world, our evolving business model and environmental impacts of our products, services, processes and operations. Our assessment included an array of fact-finding forums, including interviews and workshops with internal stakeholders and Xerox leaders. It also included reviews on public and internal Xerox documents, discussions with our suppliers and feedback from our employees. We concluded:

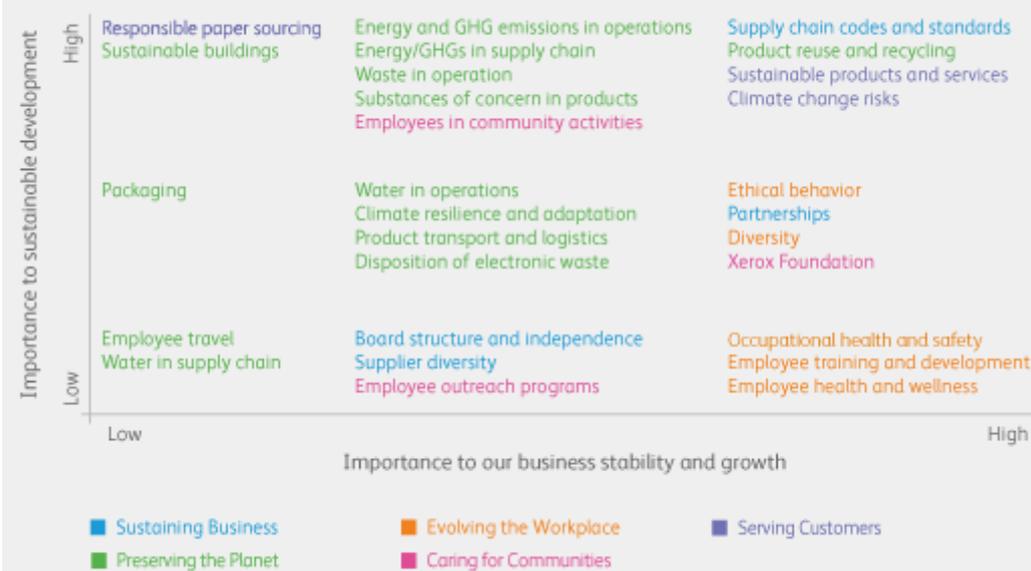
- Product- and service-related opportunities, such as improving energy efficiency and expanding access to technology, represent the leading areas where we can create value for society and for our business;
- managing our operations responsibly — from decreasing environmental impacts to protecting customer privacy to promoting diversity and ensuring ethical behavior — remains an important area for Xerox; and
- enhancing health, safety and labor conditions in our global supply chain is one of the most important ways we can drive sustainable development.

With these findings, we confirmed the relevancy and importance of our [four environmental goals and priorities](#) that apply across the value chain; our partnerships with non-government organizations, customers, academia and regulatory agencies; and the Code of Conduct to which we hold our employees and global suppliers accountable.

The following schematic summarizes the results of our materiality assessment for corporate social responsibility.

Please note that we are currently in the process of updating our materiality approach to reflect the latest GRI G4 guidelines, company strategy and stakeholder feedback. We intend to incorporate our new materiality findings in our 2015 report.

Xerox Materiality Assessment



GRI Guidelines

Xerox relies on the Global Reporting Initiative (GRI) G4 Sustainability Guidelines to determine the content and performance metrics for key sections of this report. A table linking the content of this report to the Standard Disclosures from the GRI follows. Information about GRI is available at www.globalreporting.org.

● indicates full disclosure

◐ indicates partial disclosure

General Standard Disclosures

Strategy and Analysis

G4-1	CEO statement on sustainability	●	CEO Letter
G4-2	Description of key impacts, risks and opportunities	●	CEO Letter , Our Progress , Risk Management , Preserving the Planet

Organizational Profile

G4-3	Name of the organization	●	CEO Letter
G4-4	Primary brands, products and/or services	●	Company Profile
G4-5	Location of organization's headquarters	●	Company Profile
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	◐	Company Profile
G4-7	Nature of ownership and legal form	●	Xerox is a corporation organized and incorporated under the laws of the State of New York. Xerox stock is publicly traded on the New York Stock Exchange.
G4-8	Markets served	◐	Company Profile
G4-9	Scale of the organization	●	Company Profile
G4-10	Total number of employees by employment contract and gender; permanent employees by employment type and gender; total workforce by employees, supervised workers and by gender; total workforce by region and gender	◐	Global Workforce
G4-11	Percentage of total employees covered by collective bargaining agreements	◐	Employee Rights
G4-12	Description of organization's supply chain	●	Supplier Relations
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or supply chain	●	There were no significant changes to Xerox's size, structure or ownership during 2013.
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization	◐	Risk Management , Sustainable Services and Products
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses	●	Our Stakeholders , Human Rights , Supplier Relations , Ethics and Integrity , Preserving the Planet
G4-16	List of memberships of associations and national or international advocacy organizations in which the organization is involved	●	Human Rights , Public Policy , Preserving the Planet

Identified Material Aspects and Boundaries

G4-17	Entities included in the organization's consolidated financial statements and whether any of these are not covered in the report	●	2013 Annual Report , Consolidated Financial Statements, page 60.
G4-18	Process for defining report content and aspect boundaries and how the organization implemented the Reporting Principles for Defining Report Content	◐	How We Report , Our Stakeholders , Materiality
G4-19	Identified material Aspects	◐	Materiality
G4-20	For each material Aspect, the Aspect Boundary within the organization	◐	Throughout this report.
G4-21	For each material Aspect, the Aspect Boundary outside the organization	◐	Throughout this report.
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	●	There have been no restatements of data in this report.
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	●	There have been no significant changes to the scope and aspect boundaries.

Stakeholder Engagement

G4-24	Stakeholder groups engaged by the organization	●	Our Stakeholders , Supplier Relations , Ethics and Integrity , Investor Relations , Serving Customers , Preserving the Planet , Employee Engagement , The Xerox Foundation
G4-25	Basis for identification and selection of stakeholders with whom to engage	◐	Our Stakeholders
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	●	Our Stakeholders , Supplier Relations , Ethics and Integrity , Investor Relations , Serving Customers , Preserving the Planet , Employee Engagement , The Xerox Foundation
G4-27	Key topics and concerns raised through stakeholder engagement and organization's response	◐	Materiality , Our Stakeholders , Investor Relations , Serving Customers , Preserving the Planet , Employee Engagement , The Xerox Foundation

Report Profile

G4-28	Reporting period	●	How We Report
G4-29	Date of most recent previous report	●	How We Report
G4-30	Reporting cycle	●	How We Report
G4-31	Contact point for questions regarding report	●	Citizenship Contact
G4-32	GRI index	●	GRI Guidelines. This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines.
G4-33	Policy and current practice with regard to seeking external assurance for the report	●	How We Report

Governance

G4-34	Governance structure of the organization, including committees under the highest governance body	●	Governance
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	responsible for specific tasks, such as setting strategy or organizational oversight		
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	●	Governance
G4-37	Process for consultation between stakeholders and the highest governance body on economic, environmental and social topics	●	Governance , Employee Engagement
G4-38	Composition of the highest governance body and its committees	◐	Governance
G4-39	Whether the Chair of the highest governance body is also an executive officer	◐	Governance
G4-40	Nomination and selection process for highest governance body and its committees and criteria used for nominating and selecting highest governance body members	●	Governance
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	◐	Governance
G4-44	Processes for evaluation of highest governance body's performance with respect to governance of economic, environmental and social topics; whether evaluation is independent, evaluation frequency, whether such evaluation is a self-assessment; actions taken in response to evaluation of the highest governance body's performance including, as a minimum, changes in membership and organizational practice	◐	Governance ; evaluation is a self-assessment by the Board.
G4-45	Highest governance body's role in identification and management of economic, environmental, and social impacts, risks and opportunities	●	Governance , Risk Management
G4-46	Highest governance body's role in reviewing effectiveness of the organization's risk management processes for economic, environmental and social topics	●	Governance , Risk Management
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities	◐	Governance , Risk Management
G4-49	Process for communicating critical concerns to the highest governance body	●	Governance , Employee Engagement
G4-51	Remuneration policies for the highest governance body and senior executives and relation to economic, environmental and social objectives	◐	Governance
G4-52	Process for determining remuneration; whether remuneration consultants are involved in determining remuneration and whether they are independent of management	◐	Governance
G4-53	How stakeholders' views are sought and taken into account regarding remuneration, including results of votes on remuneration policies and proposals	●	Governance , Employee Engagement
Ethics and Integrity			
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	●	Company Profile , Ethics and Integrity , Human Rights , Preserving the Planet
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior	●	Ethics and Integrity
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior	●	Ethics and Integrity

Economic Disclosures			
G4-DMA	Disclosures on Management Approach		Company Profile, CEO Letter, 2013 Annual Report
Economic Performance			
G4-EC1	Direct economic value generated and distributed		Company Profile, The Xerox Foundation, 2013 Annual Report
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change		Preserving the Planet, Carbon Disclosure Project
G4-EC3	Coverage of the organization's defined benefit plan obligations		2013 Annual Report
Indirect Economic Impacts			
G4-EC7	Development and impact of infrastructure investments and services supported		The Xerox Foundation
G4-EC8	Significant indirect economic impacts, including the extent of impacts		The Xerox Foundation
Procurement Practices			
G4-EC9	Proportion of spending on local suppliers at significant locations of operation		Supplier Relations
Environmental Disclosures			
G4-DMA	Disclosures on Management Approach		Preserving the Planet
Energy			
G4-EN3	Energy consumption within the organization		Goals and Progress, Responsible Operations
G4-EN4	Energy consumption outside of the organization		Sustainable Services and Products
G4-EN5	Energy intensity		Goals and Progress
G4-EN6	Reduction of energy consumption		Goals and Progress, Responsible Operations
G4-EN7	Reductions in energy requirements of products and services		Goals and Progress, Responsible Operations
Water			
G4-EN8	Total water withdrawal by source		Goals and Progress, Responsible Operations
Biodiversity			
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		Sustainable Services and Products
Emissions			
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)		Goals and Progress, Responsible Operations
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)		Goals and Progress, Responsible Operations
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)		Goals and Progress, Responsible Operations
G4-EN18	Greenhouse gas (GHG) emissions intensity		Goals and Progress, Responsible Operations
G4-EN19	Reduction of greenhouse gas (GHG) emissions		Goals and Progress, Responsible Operations
G4-EN20	Emissions of ozone-depleting substances (ODS)		Responsible Operations
G4-EN21	NO _x , SO _x , and other significant air emissions		Goals and Progress,

Effluents and Waste			
G4-EN22	Total water discharge by quality and destination		Goals and Progress
G4-EN23	Total weight of waste by type and disposal method		Goals and Progress, Responsible Operations
G4-EN24	Total number and volume of significant spills		Goals and Progress, Responsible Operations
Products and Services			
G4-EN27	Extent of impact mitigation of environmental impacts of products and services		Sustainable Services and Products
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category		Sustainable Services and Products
Compliance			
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		Goals and Progress, Responsible Operations
Social Disclosures Related to Labor Practices and Decent Work			
G4-DMA	Disclosures on Management Approach		Evolving the Workplace
Employment			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region		Global Workforce
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation		Compensation and Benefits
Occupational Health and Safety			
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender		Health, Wellness and Safety, Our Progress
Training and Education			
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings		Leadership Development
Diversity and Equal Opportunity			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity		Diversity and Inclusion
Social Disclosures Related to Human Rights			
G4-DMA	Disclosures on Management Approach		Human Rights, Ethics and Integrity, Supplier Relations
Investment			
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		Supplier Relations
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained		Ethics and Integrity
Non-Discrimination			
G4-HR3	Total number of incidents of discrimination and corrective actions taken		Ethics and Integrity

Security Practices			
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations		Ethics and Integrity
Social Disclosures Related to Society			
G4-DMA	Disclosures on Management Approach		Ethics and Integrity , Public Policy
Anti-Corruption			
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified		Ethics and Integrity
G4-SO4	Communication and training on anti-corruption policies and procedures		Ethics and Integrity
G4-SO5	Confirmed incidents of corruption and actions taken		Ethics and Integrity
Public Policy			
G4-SO6	Total value of political contributions by country and recipient/beneficiary		Public Policy
Anti-Competitive Behavior			
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes		2013 Annual Report , Note 17 of the Consolidated Financial Statements, page 112.
Social Disclosures Related to Product Responsibility			
G4-DMA	Disclosures on Management Approach		Serving Customers
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement		Safe Services and Products
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life-cycle, by type of outcomes		Safe Services and Products
Product and Service Labeling			
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements		Safe Services and Products
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes		Safe Services and Products
G4-PR5	Results of surveys measuring customer satisfaction		Customer Satisfaction
Customer Privacy			
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		Data Privacy

Citizenship Contact

If you have questions or comments about any of the topics covered in this report, here's how to reach us.

Xerox Corporation

www.xerox.com

45 Glover Avenue
Norwalk, CT 06856-4505
United States
203.968.3000

Products and Services

www.xerox.com

800.ASK.XEROX (800.275.9376)

The Xerox Foundation

www.xerox.com/foundation

Mark Conlin, President:
203.849.2453
mark.conlin@xerox.com

Global Diversity and Inclusion Programs and EEO-1 Reports

www.xerox.com/diversity

Damika Arnold, Diversity and Inclusion Leader:
585.423.3150

Minority and Women Owned Business Suppliers

www.xerox.com/supplierdiversity

Ethics Helpline

North America: 866.XRX.0001
International numbers and online submission tool on:
www.xerox.com/ethics

Environment, Health, Safety and Sustainability

www.xerox.com/environment

Governance

www.xerox.com/governance

Students and Educators

View openings/internships and apply: www.xerox.com/careers
Request classroom donations: www.xerox.com/foundation
All other questions: StudentTeacherRequests@xerox.com

Xerox Innovation

www.xerox.com/innovation

Comment on this Report

citizenship@xerox.com

Governance

The Xerox Board of Directors represents the interests of our shareholders in the successful operation of the company. The Board also oversees the management of Xerox to ensure the vitality of the company for our customers, employees and the other individuals and organizations that depend on us. The Board is accountable for ensuring that Xerox executes its responsibilities in a legal and ethical manner in any business environment.

Oversight of our commitment to global citizenship rests with the Corporate Governance Committee. The Committee reviews significant shareholder relations issues and environmental and corporate social responsibility matters, and ensures that our actions align with our core values and priorities for citizenship. To that end, members of the Board have reviewed a detailed outline of this report and support its content.

Read more about Corporate Governance at www.xerox.com/governance.

Board Independence

Based on standards for independence developed by the New York Stock Exchange, the Xerox Board is currently approximately 90 percent independent. It includes one non-independent director: Xerox Chairman and CEO, Ursula M. Burns.

The Board appoints one of the independent directors to serve as the lead independent director whose responsibilities include: presiding at executive sessions of the independent directors; calling special meetings of the independent directors, as needed; addressing individual Board member performance matters, as needed; and serving as a liaison on Board-wide issues between the independent directors and the Chief Executive Officer, as needed.

Criteria for Membership

The Corporate Governance Committee of the Xerox Board considers candidates for Board membership recommended by Board members, management, shareholders and others. The Corporate Governance Guidelines require that a substantial majority of the Board should consist of independent directors and that management representation on the Board should be limited to senior company management. Although no specific minimum qualifications must be met by prospective candidates, the Corporate Governance Committee applies criteria set forth in our Corporate Governance Guidelines. The criteria includes, among other things, the candidate's broad perspective, integrity, independence of judgment, experience, expertise, diversity, ability to make independent analytical inquiries, understanding of the company's business environment and willingness to devote adequate time and effort to Board responsibilities. Nominees should bring a variety of business backgrounds, experiences and perspectives to the Board. The Corporate Governance Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees.

Director Election

Each director stands for re-election every year at the company's annual shareholder meeting. In an uncontested election, each director is elected by the affirmative vote of a majority of the total votes cast for the director. Any incumbent nominee who receives a greater number of "votes against" than "for" his or her election is required to submit his or her resignation promptly. The remaining independent directors then evaluate relevant facts and circumstances and determine whether to accept or reject the resignation. Following the official results of the election, the Board is required to promptly disclose, in a filing with the Securities and Exchange Commission, its decision and the reasons for the decision.

Requirement for Ownership of Shares

All non-employee directors are expected to establish a meaningful equity ownership interest in the company. This requirement is achieved by paying directors at least two-thirds of their semi-annual Board membership fees in deferred stock units, which are required to be held until one year after termination of Board service.

Access to Management, Employees and Advisors

Board members have complete access to the company's senior management and other employees and, at the company's expense, are authorized to obtain advice and assistance from outside professional advisors of their choosing.

Interaction with Stakeholders

Board members are expected to attend the company's annual meeting of shareholders and be available to speak with Xerox stakeholders. To communicate with the non-management directors, you may directly contact the Chairman of the Xerox Corporate Governance Committee at the "Contact the Board" link at www.xerox.com/governance.

Executive Sessions of Outside Directors

Each regularly scheduled Board meeting includes an executive session of only the independent directors.

Board Committees

Xerox has four standing committees: Audit, Compensation, Corporate Governance and Finance. Each is composed entirely of independent directors.

[▶ Learn more about our Board Committees.](#)

The purpose of the Audit Committee is to assist in Board oversight of the following:

1. Integrity of the company's financial statements;
2. compliance with legal and regulatory requirements;
3. company's risk assessment policies and practices, including the Enterprise Risk Management process;
4. independent auditors' qualifications and independence;
5. performance of our independent auditors and internal audit function;
6. Code of Business Conduct and ethics; and
7. preparation of the Audit Committee report to be included in our annual proxy statement.

The Compensation Committee performs these duties:

1. Discharges the responsibilities of the Board relating to compensation of the company's officers;
2. oversees the evaluation of the Chief Executive Officer and other executive officers;
3. sets the compensation of, and reviews and approves performance goals and objectives for, the Chief Executive Officer and other executive officers;
4. oversees the administration of the company's executive compensation plans;
5. prepares a Compensation Committee report required by the applicable SEC rules;
6. consults with the Chief Executive Officer and advises the Board with respect to senior management succession planning;
7. exercises the sole authority to retain and terminate the consulting firms engaged to assist the Committee in the evaluation of the compensation of the CEO and senior management;
8. oversees the work of the compensation consultants and determines the compensation to be paid to any such consultants;
9. assesses the independence of any compensation consultants; and
10. reviews and approves employment, severance, change-in-control, termination and retirement arrangements for executive officers.

The Corporate Governance Committee performs these functions:

1. Identifies individuals qualified to become Board members;
2. recommends to the Board individuals to serve as directors of the company and on committees of the Board;
3. advises the Board with respect to Board composition, procedures and committees;
4. develops, recommends to the Board and annually reviews a set of corporate governance principles applicable to the company and reviews significant environmental and corporate social responsibility matters and significant shareholder relation issues;

5. evaluates and makes recommendations to the Board with respect to the compensation of directors;
6. oversees the annual evaluation of the Board and committees; and
7. administers the company's related Person Transactions Policy.

Finally, the Finance Committee is responsible for reviewing the following:

1. The company's cash position, capital structure and strategies, financing strategies and insurance coverage, and dividend policy;
2. the adequacy of funding of the company's funded retirement plans and welfare benefit plans; and
3. the company's policy on derivatives, including an annual review as to whether the company and its subsidiaries shall enter into swap and security-based swap transactions that are not cleared with a Commodity Exchange Act registered clearing organization.

The purpose and responsibilities for each of these committees are outlined in committee charters adopted by the Board, at www.xerox.com/governance.

Ethics and Integrity

Our commitment to business ethics represents more than a declaration to do the right thing. It has become an integral part of the way we do business. In 2001, we established a Business Ethics and Compliance Program to make sure Xerox employees and all those working on behalf of the company follow the highest ethical standards. The program aims to prevent, detect and address potential violations of Xerox's Code of Business Ethics and its policies, laws and regulations.

Our efforts have been recognized outside the company. *Ethisphere Magazine* named Xerox one of the "World's Most Ethical Companies" for the eighth consecutive year in 2014.

Business Ethics and Compliance Program

To oversee all ethics-related activities, Xerox established a Chief Ethics Officer who reports to senior management and the Board of Directors. In addition, the Xerox Ethics and Compliance Governance Board was formed to integrate the Business Ethics and Compliance Program into worldwide business operations. The Ethics and Compliance Governance Board represents business and corporate organizations in Xerox and its subsidiaries, and participates in quarterly meetings chaired by our Business Ethics Office. Each board member has the following duties within his/her area of responsibility:

- To establish a business ethics and compliance network;
- to implement ethics training and education programs;
- to ensure consistent enforcement of discipline policy;
- to ensure that organization-specific policies are consistent with existing laws, the Xerox Code of Business Conduct and other company policies;
- to oversee and make recommendations for changes to Xerox policies, including the Business Ethics and Compliance Office Charter;
- to evaluate ethics and business conduct issues and trends to proactively address potential problems; and
- to attest annually that organizational ethics and compliance programs are effective and all employees have completed required business conduct training and acknowledgements.

Code of Business Conduct

Our Code of Business Conduct serves as the foundation 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 15 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, 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."

In addition to our global Code of Business Conduct, we have a supplemental code of conduct for finance employees and a specific code of conduct for the Board of Directors. As a member of the Electronic Industry Citizenship Coalition, Xerox uses the Electronic Industry Code of Conduct (EICC) as our supplier code of conduct.

Key Components

At the start of every year, our CEO distributes a message on business ethics to all employees. All employees must complete ethics training annually and acknowledge that they have read the Code of Business Conduct. At the same time, officers and senior managers must certify that they are in compliance with our Code of Business Conduct and have processes in place to support the company's Business Ethics and Compliance Program.

We promote awareness of our ethics and compliance program on our Ethics & Policies Website and our intranet. Periodically, we send ethics surveys to employees in several countries to gauge the state of the company's ethical culture and help us focus on areas for improvement.

We provide a variety of channels for employees, suppliers and customers to report suspected ethical violations, including phone, Web, email and postal mail. Our Ethics Helpline is available globally 24 hours a day, seven days a week in multiple languages, via toll-free telephone numbers (see www.xerox.com/ethics) and our Web reporting tool (www.xeroxethicshelpline.com), which supports multiple languages. We've 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 and Compliance Office provides guidance and takes immediate action; for others, including allegations of wrongdoing, an ethics investigation is required. The Office follows a formal, consistent method for assessing alleged violations and complaints and directs them to the appropriate functional areas for investigation, resolution and closure. Our Business Ethics and Compliance Office Charter includes a "Worldwide Assignment of Responsibility Matrix for Handling Potential Ethics Violations and Associated Penalty Guidelines." The matrix includes a wide range of possible ethics and compliance violations within each category of our Code of Business Conduct. Ethics allegation matters that are substantiated, in whole or in part, result in some sort of disciplinary action — either counseling, training, warning letter, job reassignment, financial penalty or, in some cases, dismissal from the company. In addition to disciplinary action, resolution of many cases also may involve changes in processes or policies to prevent future occurrences.

Our Business Ethics and Compliance Office tracks all cases from initial reporting to closure. Additionally, the Office reports quarterly case activity and trends to the Business Ethics & Compliance Governance Board and the Audit Committee of the Board of Directors, including the number of matters reported, case categories, outcomes and disciplinary action.

See www.xerox.com/ethics for additional information regarding Xerox's Business Ethics and Compliance Program.

Matters Reported to the Business Ethics and Compliance Office

Matters Reported	2011	2012	2013
Human resources	55 %	54 %	56 %
Internal policy violations	5 %	7 %	7 %
Fraud	5 %	4 %	5 %
Misappropriation of assets	2 %	2 %	3 %
External relationships (customers, agents, vendors, etc.)	9 %	7 %	6 %
Conflict of interest	3 %	4 %	4 %
Confidential information	1 %	2 %	2 %
Accounting and financial reporting	2 %	2 %	2 %
Policy inquiries	5 %	7 %	6 %
Other	14 %	10 %	9 %

Anti-Corruption

Xerox operates an active and comprehensive anti-bribery and anti-corruption program that complies with all related laws and regulations. We have developed a global compliance program, supported by policy and training, to ensure zero tolerance for the giving or offering of a bribe of any amount or value, including so-called "facilitation payments." The program also includes risk assessment of third-party intermediaries, followed by the application of appropriate due diligence, training and certification prior to engagement. We are committed to enhancing the program continually.

The risk of banknote counterfeiting has increased with the quality of digital imaging tools and color printing technology. In response, we have joined other companies, the [U.S. Secret Service](#) and the [Central Bank Counterfeit Deterrence Group](#) (a consortium of 32 central banks and note printing authorities) to assess threats to currency and support the use of anti-counterfeiting technologies. Technology to deter the use of digital equipment for counterfeiting banknotes is being standardized. Xerox sales and service employees are trained to respond to inquiries about our anti-counterfeiting efforts.

Black Market Supplies

Every year, the global imaging industry — and the customers who use its products and services — suffer the loss of millions of dollars due to counterfeiting or theft of supplies. We continually remind our customers that 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 customers to purchase solely from Xerox Authorized resellers. We work closely with our procurement department to call attention to "blending" of supplies — the mixing of counterfeit with original materials to achieve lower pricing and make detection of counterfeit items more difficult.

Theft of customer supplies represents an increasingly costly problem for Xerox and its customers. It is difficult to prevent because Web-based sales channels make it easy to purchase stolen products and to sell them once they are stolen. We continue to invest in technology and resources to bring the problem to the attention of customers and to identify their obligation to maintain the security of supplies (contracted and purchases). Through engagement and support of our customers and local law enforcement agencies, we also provide tracing of stolen goods to identify and close the sources of theft.

Xerox is leading the charge against counterfeiting and other black-market activities, independently and in collaboration with other original equipment manufacturers (OEMs). To combat acts of piracy and fraud, our security team routinely works with the U.S. Federal Bureau of Investigation, attorney generals' offices, the Postal Inspector's office and other global law enforcement agencies. In addition, we are a member of the Imaging Supplies Coalition (ISC), a trade association that serves to heighten customer awareness of black market activities. Wholesalers, dealers and consumers may submit questionable goods to the ISC for authentication by the manufacturer. For more information, visit www.isc-inc.org.

Human Rights

As a truly global enterprise, we understand that we have an obligation to play a larger role in the world and to make a difference in the lives of the people we touch. We lead by example, encouraging respect for human rights in our own company and through our business relationships. Every employee engagement, partner relationship and customer 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. We make sure those principles are followed in our labor relations and employment practices, relationships with suppliers, risk management and internal audit systems and our approach to building business in emerging markets.

Xerox is a member of the Electronic Industry Citizenship Coalition (EICC), an organization that promotes a standards-based approach for monitoring the social responsibility of suppliers. Through the EICC, we further our commitment to human rights in such areas as labor, health, safety and environmental activity.

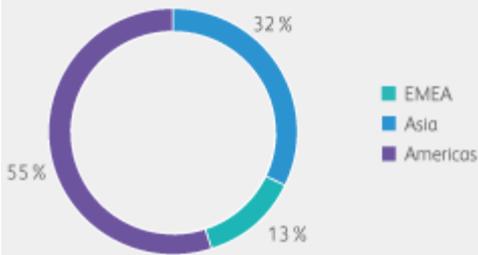
A corporate-wide [global policy letter](#) serves as the foundation of our position on human rights.

Supplier Relations

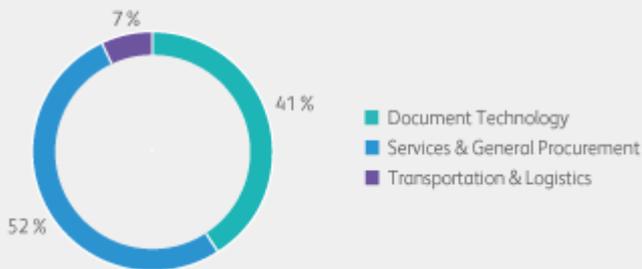
As a global company that spends approximately \$10 billion a year to support our operations, Xerox recognizes the need to actively manage the supplier base with a strong, global team of purchasing professionals. We assess the quality, cost, delivery and sustainability of the supplier's products and services and ensure their business is run with high ethical standards and in alignment with social responsibility principles. Through activities such as sourcing, contracting and purchasing, our Global Procurement organization maintains a strong presence across the United States, Europe and Asia. We encourage direct interaction between buyers and suppliers within the regions in which we operate.



2013 Supplier Spend by Region



2013 Supplier Spend: \$10 Billion



In 2013, we purchased the vast majority of our global technology needs through the following suppliers. Click on the links below to learn more about their sustainability efforts.

Name of Company	Sustainability Site	Sustainability Report
Fuji Xerox Co. Ltd.	Fuji Xerox Sustainability	2013 Sustainability Report
Flextronics International	Flextronics Social Responsibility	2010/2011 Sustainability Report
Samsung Electronics	Samsung Sustainability	2013 Sustainability Report

Current and potential vendors can learn about the latest procurement initiatives, as well as supplier diversity, procurement policies, supplier quality assurance and supplier ethics at www.xerox.com/suppliers.

Supplier Code of Conduct

Since 2006, Xerox has been a member of the Electronic Industry Citizenship Coalition (EICC), an organization dedicated to improving social, economic and environmental outcomes in the electronics industry. We serve on the EICC Senior Executive Advisory Council and have adopted its Code of Conduct on corporate social responsibility for our suppliers. The Code of Conduct provides standards in five critical areas of corporate social responsibility: labor, health and safety, environment, management systems and ethics.

We hold suppliers accountable to the Code of Conduct through the terms and conditions in standard purchase agreements and purchase order forms, and by requiring key suppliers and those identified in an initial risk assessment to complete questionnaires. We also reinforce the importance of following the Code of Conduct in an annual ethics communication to our global supplier base.

Based on results of the questionnaire, we administer periodic on-site audits to key suppliers and those identified by the initial risk assessment. Over time, we have implemented increasingly stringent audit criteria and increased the number of suppliers audited. By the end of 2013, we conducted over 275 first-time and follow-up Supplier Code of Conduct compliance reviews and audits, a 14 percent increase over the previous year.

Performance and Reviews

Our procurement staff routinely monitors current and potential suppliers for adherence to our requirements in regular business reviews. Document Technology suppliers must complete an assessment of their quality management system to appear on our Approved Vendors List (AVL), which includes about 1,000 active suppliers.

Supplier Code of Conduct Compliance Reviews/Audits



Conflict Minerals

As an active member of EICC, we are committed to improving conditions associated with mining in conflict regions. In responding to the Dodd-Frank Act, which we have been working since 2011, we have established internal processes incorporating the Organization for Economic Cooperation and Development (OECD) framework. We are a member of the Conflict Mineral Sourcing Initiative (CFSI), and we are utilizing the EICC/GeSI template to survey our supply base regarding conflict mineral usage. Xerox also participates in the Conflict Free Smelter Program (CFSP), which independently audits smelters and refiners to determine if they have a system in place to assure sourcing of conflict-free minerals. In addition, we have incorporated a conflict mineral sourcing statement in our supplier contract template to assure responsible sourcing in our supply chain.

Learn more about our Conflict Mineral Policy at

http://www.xerox.com/downloads/usa/en/x/Xerox_Conflict_Minerals_Policy.pdf.

Learn more about our Due Diligence activities in our Conflict Mineral Report at

http://www.xerox.com/downloads/usa/en/x/Xerox_Conflict_Mineral_Report.pdf and current Form SD <http://news.xerox.com/investors>.

Chartered Institute of Purchasing and Supply Certification

In 2009, Xerox became the first organization to achieve global certification from the Chartered Institute of Purchasing and Supply (CIPS) in the area of procurement excellence through processes and procedures, now known as CIPS Silver. In 2012, we achieved CIPS Gold Certification globally – and again, we were the first organization to do so. Gold Certification recognizes our leadership in ethical, sustainable and strategic procurement and verifies our effectiveness in managing our global supplier base.

Supply Chain Security

We are committed to implementing security controls within our supply chain that enable the uninterrupted

flow of products from the point of manufacture to the customer. We are a certified participant 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 into both our Supplier Security Requirements and internal security policies and standards. An ongoing assessment program monitors compliance by high-risk suppliers and internal locations. Xerox also belongs to the Transported Asset Protection Association (TAPA).

Supplier Diversity

As part of our supplier diversity program, we identify, build relationships with and purchase from certified small businesses and enterprises owned by minorities, women, veterans, gays and lesbians, and disabled persons. During 2013, Xerox and our subsidiaries purchased goods and services from minority-owned (\$175 million), woman-owned (\$301 million), veteran-owned (\$44 million) and small (\$1 billion) Tier I businesses in the U.S.

In 2011, we joined the Inclusion Initiative, a group of companies committed to increasing engagement opportunities for minority- and women-owned (MWBE) law firms, as part of our efforts to support diversity in the practice of law. Each year, we help the Initiative set a new target for collective annual MWBE law firm spend, encouraging our attorneys to seek and consider MWBE law firms for matters requiring outside counsel, and provide resources to identify qualified MWBE firms that fit our needs. Since joining the Initiative and increasing focus on these practices, we have exceeded our annual goals and have continued to expand our engagements with MWBE law firms.

On April 3, 2014, AT&T awarded Xerox an AT&T 2013 Supplier Diversity Crystal Award, recognizing us as a Prime Supplier for attaining 21.5 percent diversity utilization in 2013.

We are an active corporate member of both the National Minority Supplier Development Council and the Women's Business Enterprise National Council. In addition to all of the above, we participate in multiple small business and diverse supplier fairs and conferences throughout the year. More information about our supplier diversity is available at www.xerox.com/supplierdiversity.

Risk Management

With global leadership comes global responsibility... not only to our people and shareholders, but also to the suppliers, distributors and citizens of the countries in which we operate. That's why we devote considerable resources toward Enterprise Risk Management (ERM), anticipating and avoiding risks to the financial and operational health of our business.

ERM follows a clearly defined business strategy that is shared across the company and that is aligned with our strategic and organizational goals. Our ERM process adheres to the COSO II (Committee of Sponsoring Organizations of the Treadway Commission) framework. We assess all categories of business risk: strategic, operational, compliance, legal and regulatory, reputational and financial reporting.

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

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

In addition, the Xerox Board of Directors regularly reviews the Enterprise Risk profile and monitors the effectiveness of management policies and decisions, including risk management activities.

Business Continuity

We respond to major events that could disrupt business operations – such as natural disasters and pandemics – with comprehensive business continuity action plans. These plans are designed to minimize adverse impacts to our people, customers, shareholders, suppliers and assets. They are well-documented, communicated across all business units and tested annually to ensure rapid and effective response.

As an example, in 2014, severe winter weather forced the closure of our American Logistics Center for parts and supplies. In accordance with our business continuity action plan, we routed requests to distribution centers throughout the United States and set up regional locations to fulfill the requests. In doing so, we protected our people and assets while meeting our customers' needs.

Our Business Continuity Program Office is responsible for the business continuity assurance process. All Xerox organizations assess their plans against a standard set of criteria and report the status during operational reviews.

Investor Relations

Xerox investor relations provides information about our financial performance, strategic intent and expectations for long-term profitable revenue growth to investors, financial analysts and potential shareholders worldwide. Investor relations pays special attention to the clarity and accessibility of this information, which is released on a timely basis through press releases, Webcasts, quarterly earnings presentations, annual reports, and Securities and Exchange Commission (SEC) filings.

Institutional investors hold approximately 85 percent of Xerox's common shares; of this group, the top 20 own close to 50 percent of the shares.

► [Learn more about our 2013 engagement with stakeholders.](#)

In 2013, we held the following investor-related events:

- Approximately 90 institutional investors, analysts and investment bankers participated in the company's annual investor conference in New York City;
- Xerox executives participated in 11 brokerage conferences;
- investors and analysts met with Xerox leaders at the Print13 trade show in Chicago, and we hosted sell-side analysts at a Xerox Healthcare Day at our PARC research center (also available via Webcast);
- we hosted approximately 40 small group meetings with current and potential investors in major markets, including Boston, Chicago, Dallas, Denver, Kansas City, Minneapolis, Montreal, New York, Philadelphia, San Francisco and Toronto; and
- Xerox executives spoke with investors/analysts during more than 350 one-on-one meetings and phone calls.

Public Policy

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

On issues for which our experience and knowledge add an important perspective to public debate, we seek to educate policymakers, both directly and indirectly, through various coalitions and trade associations. Through the Office of Global Government Affairs, we have interactions with governments and governmental organizations throughout the U.S. (at the federal, state and local levels) and around the world. We engage on issues that range from legal, trade, tax policy and financial activities to regulatory compliance, intellectual property and government procurement.

▶ [Read more about the public policy issues that Xerox follows closely.](#)

International Trade

We support open markets and free trade. International trade is a powerful engine of global economic growth that fosters job growth, improved living conditions and 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. More open markets are critical for our technology and service solutions where we face barriers worldwide. We believe that all participants must be responsible citizens of the countries in which they do business.

Our Chairman and CEO serves as the Vice Chair of [The President's Export Council](#), which is the principal national advisory committee on international trade. The Council advises the President of government policies and programs that affect U.S. trade performance, promotes export expansion, and provides a forum for discussing and resolving trade-related problems among the business, industrial, agricultural, labor and government sectors.

Competitiveness

Through our support of the [Change the Equation](#) initiative, which directs more resources to science, technology, engineering and mathematics (STEM) education programs, we focus on improving the ability of the U.S. to compete on the global stage.

Corporate Taxation

As a global enterprise, we comply with the tax laws and regulations in all 180-plus countries in which we operate. For more detail on the taxes we pay, please see our [2013 Annual Report](#).

At the same time, we work in support of U.S. corporate tax reform. The U.S. has the highest tax rates among large, industrialized nations. Corporate tax reform is needed if U.S. companies are to be fully competitive in overseas markets where 95 percent of the world's population lives.

Intellectual Property

As a participant in the Coalition Against Counterfeiting and Piracy, we play an active role in combating theft of intellectual property by counterfeiters who manufacture "knock-off" products. We are also strongly supportive of changes in the law that would reduce the impact of frivolous intellectual property litigation that imposes unnecessary costs on innovative companies.

Environment

Our Environment, Health, Safety and Sustainability [governance policy](#), adopted in 1991, forms the foundation of our environmental leadership program.

State Legislation

We promote policy positions that make Information Technology (IT) more effective in supporting state and local government missions, improve government technology acquisition processes, maximize the positive financial impact of IT investments and create better outcomes for Americans served by state and local government agencies and programs. Our Office of Global Government Affairs has an established network of state and local government consultants whose responsibilities include monitoring

legislation and policies that would impact our various government lines of business. Examples of our government business interests include IT outsourcing, regulation of credit card fees, eligibility/health insurance exchanges, emergency management services, work zone speed enforcement and electronic toll collections.

Retirement Policy

We believe policymakers should foster a legal and economic framework that encourages employers to maintain and increase the number of workers who have access to employer-provided retirement security. We take our commitment to our employees, both current and retired, very seriously and work with the U.S. Congress and the Administration to formulate policies that allow us to meet those commitments.

Healthcare

As an active player in healthcare, we promote policies that allow for sustainable, high-quality systems that are more accessible, less costly, and more patient-centered. We support every citizen having access to quality, affordable health coverage. However, too many obstacles — regulatory mandates, inaccessible data, inefficient processes, incomprehensible billing and ever-rising costs — threaten to undermine our ability to provide healthcare effectively. We seek to use our healthcare expertise, our heritage of innovation and our influence to enhance the entire healthcare ecosystem. We work with patients, providers, payers, employers and governments at all levels to improve people's lives through better, more accessible and more affordable healthcare.

As such, Xerox maintains a leadership role in the following employer community organizations and coalitions:

- [Corporate Health Care Coalition \(CHCC\)](#): CHCC is an organization comprised of leading companies from varying industries that compete in the global marketplace and advocate for policies to make quality healthcare more affordable, accessible, accountable and sustainable.
- [National Coalition on Benefits \(NCB\)](#): The NCB is dedicated to working with Congress to maintain employers' ability to provide uniform health and retirement benefits to employees and retirees across state and local lines and to ensure that federal health reform initiatives preserve ERISA benefits.
- [American Benefits Council \(ABC\)](#): ABC is a trade association whose corporate members either sponsor directly or provide services to retirement, health and compensation plans covering more than 100 million Americans and millions of others internationally. ABC's mission is to be the most effective advocate for employer-sponsored benefit plans.
- [ERISA Industry Committee \(ERIC\)](#): A trade association, ERIC represents the employee benefits and compensation interests of America's major employers.

Professional Organizations and Associations

Trade associations around the world play an important role in assisting our company with business development opportunities and citizenship activities, as well as in helping us meet certain public policy objectives. We are a member of a wide array of trade associations. Any trade association dues, or portions thereof, that are not deductible for tax purposes are reported in our [lobbying disclosure reports](#). Our senior managers play a leadership role in various organizations, such as the Business Roundtable, the U.S. Chamber of Commerce and the Technology CEO Council. These organizations develop and promote public policies that are considered important to our public policy interests and operations.

While we prefer to make political expenditures directly rather than through professional organizations and associations, Xerox, like all major corporations, is a member of various 501(c) organizations that may engage in political activities. While we may not necessarily agree with every position taken by each organization to which we contribute, we determine that the intended use of a contribution is consistent with our mission and core values before making a contribution to any such group. Where our dues and other expenditures total \$25,000 or more, we inquire and make a reasonable effort to obtain from those associations the portion of the dues or payments that are used for lobbying expenditures or political contributions. To the extent it is reported to us, we disclose the non-deductible portion of our contributions annually.

The following lists U.S.-based trade associations in which 2013 dues and expenditures paid by Xerox total \$25,000 or more. The portion of our contributions used for lobbying expenditures or political contributions is

also indicated:

Trade Association	2013 Payments	Amount (\$) of Total Payment Used for Non-Deductible Expenses by the Association
Washington Tax Office Group	\$ 25,000	\$ 25,000
National Association of Manufacturers	\$ 40,000	\$ 9,600
TechAmerica	\$ 110,000	\$ 17,600
U.S. Chamber of Commerce	\$ 140,000	\$ 70,000
Technology CEO Council	\$ 150,000	\$ 150,000
The Business Roundtable	\$ 235,560	\$ 103,646

► [Learn more about the organizations and associations in which Xerox is involved.](#)

- [Business Roundtable](#): The Business Roundtable has been actively engaged in shaping the debate on corporate tax reform and is supportive of Xerox's goals for reform that will enhance the ability of U.S. companies to compete internationally. We participate in the policy formation and advocacy functions for the Business Roundtable's tax reform efforts. The Roundtable has also focused heavily on developments with the most burdensome of EPA's proposed regulations covering areas such as ozone, carbon emissions and boiler controls, proposing less costly methods of achieving EPA's overall environmental goals.
- [DigitalEurope](#): DigitalEurope is the pre-eminent advocacy group of the European digital economy acting on behalf of the information technology, consumer electronics and telecommunications sectors. They are dedicated to improving the business environment and to promoting industry's contribution to economic growth and social progress in the European Union.
- [Information Communication Technology Association of Canada \(ITAC\)](#): ITAC is Canada's principal advocacy group for the information communications technology industry. ITAC's mission is to promote and enhance the significant contribution that digital technology can make to economic prosperity. As a leading member of ITAC, we play a key planning and development role, which includes helping facilitate public-private sector dialogue.
- [Technology CEO Council \(TCC\)](#): The TCC is the information technology industry's leading public policy advocacy organization comprised exclusively of chief executive officers from America's top information technology companies. Our Chairman and CEO serves as the chair of TCC.

Employee Involvement in Political Activities

While we encourage our people to participate in community and political activities, we do not endorse any organization or activity in which employees choose to participate; and 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 Political Contributions

The Xerox Code of Business Conduct contains explicit information 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 annually to participate in training on the Code of Business Conduct and must certify adherence to the Code upon the conclusion of the course.

Corporate Funding

We have a long-standing policy that nothing of value may be given, paid, promised or offered — directly or indirectly — for any of the following: (1) political party, committee and/or candidate for any federal, state or local government office anywhere around the world; (2) independent expenditure or ballot measure committees; (3) electioneering communications; or (4) candidates for judicial office. We do not allow any employee or consultant to provide anything of value to any federal government employee. This policy was in

place long before Congress put the standard into law for all corporations and organizations.

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).

Xerox Contributions to 527s in 2013

The following "527" organizations received support from Xerox in 2013. The name derives from Section 527 of the Internal Revenue Code, under which these organizations are tax-exempt. These organizations have a purely political focus, rather than one supporting an issue or cause. Xerox contributions to the following 527 organizations are made with corporate — rather than XPAC — funds:

- Democratic Governors Association;
- National Democratic County Officials;
- Republican Governors Association; and
- Southern Governors Association.

Oversight

The Corporate Governance Committee of the Xerox Board of Directors is responsible for overseeing the company's political and charitable contributions and receives annual reports on (XPAC) activities.

The Vice President, Global Government Affairs is responsible for the management of Xerox's participation in the political process. This position reports directly to our Senior Vice President, General Counsel and Corporate Secretary, who reports to the company Chairman and Chief Executive Officer.

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

XPAC is led by a Board of Trustees, which includes a cross-section of managers from Xerox who represent their unique business unit and geographic areas. A Contributions Committee appointed by the XPAC Chairman and consisting of five members is responsible for selecting by majority vote the candidates to receive a contribution from XPAC. Our General Counsel, the Vice President of Global Government Affairs and the Manager, Global Government Affairs oversee all spending.

▶ [Learn more about the Xerox positions held by our XPAC Board of Trustees.](#)

The XPAC Board of Trustees hold the following positions within Xerox:

Chief Operating Officer, Government and Transportation*

Chief Operating Officer, Healthcare

General Counsel and Secretary*

Group President, Americas Local Government*

Group President, Government Healthcare Solutions

Group President, State Enterprise Solutions

President, Corporate Strategy and Asia Operations*

President, Stuart Business Systems

Senior Vice President, Global Sales & Marketing

Senior Vice President, Government Healthcare Solutions

Senior Vice President, U.S. Client Operations

Vice President Channel Expansion

Vice President Government Relations

Vice President, Global Government Affairs & Philanthropy*

Vice President, Global Public Relations

Vice President, Human Resources

Vice President, PSO Center of Excellence

Vice President, SBU Operations

*Trustee serves on XPAC Contributions Committee

Xerox Corporation Political Action Committee (XPAC)

XPAC is supported entirely by voluntary contributions from eligible Xerox employees, and all contributions go directly to candidate campaigns for political office. XPAC is nonpartisan and actively supports candidates and helps elect policymakers whose positions are consistent with our business values and strategies. XPAC contributions promote the interests of the company and are made without regard for the private political preferences of company officers and executives. We strictly prohibit the use of XPAC contributions to motivate or reward any official act.

Every proposed political contribution undergoes an internal review process to evaluate whether it is legally permissible and in the best interests of our company and our shareholders. In many cases, we may not agree with every position taken by a candidate whom we support.

▶ [Learn more about XPAC contribution guidelines.](#)

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 significant employees or facilities;
- the candidate's representation of a state or district in which our company has significant employees or facilities;
- whether the candidate holds a leadership position within their political party;
- the candidate's electability; and
- permissibility under applicable law.

In addition, XPAC focuses on contributions that go directly to candidates for office. Special exceptions are required for:

- Out-of-election-cycle contributions;
- contributions to leadership PACs;
- contributions to trade association PACs;
- contributions to ballot measure committees; and
- contributions to political parties.

XPAC does not permit contributions for:

- Independent expenditure committees;
- electioneering communications;
- candidates for judicial office; or
- presidential candidates at any stage in the campaign process.

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 are performed at least once during every two-year election cycle to assure compliance with

the Federal Election Campaign Act of 1971, as amended, and its Regulations and all other applicable laws.

Candidate/Committee	State	Office Sought	Amount
U.S. House			
Rep. Harold D. Rogers (R)	KY	U.S. House, District 5	\$ 2,000
Rep. Daniel B. Maffei (D)	NY	U.S. House, District 24	\$ 2,500
State			
Sen. Jerry Hill (D)	CA	State Senate, District 13	\$ 1,500
Connecticut Democratic State Central Committee – federal account (D)	CT	Federal Party Committee	\$ 2,500
House Republican Campaign Committee (R)	IN	Caucus Committee	\$ 1,000
Indiana House Democratic Caucus (D)	IN	Caucus Committee	\$ 500
Indiana Senate Democrat Committee (D)	IN	Caucus Committee	\$ 500
Senate Majority Campaign Committee (R)	IN	Caucus Committee	\$ 1,000
Gov. Susana Martinez (R)	NM	Governor	\$ 2,500
Gov. Andrew Mark Cuomo (D)	NY	Governor	\$ 1,000
Monroe County Democratic Committee (D)	NY	Local Party Committee	\$ 2,500
Gov. Nikki Haley (R)	SC	Governor	\$ 1,000
Terry McAuliffe (D)	VA	Governor	\$ 2,500
Total XPAC contributions in 2013			\$ 21,000

Employee Engagement

When people believe they can make a difference in an organization, they are more motivated and effective at their jobs. That is why Xerox is committed to fostering open communication between employees and management.

We encourage one-on-one conversations between employees and supervisors. We also survey employees regularly to gather information that becomes the basis for improvements throughout the company. Our commitment to employee engagement creates an environment of open innovation that benefits our business and strengthens our contribution to global citizenship.

Voice of the Employee Survey

Since 2009, we've run our anonymous Voice of the Employee (VOE) survey. The survey gets to the heart of the day-to-day work experience, generates dialogue among managers and employees, and results in actions carried out by teams.

The VOE survey was administered between May and September 2013. It was available to our global population in 49 countries and offered in 26 languages. We received over 68,500 survey responses with almost 100,000 write-in comments.

There are four categories in the survey:

- My Work: Questions about the job, feedback, learning opportunities, the ability to take informed risks and personal job satisfaction.
- My Manager: Questions about the manager's behaviors, expectations, communication, team building and the employee perception of his/her leadership.
- Our Team: Questions about how employees work together and collaborate.
- Our Company: Questions about Xerox strategy and direction.

In addition, two write-in questions ask people to describe 1) what they like best about working for Xerox and 2) where we as a company can improve.

We received over 31,000 responses to the first question, from which 50,000 ideas were offered. The dominant theme expressed in the survey was the power of collegiality and the open and supportive atmosphere at Xerox. As one respondent put it: "I feel I am with a company, a team, and a leader that shares my vision and passion as well as a place that fosters openness to new thinking." Employees also praised the friendly and stress-free work environment, the diversity of the work, the flexibility provided to them by management and the strength of the Xerox brand worldwide.

► [Learn more about our Voice of Employee Survey.](#)

Highlights of the survey questions reveal:

- Employees have a solid understanding of personal contribution to team goals;
- managers make their expectations known and clear;
- managers share the information needed for employees to do their job; and
- most employees feel personal accomplishment from their work contributions.

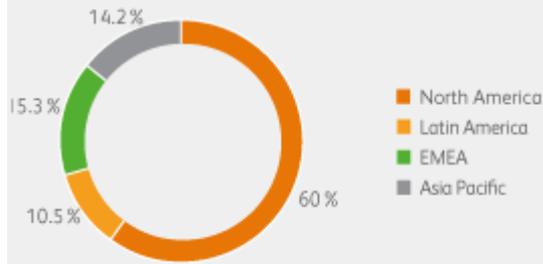
More important, the survey also reveals areas for improvement. As a result of the survey, Xerox has efforts underway to articulate the company's overall business strategy with greater clarity through the ranks of the organization. We also continue to work on ways to reward performance and ensure fairness in the workplace.

The biannual survey will be administered in 2015. We will continue to benchmark and compare previous results for continual improvement.

Global Workforce

The experience, skills and cultural diversity of the 140,000 plus people who work at Xerox worldwide represent our most important asset. Our wide range of products and services requires a diverse employee population representative of the markets in which we do business.

Worldwide Employment as of Dec. 31, 2013



Hiring Practices

We hire from the communities in which we do business and follow all applicable labor laws and requirements. Candidates must be authorized to work in the country to which they are applying and be fluent in the language of the country where a job is based.

We don't discriminate against any applicant for employment or any employee in any aspect of their employment at Xerox because of age, race, religion, sex, disability, sexual orientation, gender identity, military status, pregnancy, national origin, veteran status, other legally protected characteristic or basis, or any unlawful means.

Compensation is based on merit, degree of responsibility, the scope of the work, the impact the role has on the company, and other work-related criteria. We comply with all laws governing fair employment and labor practices.

Military Hiring Program

Xerox places a high value on experience and skills acquired by soldiers during military service careers. As part of a commitment to the White House Joining Forces Initiative, we pledged to hire 10,000 veterans by 2018; in 2013, we hired over 1,700. Through our Heroes@Home program, we hire qualified veterans and military spouses for at-home employment opportunities. We're proud partners with all branches of the military, the Military Spouse Employment Partnership (MSEP), the U.S. Chamber of Commerce and "HiringOurHeroes" Career Fairs.

Learn more about our Military Hiring Program for transitioning military, retired military personnel, veterans with disabilities, and military spouses and family members at www.xerox.com/jobs/military-leadership/enus.html.

Diversity and Inclusion

At Xerox, diversity is not viewed as a mandate, but as an essential part of our corporate culture. Treating others with respect and offering equal opportunity regardless of origin, race, gender or sexual orientation makes us stronger because it allows us to take full advantage of a global workforce that is rich in experience, knowledge and creativity. Many of our accomplishments as a company originate from teams of diverse individuals who complement one another by representing different perspectives and who work as one to achieve our strategic goals.

We foster a culture of inclusion and opportunity, which is supported by a number of employee-focused initiatives and tracked through measurable actions.

▶ [Learn more about Xerox's awards for diversity.](#)

Award-Winning Diversity

Year after year, Xerox is recognized for embracing diversity in the workplace. The following is a list of some of our acknowledgements from 2013 and 2014:

- “Top 50 Companies for Diverse Managers to Work” by *Diversity MBA* Magazine;
- Human Rights Campaign “Best Companies to Work” for LGBT employees (Xerox has consistently scored a perfect 100 percent on this index each year since its inception over a decade ago);
- “Canada’s Best Diversity Employers” by Mediacorp Canada Inc.;
- Three-time 2020 Women on Boards Winning “W” Company, which recognizes the importance of board diversity;
- *Latina Style’s* “50 Best Companies for Latinas”;
- Top Supporter of Historically Black Colleges and Universities (HBCUs) by the deans of the Accreditation Board for Engineering and Technology and the corporate-academic alliance members of Advancing Minorities' Interest in Engineering (AMIE); and
- *Careers & The Disabled* magazine top employer over the past 20 years.

Executive Diversity Council

The Executive Diversity Council consists of senior leaders from across Xerox. The Council meets at selected times throughout the year to discuss matters such as:

- Workforce representation;
- work environment;
- diverse customer markets; and
- organizational efforts to address the needs of a multicultural workforce.

In addition, select Council members may be involved in other diversity initiatives, such as the Corporate Champion Program, where senior executives are matched with employee caucus groups. The “champions” educate our senior management on their groups’ unique environmental perspective and community initiatives.

Independent caucus groups also play an important role in our diversity story. These caucuses, similar to networking and affinity groups, are instrumental in advocating openness, opportunity and inclusion for the entire Xerox community. They work with management to achieve common business objectives and self-advocacy and to create an environment of inclusion. Six caucus groups currently address the concerns of employees who are African-American, Hispanic, Asian, women, African-American women, and/or gay, bisexual, lesbian and transgender.

Non-discrimination Policy

Globally, we create policies that support our business goals and reflect the culture of the countries in which we do business. Xerox does not discriminate on the basis of race, color, religious belief, sex, age, national origin, citizenship status, marital status, union status, 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 players who are ready to assume leadership roles. Our hiring practices include engaging Xerox people to recruit at universities and career fairs, providing scholarships to minority students interested in information technology and offering internships and co-op programs to diverse groups of students and new graduates.

Scholarships and Recruitment

We grant more than 120 scholarships each year through our Technical Minority Scholarship Program, and we are reaching out to young people through programs such as the FIRST (For Inspiration and Recognition of Science and Technology) robotics competition and the Xerox Science Consultant Program that encourages broader interest in science and technology. We introduce Xerox career opportunities to the Hispanic student population at 45 universities and institutions and, to expand our recruitment efforts further, we are partnering with the Society of Hispanic Engineers. We have a similar university outreach program for recruiting African-American employees.

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 protected veterans, including veterans of the Vietnam era and disabled veterans, individuals with a disability or employees who take protected leave time.

► [Learn more about our diversity representation.](#)

United States

In the U.S., we closely track the percentage of women and minorities in our workforce and management.

2013 Representation in U.S.	Total Workforce	Executives	New Hires
Women	53.2%	27%	64%
Minorities	40.3%	12%	53%

Canada

Within Canada, four employee categories are assigned representation goals.

2013 Representation in Canada	Total Workforce
Women	37.6%
Visible Minorities	14.1%
Aboriginal People	1.0%
Person with Disabilities	3.9%

Developing Market Operations

Xerox Developing Market Operations' primary diversity measure is focused on women as a percentage of total representation.

2013 Representation in DMO	Total Workforce
Women	27%

Europe

In Xerox Europe, the primary diversity measure is on women as a percentage of representation in management and sales.

2013 Representation in Europe	Management	Sales
Women	24%	23%

Compensation and Benefits

At Xerox, we have long understood that our success depends on attracting and sustaining a healthy and productive global workforce. To that end, we offer a well-rounded compensation and benefits package that places value in the whole person.

Our comprehensive U.S. package includes competitive pay, healthcare benefits for employees and their families, a 401k savings plan with a company match, wellness resources and workplace recognition opportunities. We also offer employee assistance programs, healthcare coaching and advocacy support, adoption assistance, education assistance and tuition aid. Our paid-time-off program includes company-paid holiday and vacation benefits. Other time-off programs include personal leaves of absence and family medical leave. We offer a variety of continuing education and learning opportunities to enhance personal and professional development.

Our international programs include private healthcare plans, pension plans based on applicable local laws, career breaks or sabbaticals, as well as a number of work/life balance programs.

Our pay philosophy in all countries supports both individual and business needs by providing our people with rewards that are linked to individual performance and company results. Our total compensation package includes all forms of cash (base pay, overtime and commissions), benefits and recognition. To ensure our pay and benefits packages remain competitive, we participate in numerous pay and benefit surveys.

Health, Wellness and Safety

We believe that the health of our business depends on the health and safety of our people. From giving our employees and their families the means to manage their health to making workplaces and commutes safer, we continue to make measureable changes in the lives of our people worldwide.

Healthcare

Our healthcare philosophy — Healthy Together — focuses on helping employees and family members to make informed healthcare decisions and gives them the tools to manage their health and well-being. We provide easy access to meaningful, timely and relevant information through a single portal that simplifies the experience of choosing and using benefits. Currently, this program is available to employees in the United States. Our Healthy Together strategy will continue to evolve as we move toward an outcomes-based wellness strategy that provides employees with incentives for improving their health.

Employee Safety

Xerox is committed to creating 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. All of our Document Technology operations worldwide (with the exception of Global Information Systems subsidiary) and our U.S. Xerox Services operations record and report injury frequency rates using the same criteria, regardless of location. Since 1996, the safety record of our Document Technology operations has improved significantly with a 55 percent reduction in total recordable injury rate.

We have been successful in integrating many corporate safety management processes into our Services organization, including injury recordkeeping, accident investigation, fire and life safety, and emergency preparedness. This integration has established common objectives and standardized the inspection and management processes for key employee safety disciplines.

We focus our safety improvement efforts where we can make the most impact on injury rate and where populations are most at risk. An effort initiated in 2013 has served to increase employee safety awareness and make the inspection of safe work practices a responsibility of management. With weekly health, safety and wellness communications to our equipment service technician workforce, we help them recognize safe practices on and off the job to improve their overall health and wellness.

Motor Vehicle Safety

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

We also participate on fleet safety benchmark forums to keep up-to-date on the latest motor vehicle safety practices and technologies and to share Xerox's best practices with our peers.

The use of cellphones in any company vehicle is restricted. Texting is forbidden while the vehicle is moving. Employees who need to use their phones in the car are instructed to find a safe place to stop.

A comprehensive safety review is conducted on any vehicle model prior to it being 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.

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 study exposure to ergonomic hazards and raise awareness with employees so they can make improvements to their work stations.

▶ [Learn more about what we're doing to prevent workplace injuries.](#)

From manufacturing operations to office work, we continue to study the causes and potential remedies for workplace injuries. The following provides some brief highlights.

- Manufacturing Operations: Nearly every workstation in Xerox facilities worldwide has been evaluated for ergonomic hazards. Ergonomic enhancements such as

tilt tables, lifts and hoists make it easier for employees to maneuver parts and equipment during assembly.

- **Machine Service:** Xerox Customer Service Engineers' (CSEs) exposure to ergonomic hazards has been studied. The findings have helped us select tools and develop procedures to mitigate risk of musculoskeletal disorders. Throughout the equipment design process, evaluations are done to assess risks for our CSEs. The best time to make a modification is when a product is still in the design or early test phases.
- **Office Ergonomics:** With the integration of Xerox Services, our largest employee population is office-based. Raising awareness and helping employees make effective workstation changes is critical to minimizing risk for this population, so we created computer-based training on ergonomics principles and practices. This method of delivery enables employees to go through needed training programs at a time that minimizes business interruptions. Within our U.S. operations, there has been a slight decline of musculoskeletal injuries as a percentage of the overall injury total when compared with the previous year. Going forward, we'll continue to focus on ways to unify the ergonomics program across all sectors of business.

Emergency Preparedness

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

To prepare for emergencies, Xerox facilities worldwide have implemented site-specific Emergency Preparedness Plans to assist with the planning and execution of appropriate actions in response to local emergencies. Our plans account for common emergencies, such as responding to fires; for weather-related emergencies, such as tornadoes and hurricanes; and for more location-specific emergencies, such as responding to earthquakes and radiological emergencies. 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. We provide first aid kits and emergency medical information to our Medical Emergency Response Team (MERT) and provide training to our MERT and fire personnel.

Shelter-in-Place procedures, already in place in our Xerox Technology sites, are being established in our Xerox Services sites to protect our employees from emergency situations that occur outside of our facilities.

The planning process begins before our facilities are occupied, with a comprehensive review of fire and life safety attributes. Facilities must first meet Xerox safety requirements and may require upgrading before we authorize Xerox occupancy of the site.

Our plans are then regularly 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 after the incident.

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, management reviews of findings, and mitigation planning. Our philosophy is to maintain our higher-valued locations to a "Highly Protected Risk" standard. In addition, locations are reviewed for conformance to Xerox standards and recognized fire and life safety standards.

Contractor Safety Process

The goal of the Contractor Safety Program is to qualify contractors in minimum safety and health requirements prior to beginning work at a Xerox location. A database of approved contractors is maintained to aid the selection process. Each contractor is responsible to submit a job safety plan, and all employees working on site are required to attend an orientation session. Incidents and injuries are tracked both as feedback and to measure program effectiveness. Although first established in our Rochester, New York operations, this model is being applied successfully in many of our larger locations.

Preventing and Monitoring Workplace Exposures

To protect employees from unsafe exposures 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. We have medical surveillance programs in place to monitor the health of employees working in operations with specific jobs and hazards (e.g., high noise, organic solvents). Results of those medical exams are reviewed to ensure no adverse health effects.

Of the workplace exposures monitored in 2013, approximately 99 percent were within Xerox limits. All were within regulatory limits or were controlled through the proper use of personal protective equipment where engineering controls were not possible.

Environment, Health and Safety Project Reviews

We continually make modifications to work processes and operations to improve efficiency and effectiveness. To ensure these changes meet Xerox safety standards and follow our risk management philosophy, projects are reviewed by technical safety and environmental professionals. The scope of the project is defined, potential safety and environmental impacts are characterized, and control requirements are established before the project is initiated. The process serves to inform the engineering and management teams on safety requirements and ensures all project designs have controls integrated into work plans. The process ensures environmental, health and safety requirements are understood and implemented at the beginning of the project.

Leadership Development

In order to stay competitive in a global economy driven by rapid technological innovation, companies must provide their people with opportunities to learn and advance. At Xerox, we continually implement learning practices that leverage new technologies and incorporate new ideas so our employees can adapt quickly to changing market dynamics.

Our talent management strategy seeks to provide employees with rewarding careers even as it develops the next generation of leaders. Managers identify emerging leaders and work with these individuals to develop plans that address learning, education and future job opportunities. At least once per year, our CEO and senior team conduct detailed reviews of a diverse group of leaders who are poised to assume key management roles. The sessions assess individual performance and attributes of leadership while identifying appropriate career moves to prepare these next-generation leaders for broader responsibilities.

At the same time, the company's Human Resource Development Council provides a forum for senior management to review the future needs of the organization, noting strengths, gaps and strategies to build the best and brightest teams for generations to come.

All employees have access to our online learning resources to improve functional and professional skills, such as courses to prepare them for management. We offer learning opportunities worldwide through on-demand eLearning, mobile learning, instructor-led virtual and face-to-face classroom delivery, online collaboration and performance support.

Beyond formal training, we strive to foster a culture of learning. Our XstreamVideo, for example, encourages collaborative learning with user-generated video that is posted to a "YouTube"-type learning platform for knowledge sharing and performance support. We also encourage and, in some cases, offer support for employee participation in advanced degree and certification programs.

► [Learn more about our on-demand learning tools.](#)

Through *Learning@Xerox*, a global, virtual learning environment, we provide 24/7 online access to more than 750,000 courses and tools. In 2013, we invested \$600,000 to bring together all 140,000 Xerox employees and 60,000 authorized partners into one enterprise learning environment. This proprietary learning environment provides our global workforce with a rich catalogue of learning assets that support both formal and informal development needs.

More than 25,000 customized learning resources are offered in areas such as sales, technical and professional development, and compliance. In 2013 alone, we published 900 new or updated eLearning courses for the global workforce. Of these, 430 were new courses and include Xerox proprietary content and certification. *XstreamVideo* contains more than 5,000 videos created by Xerox employees, which increase workforce engagement, allow our people to identify and promote innovative solutions, and accelerate the adoption of successful business strategies.

We evaluate all learning activities to ensure they contain relevant knowledge, fill skill gaps and promote the development of our employees. We also assess the impact on our business through Competency Development Impact (CDI) studies, which help us understand how the training we provide enhances productivity.

Xerox is frequently recognized by the learning and talent development industry for thought leadership and spotlighted in industry publications. Recently, we've been mentioned in Training Magazine, Elearning! Magazine, and Chief Learning Officer Magazine. We received industry recognition from Bersin by Deloitte as a "Learning Leader" and won the WhatWorks® Award for using industry benchmark evaluation tools and processes to identify specific, actionable gaps that helped us improve development and accelerate targeted initiatives for learning transformation.

Employee Rights

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

We recognize that our employees are our greatest asset. We continually strive to provide all of 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 of our employees are treated fairly and equitably regardless of nationality, religion, ethnic origin, gender, sexual orientation, language or any other protected status.

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.
- In the United States and Canada, we maintain a cooperative and effective relationship with five unions that represent nearly 2,000 employees in 15 locations: Workers United, the International Union of Operating Engineers (IUOE), Communications Workers of America (CWA), the United Brotherhood of Carpenters and the Service Employees International Union, through a Cooperative Agreement with Workers United.

Customer Satisfaction

We succeed through satisfied customers. We listen to and act on what our customers tell us. To respond quickly to individual issues and to identify systemic ones, we apply closed-loop follow-up processes and analytics. Through Lean Six Sigma, we evaluate and address underlying causes of customer concerns. Our approach to customer satisfaction starts with understanding how each client defines his or her ideal experience.

Relationship Surveys

Through relationship surveys, we ask our customers and partners about their experiences working with Xerox. The surveys identify levels of customer satisfaction with our products, services and support. The feedback helps us determine which improvements are most likely to bolster customer value and help differentiate us from the competition. Our Document Technology business follows a rigorous management process to ensure customer feedback is addressed at multiple levels with full accountability by the business; our Services business is currently working to implement a similar approach.

Transactional Surveys

We employ transactional surveys to monitor satisfaction with our products and services. These surveys help us to diagnose root causes of complex issues. Transactional surveys also tell us if we have achieved the objectives of our service-level agreements and if our customers are satisfied with individual interactions.

Sentinel Customer Satisfaction Assurance System

Our patented Sentinel Customer Satisfaction Assurance System complements other end-user programs by detecting latent issues in advance of customer satisfaction surveys. Sentinel, which is used by our Document Technology customers, provides a channel for collecting customer feedback and identifies and fixes unresolved problems quickly and efficiently. The Sentinel sense-and-respond system sends monthly email check-ins to customers asking if any problems exist that have not been resolved to their satisfaction. When a customer raises a problem, the system engages a problem solver to address it. The system also gives users an easy way to communicate things that are going well. With the Sentinel system, we can quickly identify potential issues and make adjustments in real time, which strengthens customer relationships, improves performance and leads to a higher level of customer satisfaction and loyalty.

Social Media

We have several customer support social media offerings, enhancing the online support experience and providing new ways for customers to engage with Xerox Support in the U.S.:

- The [Xerox Support Community](#) offers a peer-to-peer forum where customers and other industry professionals can collaborate about Xerox equipment and software. Customers may also access this online community with their mobile devices, enhancing their support experience with social networking on the go.
- The [At Your Service blog](#) provides customers with a witty and insightful look into equipment features and services.
- Xerox's latest support news is shared with followers of the [@XeroxSupport](#) Twitter handle. Customers may also engage with us for product information and technical assistance.

We actively listen to, and engage in, conversations generated by consumers in public forums and social media. This enables us to better understand consumers' experiences with our products and processes and their perceptions of our brand. Social media listening focuses on individual, publicly available conversations and provides insight into the impact of our products, processes, people, innovations and communications.

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 customer requirements, establish and implement strategic account plans, marshal resources to eliminate customer concerns, and build strong, productive customer partnerships that enhance customer satisfaction and accelerate revenue growth.

Executive Customer Care Program

For more than 20 years, our corporate officers have volunteered in a rotation as "Customer Care Officer of the Day." The program provides customers the opportunity to share their concerns with our senior leaders. It also gives our executives a unique opportunity to hear from a broad range of customers first-hand. The officer, supported by a team of dedicated professional problem solvers, assumes personal responsibility for dealing with any and all customer concerns. The Officer-of-the-Day has three main priorities: listen to the customer, address the customer's problem and take the necessary action to fix the underlying cause. It is a time-honored commitment to our customer focus.

Innovative Solutions

Innovation is more than a buzzword at Xerox... it's what we use smartly and strategically to help the world tackle some daunting and laborious tasks. Our mission and heritage to help our customers be more successful has led us on a fascinating journey to innovate services, technologies and solutions that simplify the complex, help our environment and enhance lives – all for the promise of a better world.

Customer Dreaming Sessions

We have long been a leader in customer-led innovation. In the words of Sophie Vandebroek, Xerox Chief Technology Officer and President of the Xerox Innovation Group, "Something is only an innovation if it makes a difference to our clients or to the world." So the question is, how do you know what delights your customers? In our case, we ask them.

At Xerox, we view our customers as partners in innovation. Our researchers observe customers directly in their work environment. We routinely deploy ethnographic methods to learn about their needs and pain points. Last year, we conducted nearly 200 customer events with more than 2,500 participants. More than half of those interactions were dream sessions, where researchers and customers get together to explore the future of the customer's business and identify the key issues they likely will face.

From those deep dives spring ideas that develop into business opportunities. For example, we're working on ways to make it easier to harness data from images. Scientists and engineers from our five global research centers are applying advanced image processing, sophisticated algorithms and predictive analytics to a range of industries, including transportation and healthcare.

The Merge® Parking Management System, deployed in downtown Los Angeles, is one example. This first-of-its-kind system gathers and analyzes data from smart meters, off-street parking lots and more than 6,000 on-street parking sensors to provide a complete picture of parking demand. Motorists use their smartphones and vehicle navigation systems to obtain real-time information on parking rates and available parking spaces and to make payments. In addition, smart pricing algorithms apply the parking sensor data to adjust parking rates based on demand. This demand-based pricing helps eliminate congestion by offering incentives to drivers to use a different mode of transportation or park farther away.

Lean Six Sigma

Using Lean Six Sigma, we work directly with customers to create solutions that make their businesses more productive, efficient and profitable. Lean Six Sigma methodologies help organizations embrace change while improving performance and customer satisfaction.

Xerox Lean Six Sigma institutionalizes a systemic, data-driven methodology. We streamline internal processes to consistently supply products and services at quality levels, speeds and prices that customers value. It combines the Six Sigma infrastructure and tools — to reduce variation and eliminate process defects — with Lean methods — to eliminate waste and increase process speed.

The efficiencies gained through Lean Six Sigma further our goals for environmental stewardship. The process improvement helps us and our customers to use less paper, conserve energy and eliminate greenhouse gas emissions.

Download the [Xerox and Lean Six Sigma PDF](#).

Safe Services and Products

Safety has always been a cornerstone of our work in product development. Our comprehensive Product Safety Plan details specific requirements. We assess all potential hazards, including the ways in which different hazards may interact. We take a conservative position on potential health risks to employees and customers, always meeting or exceeding government safety regulations.

Customers are encouraged to review product safety information and understand the environmental profile of our devices. Our [Product Safety Data Sheets](#) offer environmental, health and safety information for each Xerox device. [Material Safety Data Sheets](#) identify hazards associated with specific materials and describe how they can be safely handled, used and stored. Customers can access both sets of documents in multiple languages at www.xerox.com/environment.

We have robust processes for tracking regulatory violations and non-conformity with voluntary codes and labels. In 2013, no such instances resulted in fines or sanctions. We have a comprehensive process in place for tracking customer concerns and other field events. All customer issues, such as incidents involving component failures and other potential safety concerns, are investigated carefully to determine the root cause, as well as monitored to discover trends. Corrective actions are implemented, as necessary.

Ergonomic Design

We consider the ergonomic aspects of our products from both a user and a service standpoint. Our design teams consider all points of human interface, including a product's height, curves, placement of touch-screens and paper trays. Customers work directly with the designers 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 and noise. 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 customers' work environments. We publish emissions data on each product's Product Safety Data Sheet.

Toner Study

In 2013, we concluded a comprehensive investigation that lasted more than three decades on the health risks of inhaling xerographic toner. The studies included assessments of the health of current employees and an assessment of the causes of death for people who worked for the company between 1960 and 1982. The analyses demonstrated that the health and mortality patterns of Xerox employees are consistent with a healthy working population. In October 2010, the mortality study was published in the peer-reviewed Journal of Occupational and Environmental Medicine.

Data Privacy

At Xerox, we take the utmost care to prevent the unauthorized use or disclosure of information our customers provide.

Our success depends directly on the extent to which our customers trust us to manage their business processes. We have policies and controls in place to ensure privacy protection for our customers' personally identifiable information. Our policies follow industry best practices, like the use of encryption technology and data loss protection software.

Additionally, we 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:

- Canadian Personal Information Protection and Electronic Documents Act (PIPEDA);
- European Union Directive 95/46/EC on the protection of personal data;
- U.S. "Safe Harbor" framework, which was negotiated between the U.S. Department of Commerce and the European Commission as a way for U.S. companies to provide privacy protection as required by Directive 95/46/EC; and
- applicable U.S. federal and state privacy laws.

We govern our privacy practices through the Xerox Ethics Hotline and independent external sources, such as the Better Business Bureau EU Safe Harbor program. Both resources give customers and employees an outlet to report any concerns about the potential misuse of data.

Read more about [Xerox privacy policies](#).

Network Security

Xerox is committed to helping customers maintain a secure network environment, particularly for our multifunction products (MFPs) that print, copy, fax and scan. As challenges to security arise, new features are required to secure printing, faxing, and scanning to repositories and to e-mail. Since all MFPs, regardless of vendor, contain hard drives and software, they require security precautions. By adding protocols such as IPSec and TLS, we allow for encrypted transmission of data in motion. Xerox pioneered the encryption of hard drives and now provides secure erasing of customer data.

We strongly endorse the internationally recognized ISO 15408 Common Criteria standard for Information Technology Security Evaluation and have validated more than 100 of our office MFPs to this standard since 2001. The verification and validation of our features gives us one of the industry's broadest arrays of printers and copiers certified to meet the strictest security requirements. We evaluate the entire multifunction system, not just individual features or a security kit.

We test extensively for security vulnerabilities in our software before we bring a product to market, recognizing, however, that someone with the intent and the knowledge may circumvent security protections. We encourage customers and security researchers to notify us of any network security concerns, and we move immediately to provide a solution. We develop software patches for vulnerabilities according to our documented Vulnerability Management and Disclosure Policy and post them at www.xerox.com/security. In addition, security fixes are integrated into the manufacturing process as soon as possible.

Throughout the product life-cycle, from design to development and from manufacturing and deployment to disposal, we actively manage security and implement secure software development best practices. Security is integrated with individual devices and extends seamlessly to the fleet of equipment. State-of-the-art encryption is used extensively to protect customer information, both in the device and in motion to and from the device. Image overwrite features remove image data on hard drives prior to return to Xerox. Customers particularly concerned about sensitive data may choose to retain their hard drives for a fee to allow them to sanitize or destroy the hard drive independently.

Threats to network security evolve continually. Malware, or software intended to damage a computer or a network, has become more of a problem. When we announced our ConnectKey products, we teamed up with McAfee to design a security system to help companies protect against threats to confidential data processed by printers and multifunction devices. Xerox is embedding McAfee whitelisting technology into Xerox devices to prevent unauthorized changes (both read and write) to protected files. McAfee whitelisting technology is now a standard feature on current and future MFPs with the option for an upgrade that provides full integrity protection against unauthorized execution of malicious files.

The explosion of personal devices in the workplace creates vulnerabilities that require new security solutions. In response, Xerox and Cisco are collaborating on the TrustSec® solution that enables companies to cope with the proliferation of network endpoints – such as printers, tablets, and Webcams – and deploy security policies faster than ever before. Cisco's TrustSec® Identity Services Engine (ISE) solution now ships with a list of more than 40 Xerox device models that are ready for security policy enablement. Customers who use ISE will discover that it is simple to include Xerox devices in their security policies.

Xerox Managed Print Services span from monitoring toner levels all the way to investigating a potential data breach. While customers are responsible for assessing their security risks and configuring the devices appropriately, Xerox provides professional and managed services to support them.

Accessibility and Mobility

Xerox was the first in the industry to design products that are accessible and easy to operate, and we are committed to upholding that standard for the products and services we provide today. To make our systems more accessible for people with disabilities, we have developed accessories such as angled consoles, magnifying lenses for visually-impaired users, Braille console labels and "start print" foot switches. Software for embedded web servers and print drivers are specifically designed to be compatible with screen readers to allow people with visual impairments to operate them. We strive to continually improve our performance in the area of accessibility and adapt products so that ease of use is not compromised.

In 1998, 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 established a rigorous process to evaluate our products' compliance with Section 508.

In the near future, there will be changes to the Section 508 rules and new input from the European Union and the Far East. [Learn more](#) about our efforts to meet Section 508 accessibility requirements.

Today, we are focused on increased mobility 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 technologies – such as mobile print solution and predictive analytics used to improve the ease of municipal parking – are enhancing mobility and easy access to information.

Goals and Progress

At Xerox, we carefully consider the environmental effects of all our actions, products and services. We also recognize that the best opportunities to make a positive impact on the environment are likely to lie outside of our facilities and operations.

We have conducted a comprehensive review of the environmental impact of Xerox as a company and have identified four strategic commitment areas where we can make a significant impact on the environment:

- Reducing Energy Use and Protecting the Climate: We invest in technologies that reduce the carbon footprint of our operations and offer solutions to our customers that reduce energy use, cost and waste;
- Preserving Biodiversity and the World's Forests: We work with our customers, suppliers and other stakeholders to support the development of a sustainable paper cycle through paper sourcing guidelines and environmentally sound paper offerings, as well as through products and services that decrease dependency on paper;
- Preserving Clean Air and Water: We work to eliminate the use of persistent, bio-accumulative and toxic materials throughout the supply chain. We look for ways to use water efficiently and to avoid the release of hazardous air emissions from our products and facilities worldwide; and
- Preventing and Managing Waste: Our goal is to produce waste-free products and services for our customers and waste-free facilities across our real estate portfolio and within our customers' workplaces.

Performance Reporting

The following table summarizes our key environmental and safety performance indicators, including our goals and performance over the past five years. Additional detail is included in the corresponding sections of this report.

[Read about our environmental awards and recognition.](#)

[Learn more about our performance over the past five years.](#)

Xerox 2013 Environmental Sustainability and Safety Performance

* Indicates Goal Achievement in Current Reporting Year

Units in 1000 MT unless otherwise indicated.

Products	Goal	2009	2010	2011	2012	2013
Eco-labels						
% of newly launched eligible products achieving EPEAT						100%*
% of newly launched eligible products achieving ENERGY STAR	90%	92%	100%	100%	100%*	100%*
End-of-Life Management ¹						
Equipment and Parts						
% Remanufacture, Reuse, Recycle, Energy from Waste	100%	99%	97%	98.6%	99.7%	99.4%
Volume Remanufacture, Reuse, Recycle, Energy from Waste		46	43	43	38	34
Volume used equipment sold		NA	NA	NA	0.2	5.4
Volume Remanufacture / Reuse		8	8	8	5	2.0
Volume Material Recycling		37	34	33	32	24.6
Volume Energy from Waste		1	1	2	1	2

Volume Energy from Waste		1	1	2	1	2
Volume Landfill		1	1	0.6	0.1	0.2
Volume Incineration		0	0.1	0	0	0
Total Volume Waste - Equipment and Parts		46	45	44	38	34.2
Supplies ²						
% Remanufacture, Reuse, Recycle, Energy from Waste	100%	94%	95%	95%	95%	96%
Volume Remanufacture, Reuse, Recycle, Energy from Waste		2.9	3.5	3.5	4.0	4.7
Volume Remanufacture / Reuse		2.7	3.3	3.3	3.7	4.36
Volume Recycle		0	0	0.1	0.1	0.3
Volume Energy from Waste		0.2	0.2	0.1	0.2	0.04
Volume Landfill		0.2	0.2	0.2	0.2	0.2
Volume Incineration		0	0	0	0	0
Total Volume Waste - Supplies		3.1	3.7	3.7	4.2	4.9
Operations	Goal	2009	2010	2011	2012	2013
Energy / GHG's ³						Reduction from 2012 baseline
% Reduction Energy Use from Baseline (Scope 1 and 2)	10% reduction by 2017 with a new baseline established in 2012	21%	22%	27%	33%	6%
% Reduction GHG Emissions from Baseline (Scope 1 and 2)	10% reduction by 2017 with a new baseline established in 2012	31%	31%	36%	42%	9%
Scope 1 (Direct) Emissions - (Facilities & Fleet) ⁴		162	163	149	134	124
Scope 2 (Indirect) Emissions - (Purchased Electricity) ⁵		180	180	167	162	145
Total Scope 1 and 2 Emissions		342	343	316	296	269
Scope 2 Emissions - Services Data centers ⁶		NA	NA	88	90	81
% Renewable Energy ⁷		NA	NA	5.9%	5.1%	4.7%
Scope 3 Emissions - Employee business air travel (1000 MT per 1000 employees) ⁸		NA	0.2	0.16	0.16	0.16
End-of-Life Management	Goal	2009	2010	2011	2012	2013
Non-Hazardous Waste ⁹						
% Reduction Landfill/Incineration from 2009 Baseline	50% reduction by 2015 85% reduction by 2020	NA	25%	25%	50%*	60%*
% Reuse, Recycle, Energy from Waste	95% by 2015 98% by 2020	91%	89%	91%	93%	92%
Volume Reuse, Recycle, Energy from Waste		55	52	49	48	42
Volume Reuse		6	6	4	0.2	5
Volume Recycle		45	42	41	42	29
Volume Energy from Waste		4	4	5	5	8
Volume Treatment		2	2	2	2	2
Volume Landfill		4	4	3	2	1.6
Volume Incineration		0	0.4	0.4	0.2	0.3
Total Volume Non-Hazardous Waste		60	58	54	51	46
Hazardous Waste ¹⁰						
% Reduction in Hazardous Waste from 2009 Baseline		NA	6%	68%	74%	80%
% Recycled, Fuels Blending		20%	20%	49%	71%	62%
Volume Recycled, Fuels Blending		0.5	0.5	0.4	0.5	0.3
Volume Recycled		0.3	0.3	0.2	0.3	0.15
Volume Fuels Blending		0.2	0.2	0.2	0.2	0.17
Volume Treatment		2.0	1.8	0.3	0.1	0.12
Volume Landfill		0.01	0.04	0.02	0.03	0.00
Volume Incineration		0.09	0.12	0.08	0.04	0.07
Total Volume Hazardous Waste		2.6	2.5	0.8	0.7	0.51
Air Emissions ¹¹	Goal	2009	2010	2011	2012	2013
% Reduction VOC / Non-VOC from 2008 Baseline (Production)		18%	31%	49%	54%	67%
Volume VOC (MT)		22	17	13	13	9
Volume Non VOC (MT)		10	10	7	5	4
Total Volume VOC / Non-VOC (Production)		32	27	20	18	13
NO x (non-production) (MT) ¹²		ND	ND	36	37	36
SO x (non-production) (MT) ¹²		ND	ND	0.3	0.3	0.3
Toxins and Hazardous Materials ¹³	Goal	2009	2010	2011	2012	2013
% Reduction Reportable Releases and Transfers from 2007 Baseline ¹⁴		50%	59%	67%	64%	70%

Volume Reportable Releases and Transfers (TRI and PRTR) (MT) ¹⁴		238	193	158	172	144
% Reduction virgin Methyl Isobutyl Ketone (MIBK) from 2010 Baseline ¹⁵	10% by 2014	NA	NA	ND	29% *	35% *
Volume virgin Methyl Isobutyl Ketone (MIBK) (Lbs./part) ¹⁵		NA	0.399	ND	0.283	0.261
% Reduction of methylene chloride from 2010 Baseline ¹⁶	5% by 2014	NA	NA	ND	54% *	57% *
Volume Total amount of methylene chloride (Lbs) ¹⁶		NA	1,038,000	ND	480,500	445,200
Volume 1,3-butadiene air emissions from 2010 Baseline (Lbs /batch) ¹⁷	Maintain or below	NA	≤6.9	ND	6.7 *	6.6 *
Water ¹⁸	Goal	2009	2010	2011	2012	2013
% Reduction in Water Consumption from 2009 Baseline	21% by 2014 30% by 2019	NA	7%	21%	35% *	35%*
Volume Water Consumption (ML)		2,189	2,030	1,725	1,427	1,433
Volume Water Discharge to Sanitary Sewer (ML)		2,310	2,274	1,912	1,580	1,605
Workplace Safety ¹⁹	Goal	2009	2010	2011	2012	2013
Total Recordable Incident (TRI) Rate	0.9 TRI	0.9	1.06	1.05	1.10	1.07
Days Away from Work (DAFW) Rate	0.49 DAFW	0.49	0.51	0.54	0.61	0.54
Corporate Compliance	Goal	2009	2010	2011	2012	2013
Reportable Spills / Environmental Releases	0	5	8	10	8	5
Safety non-compliance (\$ fines / # non-monetary violations)	0	\$4K / 2	\$0 / 0	\$300 / 5	\$300 / 4	\$5275/0
Environmental non-compliance (\$ fines / # non-monetary violations)	0	\$0 / 3	\$0 / 5	\$0 / 1	\$0 / 1	\$0 / 2

FOOTNOTES

ND=Not Determined NA=Not Applicable

¹ Products End-of-Life Management: Returns processed through Xerox's worldwide asset recovery centers and 3rd party recyclers. 2012 data adjusted to include units sold as used through new resale program introduced 4th quarter 2012.

² In 2012, the Supplies returns program changed the array of cartridges and bottles accepted. The weights of those containers also changed. The data was restated to reflect more accurate volumes.

³ The greenhouse gas inventory is based on the new Xerox energy program which began in 2012 and encompasses fleet and facilities for the Xerox Technology Business and Xerox Services where co-located. Please note that the performance goal was re-set in 2013 after having achieved our 2012 GHG reduction target. Consequently, our performance in 2013 is from a new baseline established in 2012.

⁴ Direct emissions from natural gas and fuel used in fleet of Xerox Sales and Service personnel and natural gas consumed in facility boilers for facilities > 17,500 sq ft, both leased and owned by Xerox Technology Business. Emissions for facilities >50,000 sq ft are based on actual data as reported on utility invoices, with estimates for remainder of facilities in the inventory using Commercial Building Energy Consumption (CBECE) energy use factors. Emissions from fleet are based on actual fuel receipts and vehicle efficiency rates. Note that 2012 data has been re-stated as new emission factors were used.

⁵ Indirect emissions of greenhouse gases include emissions from the consumption of purchased electricity and steam for facilities leased and owned by Xerox Technology Business. CBECEs energy use factors were used to include estimated emissions for office and warehouse facilities of 17500 to 50000 square feet where data is not readily available (US and Canada). HFC emissions were estimated based on square feet. Note that 2012 data has been re-stated as new emission factors were used.

⁶ Indirect emissions for worldwide Xerox Services Data Centers, located in the U.S. and Europe. Based on actual data as reported on utility invoices in the U.S. and the U.K. Estimates were used for the remaining Data Centers, based on the average energy consumption per square foot using Power Usage Effectiveness (PUE).

⁷ Renewable energy and renewable energy credits. It does not include the renewable energy available by default in the power grid. This encompasses use of 100% energy in the U.K, REC's from wind for Monroe County, NY, REC's from Wilsonville, Oregon and REC's from Dallas, TX. Total energy encompasses fleet and facilities for the Xerox Technology Business and Xerox Services where co-located.

⁸ Includes worldwide air travel emissions for total Xerox, as provided by Xerox's global travel services provider, based on aircraft, load, and miles. Employee headcount for years 2010 and 2011 equals 75,000 and 140,000 for years 2012 and 2013. The head count increase is due to Xerox acquisition of ACS and transitioning to a common provider.

⁹ Non-hazardous Solid Waste: 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 end-of-life equipment and parts.

¹⁰ Hazardous waste volumes referenced in the report represent Xerox's technology business only.

¹¹ Majority of air emissions originate from the production of imaging supplies such as toner, photoreceptor drums and belts, and fuser rolls.

¹² Nox and Sox emissions are calculated using emission factors applicable to small boilers from EPA's AP-42, Vol.1, CH1.4: Natural Gas Combustion (<http://www.epa.gov/ttnchie1/ap42/ch01/final/c01s04.pdf>)

¹³ Operations with on-site reportable toxic chemical releases to the air, land, or water in amounts of greater than one metric ton were established in 2011 with goals, targets and objectives related to chemical releases.

¹⁴ Reportable releases and transfers decreased in 2013 primarily due to volume and process-related decreases in the amount of organic solvents used in manufacturing processes. 2010 - 2012 volumes and % reduction from baseline have been restated in this report to reflect the exclusion of a chemical (acetone) that was not, in fact, reported to a government agency under a national toxic chemical reporting regulation (NPRI) in those years.

¹⁵ Reduction accomplished by reclaiming and distilling waste MIBK from fuser roll manufacturing. Normalized to number of fuser roles produced.

¹⁶ Total amount of methylene chloride used to produce Xerox photoreceptor components.

¹⁷ From toner resin manufacturing, normalized to volume of resin produced.

¹⁸ 2012 reduction in water consumption can be attributed to full year impact of conservation projects completed in 2011 and continued operational focus on water management activities. Xerox does use Closed Loop Cooling Water processes and have established methods for future measurement.

¹⁹ Workplace Safety performance reporting includes Xerox Technology Business (with the exception of Global Information Systems) Worldwide.

Environmental Leadership

Since we introduced two-sided copying in 1970, we have continued to innovate at the forefront of environmental sustainability, offering the first recycled grade of cut sheet paper and office equipment with an energy-saving mode, long before ENERGY STAR® was established.

Governance

Our global Environment, Health, Safety and Sustainability (EHS&S) department enforces our environment, health and safety policy. The corporate EHS&S governance policy, first adopted in 1991, underpins our environmental leadership program. The Vice President of EHS&S reports to the President of Corporate Operations, a direct report to the CEO. Our governance model uses clearly defined goals, a set of worldwide standards and an audit process that validates compliance. To review this policy, visit www.xerox.com/environment.

► [Learn more about our Enterprise Risk Management process.](#)

Our Enterprise Risk Management (ERM) process, overseen by the Xerox Board of Directors, strengthens our capability to assess, monitor and manage all categories of business risk and sustainability, including climate change risk. Vital strategic and operational risks identified are approved by the Corporate Management Committee (CMC) and reviewed annually by the Board.

A risk mitigation plan, in which leaders are assigned to each identified risk, is developed and reviewed by the CMC and the Board. The Business Ethics and Compliance Office and various Internal Control committees also monitor risk management and exposure. The Board of Directors regularly reviews the Enterprise Risk profile and monitors the effectiveness of management policies and decisions, including risk management activities.

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

Our major operating units and key corporate functions (e.g., Risk Management, Real Estate) also are responsible for evaluating, monitoring and managing within their respective businesses site-specific risks that potentially have an impact on Xerox's ability to achieve its overall business objectives. The Business Continuity Assurance Process ensures business units are prepared for environmental risks.

Standards and Programs

Environment, health and safety standards guide employees and suppliers in complying with corporate policies. These worldwide standards apply across Xerox and establish specific requirements for products, services, operations, product safety, materials safety, packaging, design for environment and environmental management. We also have established company-wide programs, such as Zero Injury, to engage employees worldwide.

Supply Chain Management

As a critical element of supply chain governance, we extend environment, health and safety requirements across our supply chain. Since 1998, we have asked our materials, electronics and component suppliers to meet specific environmental, health and safety requirements. These requirements were broadened in 2004 to better govern the use of chemicals in our products, parts and supplies throughout the supply chain. The Xerox standard, "Xerox Environmental, Health and Safety Supplier Requirements: Chemical Bans/Restrictions and Part Marking," establishes requirements for regulatory compliance, chemical bans and restrictions, and parts marking for parts and materials intended for use in electronic products. The standard also requires that suppliers utilize socially responsible supply chain due diligence practices in various operations, including but not limited to mining and smelting operations.

Further, by adopting the Electronic Industry Citizenship Coalition's (EICC) Code of Conduct, we have strengthened our commitment to ensure that our technology suppliers are operating according to accepted industry standards for environmental management. In 2013, our Vice President of EHS&S was selected by

For more information, see the [Supplier Relations](#) section of this report.

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 on a rolling average of once every three to five years (or sooner, based on performance). The frequency and the focus of the audits are based on the type of operations and the inherent risks associated with the operations. In 2012, we began including Xerox Services in this audit schedule.

Xerox audit teams evaluate operations against our internal standards, external regulations and industry guidelines. Beginning in 2010, the teams also evaluated management system performance. With the assistance of the local managers and support staff, action plans are developed and deficiencies corrected. Senior management pays particular attention to situations with the potential to pose a significant risk of environmental damage, serious injury to employees or regulatory non-compliance. In 2012, we met our goal of resolution of these issues within 90 days and continued to demonstrate that the audit program has become an important mechanism for identifying and correcting performance gaps.

► [Learn more about our audit of Xerox Services facilities.](#)

In late 2012, we initiated environmental, health and safety audits of virtually all international Xerox Services facilities. The audit covers environmental dimensions, life and fire safety, emergency preparedness, security, management processes and other areas that directly affect employees on a daily basis. We are actively making improvements to the facilities and/or management processes to ensure a consistent level of EHS&S performance across our sites worldwide wherever deficiencies are noted. In addition, we have developed internal standards based on recognized life safety codes and are applying these requirements across all geographies in which we operate.

As of May 2014, we completed audits on 127 of the 140 international Xerox Services sites in our audit program. Completed sites are characterized according to the type and severity of issues noted. Facilities prioritized for immediate corrective action develop plans designed to close high-priority issues expeditiously. With corrective actions in place, processes are established to ensure consistent performance and evaluate new acquisitions to the same standards.

Cumulative Number of Audits as of 12/31/2013



Employee Engagement and Training

Employees and third-party contractors learn how our operations affect the environment and employee safety through training and internal communication. Beginning with our new hire orientation, employees are made aware of company-wide environment, health and safety requirements. Global programs such as Energy Challenge, Zero Injury, Sustainable You, Environmental Faces of Xerox and the Xerox Earth Awards engage employees throughout the company. Regional Earth and Safety Fairs and Green Teams also help to communicate challenges, best practices and accomplishments.

► [Learn more about how we're involving our employees in environmental efforts.](#)

Yammer, our internal social media network, allows our employees across the globe to connect with each other. Through groups such as Working Green, Living Green and

Simply Well, employees exchange information about the environment, safety and health. The Xerox Yammer network boasts nearly 25,000 employees worldwide.

The formation of local "Green Teams" provides employees who are part of a common work group or share a workspace with the opportunity to work together to educate, support and seek process or site changes that will enable environmental improvements, cost savings or productivity improvements.

As appropriate, employees receive training on topics such as hazardous waste management, spill prevention and response, recycling, ISO 14001 and a variety of other topics. In addition to safety topics for which regulations require training, employees are trained on established safe job procedures based upon the job-specific hazards they may encounter and procedures and protective equipment they are expected to use. Recently, a significant number of procurement agents participated in training on Xerox corporate sustainability goals to re-emphasize our Socially Responsible Purchasing Policy.

We post our environmental management policy in our facilities and on our intranet. We communicate environment, health and safety goals to all our operations and integrate those goals into processes for product development and services. Through our ISO 14001 environmental management system, employees identify the environmental aspects associated with their responsibilities. Xerox Services facilities management personnel are introduced to our environmental sustainability and compliance programs and trained to identify sustainability opportunities and perform regulatory applicability assessments. This training included both Xerox facilities personnel and those from our third-party management company.

Stakeholder Outreach

We communicate with stakeholders about environmental health and safety programs, goals and performance. Stakeholders include employees, customers, investors, universities, government agencies and environmental groups. We track inquiries and comments from customers and other stakeholders. Customers provide input through focus groups, and we tap into the larger community through participation in external organizations.

► [Learn more about our environmental partnerships.](#)

To advance global efforts to improve the environment, Xerox partners with these private and public organizations:

Business Consortiums:

- Business Roundtable Climate RESOLVE;
- Business Roundtable S.E.E. (Society, Environment, Economy) Change;
- Business for Social Responsibility;
- Sustainability Innovators Working Group;
- EcoPatent Commons;
- Corporate EcoForum;
- Electronics Industry Citizenship Coalition (EICC);
- The Conference Board; and
- Conflict Free Sourcing Initiative (CFSI).

Non-Governmental Organizations:

- Environmental Defense Fund Climate Corps;
- International Leadership Council of The Nature Conservancy;
- Central/Western New York Leadership of The Nature Conservancy;
- The Prince's May Day Network;

- Organization for Economic Cooperation and Development (OECD) Expert Advisory Group on Sustainable Manufacturing and Eco-innovation;
- Second Nature (Higher Education);
- E.P.E.A.T; and
- Finger Lakes Regional Economic Development Council's Sustainability Workgroup.

Government Organizations:

- Sustainable Energy Authority of Ireland;
- U.S. EPA ENERGY STAR®;
- U.S. EPA SmartWay Transport Partnership;
- U.S. EPA WasteWise; and
- U.S. EPA Green Power Partnership.

Sustainable Services and Products

We consider environmental priorities in the design of each product and service solution; it's better for our customers, our business and the environment. At the outset, we solicit feedback from clients and other stakeholders and take a forward-looking view of global trends in technology, regulations and eco-labels. We've developed a comprehensive sustainability program based on global standards and quantitative analysis.

Reducing Environmental Impact through Xerox Services and Solutions

Our expanding Xerox Services business offers solutions that reduce energy consumption and improve environmental performance.

We also help businesses resume after catastrophic events. With locations around the world and a comprehensive business resumption plan, we enable businesses whose plants or offices may be closed or debilitated to continue to function.

We provide an array of solutions to improve the productivity of transportation systems, IT infrastructures and back-office processing. An added benefit of many of these solutions is the opportunity to decrease environmental impact through reduced electricity usage (IT optimization, Managed Print Services [MPS]), reduction in paper waste (MPS, ticketless transportation solutions, automation of back office work) and reduced consumption of gasoline (electronic tolling, parking optimization solutions). Read more about our work with the [Canadian city of Calgary](#), the [City of Indianapolis](#) and the [City of Los Angeles](#). Read more about our [innovative solutions](#) for the transportation industry.

We work with customers to improve the efficiency of office document management by assessing printing needs and developing solutions — often by dramatically reducing stand-alone and networked office equipment devices, incorporating workflow tools, software applications and other technologically innovative equipment designs, and saving energy and associated greenhouse gas emissions while reducing solid waste.

The Xerox Sustainability Calculator helps customers understand the benefits of our solutions and pinpoints opportunities to reduce both environmental impact and cost. It provides an estimate of the overall impact a customer's document technologies have on the environment and demonstrates how "right-sizing" the print environment can decrease the impact. It evaluates the current office environment of printers, copiers and multifunction devices from a lifestyle perspective, and then estimates environmental benefits from reducing energy and paper use, to lessening solid waste, water and greenhouse gas emissions. While results vary case by case, dozens of evaluations over the past three years have demonstrated that reductions in key environmental metrics of 20 to 35 percent are typical. Learn more at www.xerox.com/sustainabilitycalculator.

► [Learn more about how we design for the environment.](#)

Standards

Our product standards encompass the following: 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 the EHS&S organization review our products at each stage of the development process for conformance with environmental, health and safety standards, a requirement for the introduction of any new product.

Lifecycle Assessment (LCA)

We integrate lifecycle thinking into all of our product and service development activities as well as our innovation activities. We conduct full Lifecycle Assessments (LCA) — in accordance with ISO 14040 series standards — for products with a significant difference in technology. Full peer-reviewed LCAs have been conducted on our solid ink products (8860, 8870, 8700 and ColorQube 9200 series). In 2013, we completed our first comparison of our toner cartridge system to a competitor's all-in-one cartridge system. This study compared the Xerox laser product (Phaser 6600) with a competitor's laser device and helped drive design improvements for future releases of the product.

We streamline product development processes for equipment, materials (e.g., toner formulations) and even our Xerox Services offerings. An estimated 65 percent of our product categories have undergone full LCA, with nearly all other hardware products and many services undergoing a more targeted evaluation. In 2013, Xerox also expanded our Lifecycle Assessment program by utilizing Environmental Product

Declarations (EPDs). Verified and published through UL Environment, LCAs are being performed on a growing number of office products using standardized methodology. By publishing this information, Xerox is empowering our customers to learn more about how their printing behavior affects the overall carbon footprint of their organization.

Design for Environment

Xerox has long incorporated environmental considerations into product design. Scientists in the Xerox materials research group evaluate aspects of Safety, Energy, Materials and Sustainability (SEMS) using a tool developed at Xerox that allows researchers to quickly compare the current design with a future proposed design. The tool challenges designers to think about the whole lifecycle of the product and recognize any positive or negative impacts to the environment. By using SEMS, we can quantify energy reductions, reduce risk of regulated materials and track progress over time. SEMS was designed to be used in early research and development stages to understand tradeoffs and help make decisions early in the product lifecycle.

EPEAT®

For office products, Xerox uses an Electronic Products Environmental Assessment Tool (EPEAT) as the foundation of our Design for Environment program. A comprehensive environmental rating system, EPEAT identifies electronic equipment that meets specific criteria. It combines comprehensive criteria 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 lifecycle 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.

As of June 1, 2014, Xerox had registered 99 products representing over 20 product families with EPEAT. All models have achieved silver status, including all eligible products that launched in 2013. Two models, the Phaser 7100 N and Phaser 7100, meet the gold criteria. Xerox continues to participate in the EPEAT program to support the reduction of the environmental impact of products throughout our industry.

Learn more about the EPEAT program and view current Xerox EPEAT registered products here: http://www.xerox.com/downloads/usa/en/x/xerox_EPEAT_eco_label.pdf

Reducing Energy Use through Xerox Products and Technology

- **ENERGY STAR®**

More than 10 years before the inception of the U.S. Environmental Protection Agency (EPA) ENERGY STAR Office Equipment program, Xerox introduced the first imaging product with an automatic power-down mode. Since joining with the EPA as a Charter Partner in 1993, we continue to introduce copier, printer, fax and multifunction products that have earned ENERGY STAR status, even as the certification criteria have grown more stringent.

In 2013, 100 percent of all our new eligible product introductions achieved ENERGY STAR. This continued success in cutting the power consumption of our laser-based printing products has been achieved by adjustments in the fuser design, changes to the properties of the toner, more-efficient electronic controls and the workings of the xerographic system as a whole.

The ENERGY STAR program introduces progressively more stringent requirements over time, with the most recent revision going into effect January 1, 2014. While the new standard is significantly more challenging to meet, our goal remains to have 100 percent of new product introduction.

- **Multifunction Devices**

Our multifunction systems further reduce the amount of energy required to copy, print, fax and scan by combining the functions of multiple products into one machine. The annual energy savings of replacing several individual ENERGY STAR-qualified copiers, fax machines and printers with one Xerox ENERGY STAR-qualified WorkCentre multifunction system is up to one-half. Energy savings would be substantially higher if a multifunction system replaces individual products that have not earned the ENERGY STAR rating.

- **Xerox ConnectKey™**

ConnectKey is a software solution that enables information to be moved to and from the cloud without the security risks that commonly exist. Cloud computing is an alternative to large data centers and is being recognized worldwide as less

energy intensive than data centers while generating fewer greenhouse gas emissions. In addition, Xerox ConnectKey™ and Cisco EnergyWise enable energy management by allowing for control, management, and reporting of a device's power consumption and the setting of power states and timeout intervals.

Deinkability

In recent years, deinkability has become an area of increasing concern, particularly among our graphic communications customers. Ensuring that prints produced with our equipment and materials can be responsibly managed at the end of their useful life is an important consideration in our product development process. When appropriate, independent testing confirms that these prints pose no unique challenges to the recycling stream. While the deinkability of xerographic prints has long been demonstrated, a key milestone for a new technology came in 2010 when the CiPress printer achieved a "Good Deinkability" rating from INGEDE, the international association of the deinking industry.

Paper Use

Our equipment and software is designed to help customers operate efficiently. The "earth smart" feature, integrated into the Xerox global print driver, brings several resource-saving settings together at the single click of a button. These features, such as duplex (two-sided printing), n-up (multiple slides per page), proof print and toner saving modes, make it easier for customers to make responsible print choices. Xerox Enterprise Print Services customers have access to sophisticated print management and reporting tools, such as Xerox Print Agent, which provides additional methods of encouraging and tracking responsible print behavior. Software products such as DocuShare®, SMARTsend®, and FreeFlow® Digital Workflow Collection help Xerox customers reduce paper consumption by facilitating electronic data management, scan to email, print-on-demand and distribute-then-print workflows.

Packaging and Distribution

Our standard operating procedure is to eliminate, reduce, reuse and recycle packaging. This is evident in our Environmental Health and Safety Requirements for Packaging Standard – EHS-710, and also in our General Packaging Standard – 88P311. We look to eliminate packaging first, then reduce, reuse and use recyclable materials. Benefits of our packaging solution include the capability of reducing financial and environmental costs related to warehousing, storage and disposal in focused marketing campaigns and rapidly changing competitive markets. Our equipment is designed to be very robust, which enables the need for minimal packaging, and our lab testing facility and test standards are benchmark, allowing our designs to be efficient. Customized folding cartons can now be created quickly and cost-effectively, while allowing efficiencies and reducing obsolescence for short-runs of branded and customized boxes and containers.

► [Learn more about our sustainable packaging.](#)

A few examples that illustrate our commitment to sustainability in this area:

WorkCentre 7425, 7428, 7435 Transfer Belt Cleaner (TBC): Since the beginning of the program, our current TBC has been packed in foam. Molded pulp end caps proved to be a more environmentally friendly option. The original end caps were 21" long x 4.75" wide and 4.5" high while the new molded pulp end caps were 5" x 4" x 3". With the smaller footprint of the new packaging, we were able to increase the amount of product per unit load by 33 percent and eliminate 6,500 pounds of foams in weight and 7,800 cubic feet in waste volume annually.

D95, D110, D125 Toner: We redesigned the packaging of the D95, D110, D125 toner, removing the molded foam end caps. This avoided the use of some 24,000 kg of polystyrene and made it possible to reduce the internal dimensions of the carton. Now, we can ship 120 units per pallet rather than 48, resulting in a reduction of 4,458 pallets and 114 container loads – this reduces the number of containers needed by 64 percent.

IPAC Carton: In 2013, we implemented a new cartoning system in our spare parts distribution facility. Originally, cartons of two different sizes were used to ship out parts; extra space was filled with an air pillow made from LDPE. With the new system, the carton footprint is the same for all orders, but the height of the carton is reduced to fit the parts in the carton. This new system enables us to eliminate the use of the air pillows and reduce the amount of dead space.

Materials

We have made a long-term commitment to eliminate the use of persistent, bioaccumulative and toxic materials throughout our supply chain by applying strict internal standards and by tightly managing chemicals in our supply chain. We were the first in our industry to evaluate the health effects of toner and have done so for over 30 years. We have re-engineered or eliminated processes to dramatically reduce the use of toxics and heavy metals and have made substantial progress in eliminating the use of mercury.

Mercury-containing lamps that scan images and backlight user displays are being phased out as alternatives become available.

Our requirements for minimizing toxic materials govern our product design and materials selection. 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. The requirements prohibit the use of materials that are carcinogenic, are mutagenic or cause adverse developmental or reproductive effects; pose a toxicity hazard to humans or aquatic species; and can cause a permanent adverse impact to the skin, eyes or respiratory system or have the potential to generate hazardous waste.

We require suppliers to better control the use of chemicals in our products. These 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 at www.xerox.com/environment.

Our safety and supplier processes enable us to meet global regulations governing chemical use. Since 2007, Xerox's newly launched products have been designed to meet the European RoHS requirements in all markets. However, where regulations allow, some products may contain parts with small amounts of RoHS substances in order to avoid premature disposal of existing parts that continue to have usable life. Similar types of legislation continue to be implemented in many other market regions. Through our proactive regulatory tracking process, we expect to be fully compliant with all aspects of these regulations as the provisions become effective and applicable.

Third-Party Supplies Sold by Xerox

In some cases, Xerox sells supplies through its distribution network that are manufactured by other companies. We review these supplies to ensure compliance with appropriate regulatory requirements. In addition, we also assess against our own stringent standards. The results of these reviews ultimately determine which products carry the Xerox brand. Information is provided on [Material Safety Data Sheets](#) (MSDS).

End-of-Life Management

Our aim is to design products, packaging and supplies that make efficient use of resources, minimize waste, reuse material where feasible and recycle what can't be reused. To meet this commitment, we developed several programs: Xerox's Green World Alliance initiative provides a collection and reuse/recycling program for spent imaging supplies; Xerox's Product Takeback and Recycling program manages equipment at end-of-life; and we invest in technologies that reduce the creation of waste. Our solid ink imaging process utilizes compact "cartridge-free" solid ink sticks with no plastic housings or casings, thereby reducing print-related waste by up to 90 percent compared with comparable color laser products. For laser-based products, materials innovation has extended the life of critical replaceable components by up to 50 percent.

Our approach to managing products at end-of-life translates into significant environmental and financial benefits. Globally, our combined returns programs (equipment resale or remanufacture in conjunction with parts and consumables reuse and recycling) prevented over 38,000 metric tons of waste from entering landfills in 2013.

Consumables Takeback and Recycling

Xerox's Green World Alliance (GWA) initiative provides a collection and reuse/recycling program for spent imaging supplies. GWA is central to our commitment to waste-free products.

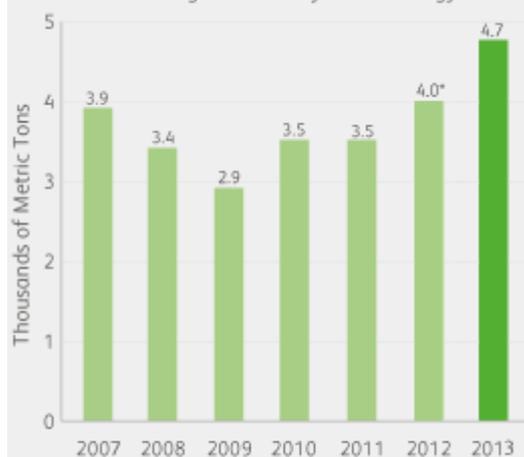
Currently, more than 35 countries participate in the Xerox Green World Alliance. Each has its own GWA country Website that describes the processes available to the customer or the appropriate points of contact for more information. Worldwide, our customers returned nearly 4.1 million cartridges, toner containers and other used supply items in 2013.

Although our consumables returns programs have been in existence for two decades, we continue to enhance our program. Major improvements in the U.S. program in 2010 were followed by similar changes in Canada in 2011, including the N.A. EcoBox program, enabling customers to order a set of recycling boxes and return multiple used imaging supplies, such as toner bottles and cartridges, in one box. More information on Xerox's consumables returns program is available at the Xerox Green World Alliance Website: www.xerox.com/gwa.

Returned products are sorted, and items suitable for remanufacturing are cleaned, inspected and then remanufactured. Remanufactured cartridges, containing an average of 90 percent reused/recycled parts, are built and tested to the same performance specifications as new products. Items that are not suitable for remanufacturing are recycled or recovered through energy from waste. Recycled waste toner and toner reclaimed from manufacturing that qualifies for reuse may account for 25 percent of the weight of new toner, without compromising toner functionality. Reusing waste/reclaimed toner saves several million dollars in raw

material costs each year.

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



*In 2012, the Supplies returns program changed the array of cartridges and bottles accepted. The weights of those containers also changed. The data were restated to reflect more accurate volumes.

Equipment and Parts Takeback and Recycling

In the early 1990s, we pioneered the practice of converting end-of-life electronic equipment into products and parts that contain reused parts while meeting new-product specifications for quality and performance. We have developed a comprehensive process for taking back end-of-life products and have established a remanufacture, parts reuse and recycling program that fully supports our waste-free initiatives.

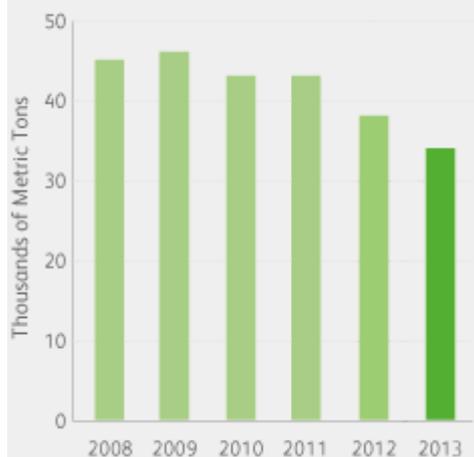
We design our machines with the minimum number of required parts and with high durability and reuse capability in order to encourage multiple product lifecycles. During the active phase of a product, all returned equipment is evaluated for reuse opportunities throughout the Supply Chain. Finally, all parts are coded with disposal instructions, so they are easy to recycle in the most effective manner during the end-of-life/end-of-service phase of the product life.

► [Learn more about how we enable reuse.](#)

Xerox enables reuse according to the following hierarchy:

- **Reuse of complete end item.** This requires the least reprocessing, transportation and energy usage.
- **Remanufacturing or conversion into a newer-generation product or part.** Product families are designed with a high level of commonality to enable maximum reuse in this manner. This allows us to remanufacture to "as new" performance specifications while reusing 70 – 90 percent of the machine components by weight without degradation of quality or performance. Nearly 30 percent of machines returned in the U.S. are sent for remanufacturing of some sort.
- **Reuse of major modules, subcomponents and parts for spares or manufacturing.** Machines that have outlived their useful life are stripped of usable parts and components prior to the scrap/reclaim process. Used spare parts returned from the field are also considered for this reuse stream. Xerox is continually looking to increase the number of components that are reused in upstream and downstream processes after their original machine has been designated for disposal.
- **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 PWBs, batteries and lamps. The remainder of the machine is then crushed and sent to a scrap metal reclaim facility.

Total Waste Diverted from Landfills from Returned Equipment and Parts through Remanufacture/Reuse/Recycle and Energy from Waste



Changes in volumes of waste diverted from landfills is due in part to changes in product mix, design of lighter-weight machines and growth of regulatory-driven local recycling schemes. For example, the transition to digital equipment and lighter-weight parts has reduced the weight of both office and production equipment by as much as 50 percent over the last 10 years. The decline also represents a decrease in the number of office machines returned for remanufacturing in Europe due to participation in EU member state Waste Electrical and Electronic Equipment (WEEE) programs. In geographies where Xerox exercises direct control over the end-of-life management of equipment, return rates are high. For example, approximately 60 percent of all U.S. equipment installs are ultimately returned to Xerox for end-of-life disposition, a figure that rises to 100 percent for leased equipment.

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 multiple programs in different countries and even states. The subtle differences in requirements among these regulations pose challenges from a process consistency and efficiency standpoint. For example, with the implementation of the European Union's Waste Electrical and Electronic Equipment (WEEE) Directive, we continue to operate our European take-back program to enable equipment remanufacturing and parts reuse. We also participate, as needed, in European member states' individual collection and recycling programs.

In the U.S., Xerox recently partnered with a large electronics recycler to ensure that our customers have a means to have their old imaging devices processed in a responsible manner. The program is consistent with the requirements defined in the various manufacturer take-back initiatives.

We carefully manage suppliers who provide recycling and waste disposal services. A waste vendor approval process assesses the safety and environmental practices as well as compliance history of each vendor. Where appropriate, we require these companies to document the final disposition of materials sent to their facilities, including electronic scrap. Xerox does not allow its vendors to send electronic scrap to developing nations for processing. We strive to work with only those recyclers who have implemented voluntary programs that are certified by accredited organizations. The programs are U.S. EPA's Responsible Recyclers (R2) or the European Basal Action Network's e-Stewards standards.

Paper

We recognize our obligation to responsibly source paper and enable efficient paper use. Our strategy begins upstream with the fiber source and continues on to processing and manufacturing, through use and end-of-life. We utilize a multi-pronged approach, through partnerships with our customers and suppliers, The Nature Conservancy and other stakeholders, including non-government organizations (NGOs), government agencies and academia. Our long-term goal is to support a sustainable paper cycle and minimize environmental impacts while meeting our customers' exacting business needs.

In 2013, Domtar signed an agreement with Xerox for the acquisition of the Xerox paper and media products business in United States and Canada. This deal gives Domtar exclusive rights for the marketing and distribution of Xerox brand paper and print media. [Read more](#) about Domtar and sustainability. Xerox's paper business in Western Europe was sold to Antalis. [Read more](#) about Antalis's sustainability charter. Xerox maintains the paper business in its Developing Market Operations.

Our Partnership with The Nature Conservancy

Through Xerox Foundation grants of \$2 million since 2006, Xerox and The Nature Conservancy have partnered to conserve and protect globally important forests through a variety of means — some maturing tools, such as forest certification and High Conservation Value (HCV) assessments, and other new tools and mechanisms for conservation, such as the alignment of forest carbon and certification. Our partnership builds on Xerox's commitment to sustainability throughout its operations and corporate leadership on the world stage.

Xerox and The Nature Conservancy formed the Forest Conservation Partnership in 2006 to bring tactical resources and assistance to the paper industry as it strives to improve forest management practices, as well as to help the Conservancy meet its conservation objectives. During 2010 to 2012, to further advance forest management, Xerox supported the Conservancy's efforts to:

- Develop and test a broadly applicable forest carbon methodology for improved forest management that would allow landowners to achieve forest certification and serve as a platform for potential carbon benefits;
- strengthen a key tool for identifying priority habitats — the High Conservation Value approach — building consistency across projects, disseminating standards and training assessors through global and regional HCV networks; and
- promote responsible forestry through the implementation of forest management standards by working with Xerox suppliers and other land managers at two sites in North America: Central-Western New York and across the Canadian boreal forest (including a focused project in Northwest Ontario).

These initiatives have improved forest conservation, helping to develop a sustainable paper cycle and advance sound forest management practices through market incentives, landowner investment and resource networks. Most important, our work has and will continue to stem the tide of forest loss and degradation that contributes nearly 20 percent of greenhouse gas emissions to the atmosphere each year.

Paper Sourcing Guidelines

In 2003, we implemented stringent requirements for companies that provide paper to Xerox for resale. The requirements cover all aspects of papermaking, from forest management to production of finished goods. In 2013, we surveyed companies directly supplying paper product to Xerox's Developing Markets Operations.

Sustainable Forest Management-Certified Papers

We have introduced papers that comply with sustainable forest management standards, including Forest Stewardship Council (FSC), Program for the Endorsement of Forest Certification (PEFC) and Sustainable Forestry Initiative (SFI). FSC-certified papers use raw materials from an FSC-certified source, controlled wood sources or post-consumer reclaimed sources. As a requirement for displaying the FSC label on our papers, we earned FSC Chain-of-Custody certification from the Rainforest Alliance's SmartWood program. Xerox has also earned PEFC Chain-of-Custody certification.

Recycled Papers

We offer papers ranging from 20 to 100 percent post-consumer recycled content. Our recycled papers use post-consumer waste and/or recycled fiber in place of new pulp. Recycled products are required to meet the same strict performance specifications as virgin products and are designed for optimal performance in our equipment.

Responsible Operations

Managing the environmental impact of our operations is fundamental to our commitment to the planet. We continually assess our manufacturing processes, facilities and vehicle fleet to reduce our carbon footprint.

► [Learn more about the data presented in this section.](#)

Data in this section represent total quantities for our manufacturing, research, development and equipment recovery/recycle operations in seven countries. Normalized values for 2010 forward have been calculated using Xerox revenue. Unless otherwise noted, all numbers represent worldwide totals and are reported in generally accepted international metrics.

The data presented is based on actual measurements to the extent possible. 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. Beginning with our 2015 Global Citizenship Report, we expect to have data validated by an independent third party.

All of Xerox's manufacturing and distribution operations employ an environmental management system that conforms with ISO 14001. The system:

- Establishes a framework to ensure compliance with regulations and Xerox standards;
- identifies environmental impact and sets objective and performance targets;
- 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; worldwide technology equipment distribution centers achieved certification in 2010. Quarterly status meetings and integration with a newly deployed scorecard promote visibility, best practice sharing and innovation.

Reducing our Company-wide Carbon Footprint

While our ultimate goal is to be climate-neutral, our first priority is to reduce our total greenhouse gas (GHG) emissions by lowering the energy intensity of our operations. Xerox is finding success with the following approaches:

- Shifts toward energy-efficient technologies such as Emulsion Aggregation (EA) toner, which is estimated to generate 28 percent fewer GHG emissions in the manufacturing process than conventional toner;
- process improvements such as using digital multifunction systems in our workplaces instead of stand-alone printers, copiers, fax machines and scanners;
- energy management and equipment upgrades such as utilizing outdoor pipes to cool process water in winter months (rather than powered industrial chillers) and replacing outdated heating and cooling systems with energy-efficient and digitally controlled models;
- use of renewable energy sources to power our facilities (our U.K. facilities are entirely powered by Green Energy) or to offset energy use (our Webster, New York; Wilsonville, Oregon; and Dallas, Texas facilities in the United States voluntarily use renewable energy or credits to offset a portion of electricity consumption); and
- efficiency-promoting initiatives such as purchasing energy-efficient lighting and vehicles, reducing packaging sizes, and encouraging gasoline conservation through changes in reimbursement policies, mileage tracking and route efficiencies.

Energy Challenge 2017

In 2003, we made a public commitment to reduce (GHG) emissions — our carbon footprint — by joining the U.S. EPA Climate Leaders program and launching an internal program known as Energy Challenge 2012.

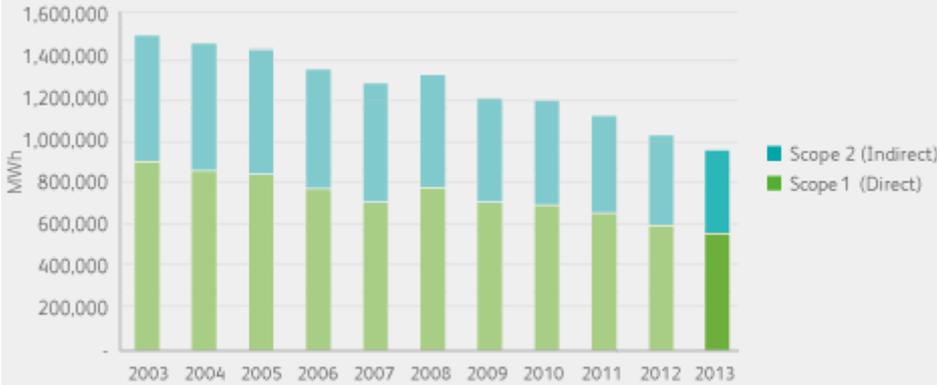
Energy Challenge 2012 was a 10-year initiative to reduce GHG emissions across all company operations¹ 10 percent by 2012. We met this target six years ahead of schedule, so we set a new target of 25 percent reduction by 2012 (from a 2002 baseline). At the conclusion of the program, we successfully cut emissions by 42 percent — that's 210,000 tons of carbon dioxide equivalents (CO₂e) — and reduced energy

consumption by 31 percent.

Our new corporate-wide goal is to reduce energy consumption by 10 percent by 2017 (from a 2012 baseline). In 2013, we reduced energy consumption by 6 percent and cut emissions by 9 percent – that’s 27,800 tons of carbon dioxide equivalents (CO₂e).

¹Energy Challenge 2012 included fleet and facilities for the Technology Business (and Xerox Services where co-located). Energy Challenge 2017 encompasses all parts of our business.

Energy Consumption



Energy and GHG emissions totals are associated with fuel consumption by company-owned fleet and natural gas/electricity consumption in facilities with square footage of 17,500 or greater. Vendor invoices from utility and fuel providers are the preferred source of data; when unavailable, estimations have been used.

Greenhouse Gas Inventory

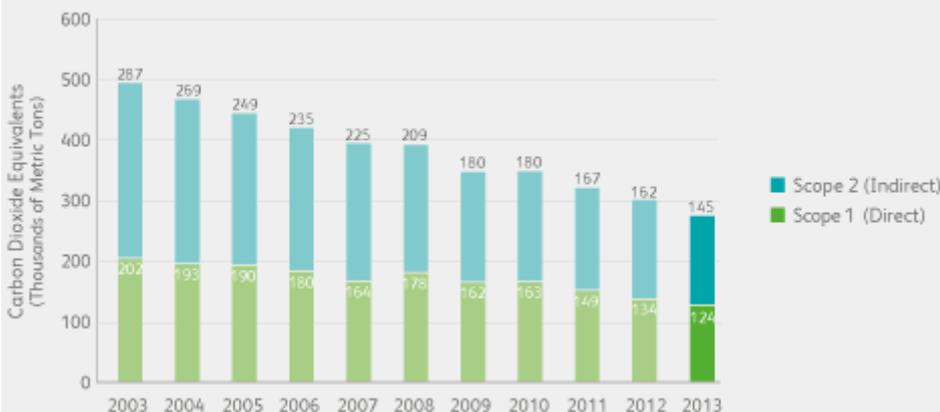
In keeping with the international guidelines of the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development, we track the six major GHGs: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydro fluorocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF₆). We express our carbon footprint in terms of carbon dioxide equivalents (CO₂e).

Energy sources account for more than 99 percent of our GHG emissions. Our GHG inventory includes direct emissions from the combustion of fossil fuels, primarily natural gas and indirect emissions from purchased electricity and steam at our manufacturing sites, offices and warehouses. The inventory also includes the combustion of gasoline and diesel fuels in our service and sales vehicle fleet.

In accordance with the Greenhouse Gas Protocol, inventory adjustments are completed each year as a result of the opening and closing of facilities and changes to the vehicle fleet. We have expanded our GHG tracking to include Scope 3 emissions, beginning with employee business travel and product transport.

In 2013, Xerox GHG emissions totaled 268,499 metric tons of CO₂e. About 54 percent were indirect emissions from purchased electricity and steam. The remaining 46 percent were direct emissions from the combustion of natural gas, gasoline and diesel fuel. Xerox-owned or leased facilities, such as manufacturing sites, offices and warehouses, are associated with 47 percent of our direct GHG emissions. The remaining 53 percent are direct emissions from our service and sales vehicle fleet and other mobile sources.

Greenhouse Gas Emissions



The assessment of Scope 3 emissions pose many challenges because of the large number of variables, the difficulty in collecting data from suppliers and increasing uncertainty in the data as the sources become further removed

from the company itself. We have begun calculating Scope 3 emissions according to the WRI Scope 3 Accounting Standard. We will use the information to prioritize our GHG emission reduction opportunities and to integrate consideration of carbon impact into sourcing and internal decision-making.

Climate Change Risks and Opportunities

Xerox has examined the regulatory, physical and commercial risks and opportunities associated with climate change across our value chain.

We assess and manage our carbon risk by maintaining both a robust GHG emissions inventory and a mature regulatory tracking function that provides the necessary information to stay abreast of developing regulation. We do not consider our company to be subject to unique risks due to changing weather patterns, rising temperatures and sea level rise, but we recognize that our business could be impacted by more frequent disruptions as a result of severe weather in locations where we operate. We may also need to invoke our business continuity and resumption plans to aid customers who are impacted by business disruptions due to severe weather. We're experienced in working with customers to ensure continuity of critical applications by prioritizing business needs and developing customer-specific preparedness plans where appropriate. Our business resumption plans include communication with employees and customers, management of employee health and safety issues, business continuity and resumption processes, and interaction with government organizations.

We recognize that the increasing costs of energy and concerns around energy security are issues that affect both our operations and those of our customers. Our commitment to reduce energy use in our operations was driven by cost savings, and we recognized that helping our customers to reduce energy costs through more efficient document solutions could increase our revenues.

Our immediate (short-term) focus is reducing energy consumption in our own operations as we make progress toward achieving our corporate goal of 10 percent reduction by 2017. We strive to provide sustainable document management technology solutions to our customers to reduce the energy and environmental impacts of their business.

To meet our commitment for "Reducing Energy Use and Protecting the Climate," our long-term (more than 3-year) strategy is to continue to invest in technologies that reduce the carbon footprint of our operations and develop technology solutions that help our customers to reduce the energy and environmental impacts of their business. Our ultimate aim is to be carbon-neutral.

We invest in innovation, market leadership and sound management practices that deliver measurable benefits to the environment, our customers and society and that also increase shareholder value. We recognize the importance of creative partnerships with suppliers, customers and other stakeholders to achieve these benefits and maximize their value. Being smart with product innovation is an important part of sector leadership.

We are well-positioned for current and potential future regulation by our investment in a robust GHG emission inventory. We are currently gathering Scope 3 emissions data and other key metrics to assess climate change risk in the supply chain.

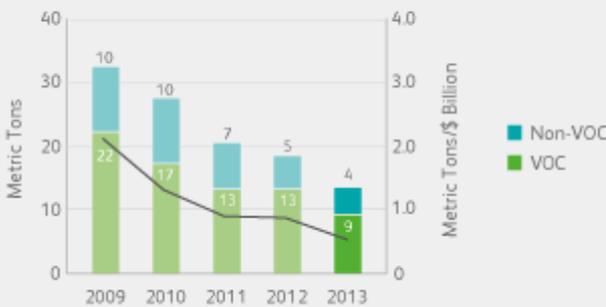
Preserving Clean Air and Water

Air Emissions

Xerox has significantly reduced manufacturing air emissions over the past 20 years. Continuous improvement remains a priority.

Most of our air emissions originate from the production of imaging supplies such as toner, photoreceptor drums and belts, and fuser rolls. Year-over-year volatile organic process air emissions (VOV and non-VOC) from these production activities decreased 29 percent in 2013 to approximately 13 metric tons. These reductions demonstrate the success of our design initiatives to minimize environmental impact: year-over-year emission reductions came primarily from process modification, lower production volumes of legacy products coated using organic solvents, and production declines attributable to longer-life components.

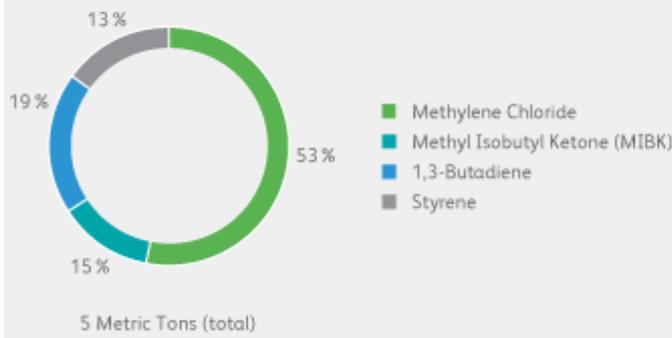
Volatile Organic Process Air Emissions



A subset of these volatile organic process emissions is defined by the U.S. Environmental Protection Agency (EPA) as

hazardous air pollutants (HAP). In 2013, Xerox reported worldwide air emissions of approximately 5 metric tons of HAP under national toxic chemical release regulations, including the United States' Toxic Release Inventory (TRI) program. Methylene Chloride, methyl Iso butyl Ketone (MIBK), 1,3-butadiene and styrene represent virtually all of these HAP emissions.

2013 HAP Air Emissions
as Reported Under National Toxic Release Regulations



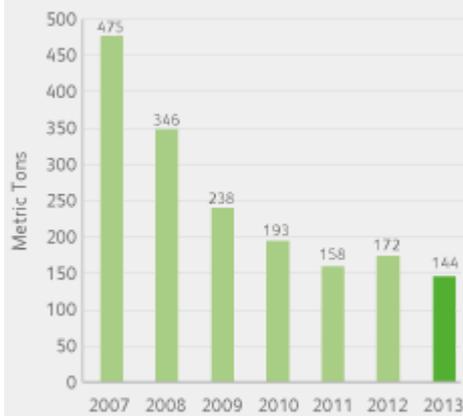
Ozone-Depleting Substances

Xerox policy prohibits the use of ozone-depleting substances (ODS) as ingredients in products, spare parts, accessories and packaging. Ozone-depleting substances are used as refrigerants in facility and vehicle air conditioning systems and various food/equipment-cooling systems. Although ODS may be released during the normal operation and failure of these systems, the total amount released is not significant from a company-wide perspective. Elimination of ODS as refrigerant is managed consistent with government phase-out dates.

Toxic Chemical Releases

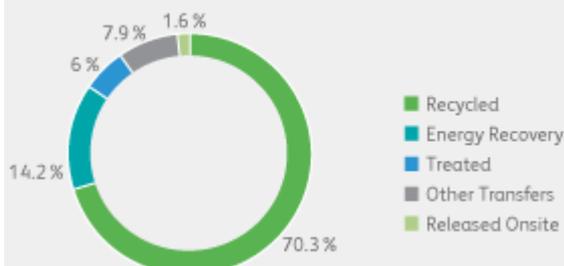
The release of materials used in our worldwide operations are evaluated annually and reported to government agencies under national toxic chemical release reporting regulations, such as the U.S. Toxic Release Inventory, the Canadian National Pollution Release Inventory, and the European Pollutant Release and Transfer Register. Releases for reporting year 2013 were 16 percent lower than 2012 levels and 70 percent lower than 2007 levels. In 2013, reportable releases and transfers decreased primarily due to decreases in the amount of organic solvents used in manufacturing processes as a result of production.

Reportable Toxic Chemical Releases and Transfers



Xerox strives to beneficially manage these materials whenever possible. In 2013, 84 percent of materials reported under national toxics reporting programs were beneficially managed on-site or at approved treatment, storage and disposal facilities.

2013 Management of Reported Toxic Chemicals



In 2011, all operations with reportable toxic chemical releases to the air, land or water — in amounts of greater than one

metric ton — established goals, targets and objectives related to chemical releases. Progress against these goals as of year-end 2013 is summarized below.

- An initiative to reclaim spent methyl isobutyl ketone (MIBK) continued to exceed expectations in the second full year of implementation. Recovered solvent was qualified for use as a cleaning solvent for the fluid delivery systems used in U.S. fuser roll coating operations. As a result, the amount of virgin MIBK purchased in 2013 for use in the manufacturing operation was reduced by 35 percent from baseline on a normalized, per-part basis.
- The amount of methylene chloride used to manufacture Xerox photoreceptor belts was reduced by more than 55 percent from baseline, greatly exceeding target. This dramatic reduction was primarily due to volume declines of legacy products and process modifications that reduced the amount of methylene chloride used for batch cleaning of production equipment.
- Emissions of 1,3-butadiene emissions from U.S. toner resin manufacturing operations met the normalized, per-batch target, reflecting a full year of operation with no unplanned releases. Absolute emissions were again down significantly, primarily due to the technology migration to toners produced via emulsion aggregation.

Spills and Accidental Releases

Our goal is to prevent all environmental releases of regulated materials to air, soil and water. We have greatly reduced the frequency of spills and accidental releases, though we have not yet reached our target of eliminating these events.

In 2013, our North American operations identified five reportable accidental spills/releases (compared with eight in 2012). All of the events occurred at our Monroe County, New York location. Two of the five events went to secondary containment and never reached the environment. Two of the releases were to storm water outfalls, and one was to air. Corrective actions were taken in all cases.

Water Consumption and Treatment

As part of our commitment to conserve resources, we monitor water consumption across our manufacturing, distribution and R&D facilities worldwide. We have a corporate goal to reduce water consumption by 21 percent by 2014 and by 30 percent by 2019 (against a 2009 baseline).

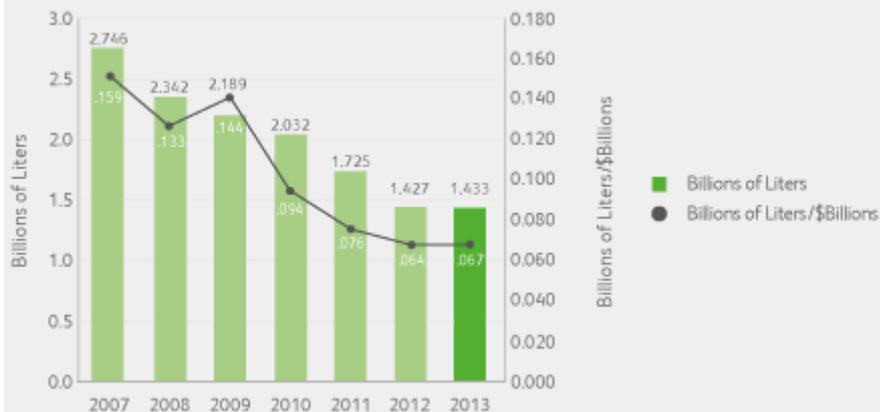
In 2012, we achieved this goal early by reducing consumption 35 percent. In 2013, we sustained this achievement with only a 0.4 percent increase from the prior year. Though we certainly continued this conservation project in 2013, any additional benefit was offset by changes in production scheduling that resulted from increases in product manufacture, product changes, and cleaning cycles. As a result, water consumption rose slightly.

However, our manufacturing facility in Dundalk, Ireland achieved a 50 percent reduction in water consumption due to continued upgrade, control and optimization of cooling towers at the site.

The water discharges at manufacturing sites are monitored to validate compliance with local sanitary sewer discharge limits. Wastewater from manufacturing processes are treated, as necessary, before being discharged into local sanitary sewers. The treatment includes adjusting pH and removing suspended solids. We utilize best practices to prevent unwanted pollutants from entering waterways via surface contamination and run-off. Extensive sampling of wastewater, discharged to both sanitary and storm sewers, ensures that discharged water meets our strict requirements.

The New York Water Environment Association presented our Webster, New York facilities with a GOLD Environmental Performance Award for Water Discharge Quality for 2013. This award acknowledges that nearly 4,000 water permit analyses for sanitary and storm water met all permit specifications. We've received five gold and nine silver awards since the program began in 2000.

Water Consumption



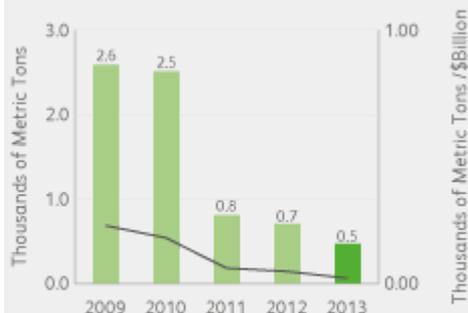
Preventing and Managing Waste

Hazardous Waste

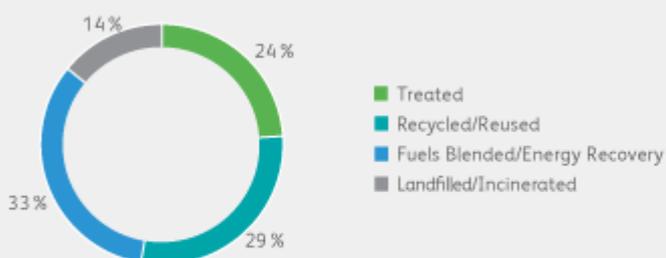
Our worldwide hazardous waste volumes decreased by 33 percent in 2013. These reductions are primarily due to significant, one-time waste generation/disposal activities in 2012 (not included in the 2013 waste volumes) and process modifications decreasing waste volumes. We beneficially managed 62 percent of the hazardous waste generated in 2013 via recycling and/or fuels blending technologies.

We do not export hazardous waste to developing nations. A third-party supplier is contracted to recover spent methyl isobutyl ketone; this material is returned to us to support ongoing coating operations. Solid and liquid hazardous waste streams that have an adequate BTU value are managed via a fuels blending program. An off-site waste disposal vendor blends these waste streams to meet the specifications provided by cement kilns.

2013 Hazardous Waste Generated



2013 Hazardous Waste Management



Non-hazardous

Solid Waste

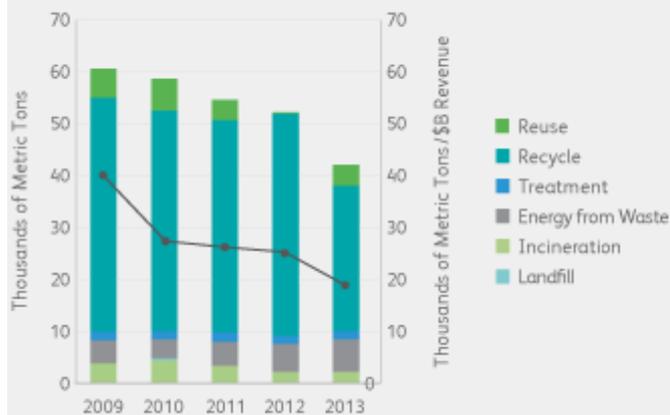
We have had major waste reduction efforts in place for many years. We reuse boxes, pallets and containers for parts delivery. We recapture toner that is outside the acceptable size range during manufacturing, recycle returned equipment and reuse totes for recycling scrap metal and paper.

We have a corporate goal to reduce our rate of landfill and incineration of waste 50 percent by 2015 (against a 2009 baseline). In 2012, we achieved this goal early. In 2013, we further surpassed the goal, achieving a 60 percent reduction from the 2009 baseline.

Our global manufacturing operations and all facilities in Monroe County, New York generated 41,000 metric tons of non-hazardous solid waste in 2013, down from 51,000 metric tons in 2012. 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 non-usable end-of-life equipment and parts that are returned to Xerox for processing. Equipment manufacturing waste made up about 60 percent of the non-hazardous solid waste managed by Xerox operations in 2013.

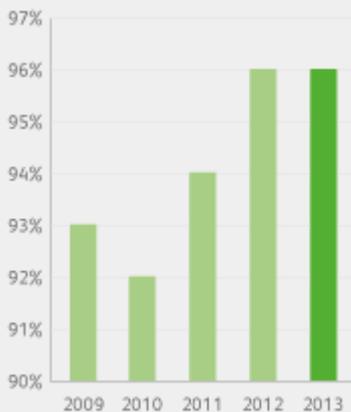
In 2013, we managed 94 percent of non-hazardous solid waste beneficially, up from 93 percent in 2012. The increased reuse/recycle rate can be attributed to an increase in our manufacturing operations using energy from waste technology for non-recyclables in 2013. Additionally, in 2013 our equipment resellers were able to return a number of products to the marketplace for resale. That resulted in a significant reduction of all non-hazardous waste.

Non-hazardous Waste
Annual Volume (1000 MT) by Management Method

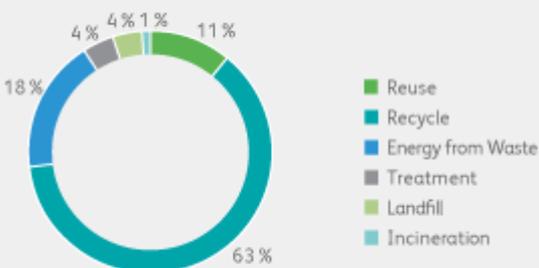


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Non-hazardous Solid Waste Recycling Rate



2013 Non-hazardous Waste (% by Management Method)



Environmental Remediation and Compliance

In 1985, we began a voluntary assessment program that identified 68 of our worksites requiring remediation. We worked closely with the appropriate federal, state and local agencies to initiate prompt and appropriate measures to ensure the protection of employees, neighbors and the environment.

Today, only nine of the original 68 sites still require active remedial or control measures; we have removed the sources of contamination and have remediated the rest for reuse or redevelopment. In 2013, we completed remediation at one site in Canada, but we are awaiting final confirmation prior to removing this site from our active remediation list.

In addition to using conventional techniques for groundwater recovery and soil excavation, we develop innovative remedial technologies. These include techniques that enhance the recovery of contaminants such as high-vacuum 2-Phase Extraction and enhanced bedrock fracturing. We also employ technologies where contaminants are converted to less harmful substances through enhanced natural biodegradation and chemical oxidation.

Compliance Reporting

We require our various operations and subsidiaries worldwide to report allegations of regulatory violations to our EHS&S group for tracking, evaluation and corrective action where appropriate. In 2013, two instances resulted in a notice of violation. One stemmed from filing a monthly report late, and the other was for exceeding wastewater discharge limits. Neither incident resulted in a compliance penalty. Issues have been abated and closed out with the relevant authorities, and we've established appropriate controls to ensure ongoing compliance.

Xerox Foundation

We invest in the communities in which we live and work for reasons beyond fulfilling our obligation as a corporate citizen. We do it because it makes our company stronger and more competitive.

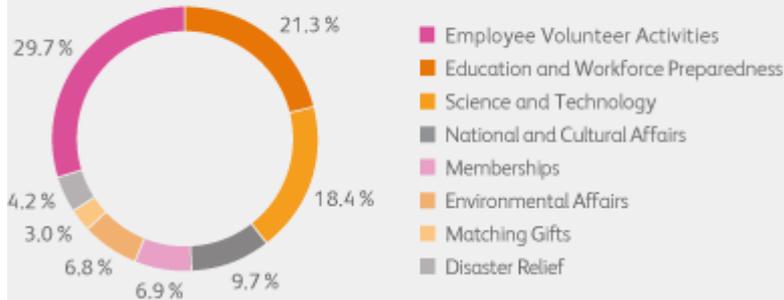
Our philanthropic efforts are managed through the Xerox Foundation, which executes a deliberate investment strategy to deliver the greatest impact possible for every dollar spent. In 2013, we invested \$13.5 million in the non-profit sector through the Foundation. More than 2,500 non-profit organizations, colleges and universities received direct financial support in the form of grants, matching gifts or community involvement activities of Xerox people.

Every investment the Foundation makes is directed toward a fundamental social, environmental or economic need. We pursue opportunities that best support our brand values and meet our objectives as a corporation and as a corporate citizen. We invest, for example, in programs that address both the need for qualified scientists and engineers and the need to provide educational opportunities to underserved populations.

Our philanthropic efforts, carried out through the Foundation, support objectives within the following four categories:

- Employee volunteer activities: bolster communities through coordinated volunteer efforts of Xerox Community members;
- Education and workforce preparation: provide educational access to underserved minorities;
- Science and technology: promote innovation through the support of institutions of higher learning in science and technology; and
- National and cultural affairs: support organizations dedicated to worthy causes and cultural enrichment.

Xerox Foundation Giving



Employee Volunteer Activities

At Xerox, we believe a combination of financial and human resources can bring about greater change than either on its own. This philosophy is perhaps best represented by our Community Involvement Program. This long-running grassroots program backs the voluntary 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 1974 when the program began, more than 500,000 Xerox people have been involved in regional, community-focused projects. In 2013, the Xerox Foundation invested over \$1.3 million in the Community Involvement Program, enabling 13,000 Xerox people to participate in 800 projects.

Outside of our employee volunteer programs, Xerox people give their time and talent to a wide variety of causes. Xerox scientists participate in the Xerox Science Consultant Program, which sends our people into elementary schools to teach science to inquiring young minds and to ignite interest in science as a career. Xerox lawyers provide pro bono work to a wide range of non-profits. People across Xerox – from the "C-suite" to the "factory floor" – volunteer their time to help make our world a better place. During 2013, 91.3% of our philanthropic investments were directed to institutions and organizations where someone from Xerox was personally involved.

The United Way is another avenue for Xerox people to get involved by way of their time or a financial investment. The Xerox Foundation gave \$1.8 million in grants to some 65 United Way organizations throughout the United States. This included \$700,000 to the United Way of Rochester, New York. In addition to Foundation grants, Xerox employees donated almost \$800,000 of their own money. Combining Foundation grants and employees' donations to the United Way, the grand total was almost \$2.6 million.

Education and Workforce Preparedness

As part of a larger Xerox Foundation effort to support individuals pursuing technical degrees and help the United States address its shortage of scientists and engineers, we manage three programs with a common theme – providing educational access to underrepresented minorities. In 2013:

- The Black College Engineering Liaison Program awarded 20 grants to schools such as North Carolina A&T University; Howard University; Spelman College; Morgan State University; Hampton University; Talladega College; Tuskegee University; Southern University; and Benedict College.
- The Hispanic College Liaison Program dispersed 22 grants to schools such as University of Puerto Rico; City College of New York; University of California; University at Buffalo; University of Central Florida; Polytechnic Institute of NYU; California State; California Polytechnic; Interamerica University; University of Texas; and Rochester Institute of Technology.
- The Xerox Technical Minority Scholarship Program provided 131 scholarships to help deserving minority students complete degrees in engineering.

Throughout the year, we invested more than \$1 million in these three programs, which support the strategic interest of the company by enabling us to recruit from a highly motivated and talented pool of technically educated people. They also provide excellent opportunities for Xerox people to be involved on college campuses.

At the same time, we continue our partnership with the National Academy Foundation's Academies of Engineering. These "schools within schools" provide incentives for minority and female high school students to pursue college degrees and ultimately careers in science, technology, engineering and mathematics, the STEM principles.

We are a founding member of Change the Equation, a start-up organization aimed at rallying support from the business community around STEM education, identifying programs that have empirical results, and leveraging them on a national scale. We have made a \$1 million, four-year grant commitment to Change the Equation.

Other investments in education and workforce preparedness include: A Better Chance; Prep for Prep; the National Action Council for Minorities in Engineering; Monroe Community College (in New York); FIRST; Catalyst; United Negro College Fund; Posse Foundation; Hispanic Scholarship Fund; and the American Indian Science and Engineering Society. Also, the Xerox Foundation invested in four organizations to assist returning members of the military who are experiencing difficulty finding work upon their return.

In partnership with the National Merit Scholarship Corporation, the Foundation awarded a total of 25 Xerox Merit, Xerox Achievement, National Merit and National Achievement Scholarships.

Through our matching gifts to colleges and universities, 500 institutions received 1,300 matching gifts. The top five beneficiaries of this program in 2013 were the University of Rochester; Rochester Institute of Technology; Stanford University; Nazareth College; and Monroe Community College.

Science and Technology

At Xerox, innovation is our foundation for success. Academic organizations play an important role in the long-term strategic interests of the company by furthering scientific research and training the next generation of scientists. This is why the Xerox Foundation supports many such organizations, including University of Rochester and University of Rochester/Wilmot Center; Rochester Institute of Technology; New York Hall of Science; and Polytechnic Institute of New York University.

The Xerox University Affairs Committee, which consists of a dozen Xerox scientists from around the world, recommended grants worth more than \$1 million to university science programs.

Forty-one grants championed by Xerox scientists in the United States, Canada, the United Kingdom and China went to 41 different universities, 13 of which are located outside the United States. As a result of the program, Xerox hired three graduate students and hosted nine interns in 2013. Our scientists and the professors we funded co-authored and published 34 research papers in leading academic journals. In all, Xerox hosted 39 visits to our Webster, New York campus and made 67 visits to universities around the world.

National and Cultural Affairs

Xerox supports a variety of organizations that address issues facing our nation, help those in need, or honor veterans or victims of national tragedies, such as the National 9/11 Memorial & Museum WTC Foundation. We support many cultural and arts institutions in the communities where our employees live and work.

► [Learn more about the civic and cultural organizations we support.](#)

Organizations that address national problems include:

National Urban League; American Foundation for AIDS Research; Lawyers Committee for Civil Rights Under Law; NAACP Legal Defense and Educational Fund; Partnership for a Drug-Free America; Paralyzed Veterans of America; National Center for Addiction and Substance Abuse; Minority Corporate Counsel Association, Asian American Legal Defense and Education Fund; Americans for Indian Opportunity; Doctors Without Borders; National Underground Railroad; and National 9/11 Memorial & Museum WTC Foundation.

Cultural organizations include:

Dance Theater of Harlem; Rochester, Boston and Connecticut Ballet; Kennedy Center; Lincoln Center; Ballet Hispanico; Rochester Philharmonic Orchestra; Garth Fagan Dance; Woodruff Arts Center; Stepping Stones Museum for Children; Lockwood Mathews Mansion Museum; and many more.

Memberships

In 2013, we paid membership dues to 44 non-profit organizations, including Business Roundtable; Council on Foreign Relations; Conference Board; American Electronics Association; United Nations Association; National Minority Supplier Development Council; TechAmerica; American National Standards Institute; and the Technology CEO Council.

Disaster Relief

We invest in the American Red Cross for its efforts to respond quickly and effectively to natural disasters. Recently, we contributed to the recovery after two specific events that impacted areas where we have many employees: Typhoon Haiyan in the Philippines and the Oklahoma tornadoes.

Environmental Affairs

From habitat preservation to sustainability research and the promotion of environmental consciousness, we are committed to the protection of the environment for future generations. A grant to the Nature Conservancy helps continue pioneering work in promoting sustainable forestry practices in Northern Boreal Forests of Canada.

We are a Founding Partner of the Golisano Institute of Sustainability at the Rochester Institute of Technology. A \$2 million, five-year grant supports research, scholarships and collaboration between Xerox and RIT. The Institute is rapidly developing a global reputation as a leader in sustainability – particularly as it applies to manufacturing and materials.

Other grants benefit Outward Bound (which teaches respect for the environment among young people); The Maritime Aquarium in Norwalk, Connecticut; National Aquarium in Baltimore, Maryland; SUNY College of Environment and Forestry; SoundWaters; University of Pennsylvania/Wharton's Global Environmental Program; and many other organizations such as Discovery Center, Discovery Museum, Mill River Collaborative, Connecticut Science Center, and institutions that work toward the goal of a sustainable world.

Our Progress in 2013



The Xerox Board Of Directors: Maintaining Independence

Sustaining Business

Based on standards for independence developed by the New York Stock Exchange, the Xerox Board of Directors is approximately 90 percent independent. It includes one non-independent director: Xerox Chairman and CEO Ursula M. Burns. Learn more about the Board's independence and our governance policies: www.xerox.com/governance.

2010	2011	2012	2013
88 %	90 %	90 %	90 %

Voice Of Employee Survey

Evolving The Workplace

Our proprietary Voice of the Employee Survey allows managers to assess their employees' satisfaction with their job, work group, manager and Xerox as a whole.

Since 2009, we have surveyed 100% of our global population across 49 countries and in 26 languages. Each manager receives a personalized report to assist in developing action plans where needed. In addition, we capture global trend data and employee ideas.

We received 68,500 responses to our 2013 Voice of the Employee survey. We will administer the survey again in 2015.

[See more](#) detailed information on employee satisfaction surveys.

2010	2011	2012	2013
72 %	74 %	75 % *	73 %

*In 2012, the survey was distributed to around 14,000 employees in Europe, Canada and our developing markets. All other years reflect a larger global population.

Addressing Employee Inquiries

Evolving The Workplace

The Sentinel Customer Satisfaction Assurance System™, a Xerox proprietary Web-based polling/routing/reporting system, links employee inquiries or comments through the intranet with appropriate Xerox contacts to identify and track any comment, suggestion or unresolved problem for action.

The chart below displays the number of employee inquiries we received and routed for resolution. The decline in inquiries in recent years is due to the overall resolution of systemic issues and the ability for employees to provide comments/suggestions or raise a technical issue.

2010	2011	2012	2013
6,698	3,291	2,745	2,185

Employee Diversity – Women Employees

Evolving The Workplace

We gain a competitive advantage as we continue to draw on the experience and creativity of a well-balanced, diverse workforce. That means we're better able to understand and meet the changing demands for our products and services. Simply stated, a balanced workforce makes good business sense.

In the U.S., 53.2 percent of employees are women, and women represent 27 percent of executive and senior-level managers. Diversity reporting is not tracked in most other countries.

The chart below displays the percentage of executive and senior-level managers who were women over the past four years in the U.S.

[Learn more](#) about diversity at Xerox.

2010	2011	2012	2013
23.8%	25.0%	26.0%	27.2%

Employee Diversity – Minority Employees

Evolving The Workplace

Employees with different ways of thinking – and different ways of perceiving our world – are employees who create innovative solutions. In a business like ours, whose lifeblood is fresh ideas, this variety of perspectives is a priceless resource – and a key to achieving critical business results.

Minorities represent 40.3 percent of employees and 12 percent of executive and senior-level managers in the U.S. Diversity reporting is not tracked in most other countries.

The chart below displays the percentage of minority employees in our U.S. workforce over the past four years.

[Learn more](#) about diversity at Xerox.

2010	2011	2012	2013
37.5%	37.5%	39.4%	40.3%

Monitoring The Safety Of Our Employees

Evolving The Workplace

The health of our business depends on the health and safety of our workforce. In 2013, an ongoing project to improve employee safety awareness and inspection of safe work practices resulted in a declining frequency of injuries.

[See more](#) detailed information on our recordable injury rates.

2010	2011	2012	2013
Up 18% from 2009	Down 1% from 2010	Up 5% from 2011	Down 3% from 2012

Preventing Injuries And Illnesses

Evolving The Workplace

The health of our business depends on the health and safety of our workforce. In 2013, an ongoing project to improve employee safety awareness and inspection of safe work practices resulted in a declining frequency of days away from work cases.

[See more](#) detailed information on work injury rates at Xerox.

2010	2011	2012	2013
Up 4% from 2009	Up 6% from 2010	Up 13% from 2011	Down 12% from 2012

Topping The Competition

Serving Customers

Xerox is the leader in equipment revenue market share*. We offer the industry's broadest portfolio of document technology and services for businesses of any size, in any industry, anywhere around the world.

* Equipment revenue (shipment value) in the hardcopy peripheral industry. Source: IDC WW Quarterly HCP Tracker, Final Historical 1Q14.

[Learn more](#) about Xerox products.

2010	2011	2012	2013
#1	#1	#1	#1

Innovating For The Future

Serving Customers

Xerox was granted 1,168 U.S. patents in 2013, ranking the company as one of the world's top innovators. Our joint venture in Japan, Fuji Xerox Co. Ltd., received 800 U.S. patents. The Xerox group garnered 1,968 patents total.

Xerox and Fuji Xerox collectively invest about \$1.3 billion annually in research, development and engineering.

* Total patents earned along with Fuji Xerox Group.

[Learn more](#) about innovation at Xerox.

[See more](#) information on our patent filings.

2010	2011	2012	2013
1,605	1,618	1,900	1,968

Measuring Customer Satisfaction

Serving Customers

Service and support for Xerox products earned five consecutive industry certifications from 2006-2010 under the J.D. Power and Associates Certified Technology Service and SupportSM program. All forms of customer support – phone, online, on-site – were evaluated by independent service industry experts who recognized our support services as among the best in class. These certification reviews have ensured we maintain process excellence in technical service delivery.

In 2011, we chose to invest in a new customer satisfaction process to ensure a stronger focus on understanding and fulfilling customer needs and expectations. The new process solicits feedback from our technology customers around the globe and provides detailed insights that help us identify systemic issues and make the necessary changes that ensure strong customer satisfaction. Improved closed-loop follow-up processes also enable faster responses to individual problems.

2010	2011	2012	2013
Achieved certification in the J.D. Power and Associates program for Certified Technology Service and Support.	In 2011, we chose to invest in a new customer satisfaction process to ensure a stronger focus on understanding and fulfilling customer needs and expectations.	In 2012, we continued our investment in a new customer satisfaction process to ensure our award-winning service and customer-centric approach builds customer loyalty and trust.	In 2013, we further developed our new customer satisfaction process and saw positive results, both in the feedback from our customers and in the internal measures we use to assess the quality of what we are delivering to the marketplace.

Industry Analysts Recognize Xerox As A Market Leader

Serving Customers

Our commitment to our customers has gained worldwide recognition.

Xerox has been named a leader in the Gartner Magic Quadrant for Managed Print Services for six consecutive years (most recently Oct. 21, 2013) and a leader in the Gartner Magic Quadrant for Customer Management Contact Center BPO for two consecutive years (most recently Dec. 24, 2013).¹

Many independent industry analysts rate Xerox services and products as leaders in multiple categories. Selected awards are displayed in the chart.

¹Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

2010	2011	2012	2013
<p>IDC: an IDC MarketScape leader for Worldwide Managed Print Services.</p> <p>Quocirca: Market leader for MPS Landscape.</p>	<p>IDC: an IDC MarketScape leader for Worldwide Managed Print Services.</p> <p>Quocirca: Market leader for MPS Landscape.</p> <p>Everest Group: PEAK Matrix Assessment leader for Benefits Administration Outsourcing.</p>	<p>IDC: an IDC MarketScape leader for U.S. Shared, Networked MFPs for the Distributed Office; EMEA Managed Print Services.</p> <p>Forrester Research, Inc.: cited as a leader in The Forrester Wave™: Managed Print Services, Q2 2012.</p> <p>Quocirca: Market leader for MPS Landscape.</p>	<p>IDC: an IDC MarketScape leader for Worldwide Managed Print and Document Services; U.S. Smart Multifunction Peripherals.</p> <p>Quocirca: Market leader for MPS Landscape.</p> <p>HfS Research BluePrint: Winner's Circle for Healthcare Payer BPO Services.</p> <p>Everest Group: PEAK Matrix Assessment leader for Benefits Administration Outsourcing; Contact Center Outsourcing.</p> <p>NelsonHall NEAT: Leader in Benefits Administration Services.</p>

Xerox Foundation

Caring For Communities

In 2013, more than 2,500 non-profit organizations, colleges and universities received direct financial support from the Xerox Foundation through grants, matching gifts or community involvement activities. We focus our investments in the following areas:

- Education and workforce preparedness
- Science and technology
- Employee and community affairs
- National and cultural affairs

[Learn more](#) about the Xerox Foundation.

[See more](#) detailed information on Xerox Foundation giving.

2010	2011	2012	2013
\$12.5 million	\$13.5 million	\$13.5 million	\$13.5 million

The Xerox Community Involvement Program

Caring For Communities

The Xerox Community Involvement Program links the voluntary spirit of our employees to get involved in the communities where we live and work. Since 1974 when the program began, more than 500,000 Xerox people have been involved in regional, community-focused projects.

[Learn more](#) about the Xerox Foundation.

[See more](#) detailed information on community involvement programs.

2010	2011	2012	2013
10,000 Employees	12,000 Employees	12,500 Employees	13,000 Employees
700 Projects	750 Projects	700 Projects	800 Projects

Our Goal: Zero Waste To Landfills

Preserving The Planet

To pave the way for our ultimate goal of zero waste to landfills, we aimed to achieve a 50 percent reduction in landfill rate between 2009 and 2015. We reached this target three years early, and in 2013 we surpassed it.

[See more](#) detailed information on Xerox recycling.

2010	2011	2012	2013
Down 25 % from 2009	Down 25 % from 2009	Down 50 % from 2009	Down 60 % from 2009

Conserving Water

Preserving The Planet

As part of our commitment to conserve resources, we monitor water consumption across our manufacturing, distribution and R&D facilities worldwide. Since 2009, water consumption has decreased by 35 percent.

[See more](#) detailed information on water consumption.

2010	2011	2012	2013
Down 7 % from 2009	Down 21 % from 2009	Down 35 % from 2009	Down 35 % from 2009

Reducing Greenhouse Gas Emissions

Preserving The Planet

Since 2009, Scope 1 (direct) and 2 (indirect) greenhouse gas emissions are down 24 percent in our Document Technology business. The reductions are the result of improved energy efficiency, new technologies and improved energy management practices.

[See more](#) detailed information on greenhouse gas emissions.

2010	2011	2012	2013
No change from 2009	Down 8 % from 2009	Down 13 % from 2009	Down 24 % from 2009

New Products Achieve The ENERGY STAR® Rating

Preserving The Planet

In 2013, 100 percent of our new eligible products met the current ENERGY STAR (July 2009) requirements. We've continuously reduced power consumption of our laser-based printing products by adjusting fuser design, changing properties of toner, implementing more efficient electronic controls and improving the xerographic system as a whole.

[See more](#) detailed information on ENERGY STAR® ratings for Xerox Products.

2010	2011	2012	2013
100 %	100 %	100 %	100 %

End-Of-Life Management

Preserving The Planet

Our approach to managing products at end-of-life translates into significant environmental and financial benefits. Globally, our combined returns programs (equipment remanufacture in conjunction with parts and consumables reuse and recycling) prevented over 33,000 metric tons of waste from entering landfills in 2013 alone.

[Learn more](#) about the Xerox Green World Alliance.

2010	2011	2012	2013
97 %	98 %	99.3 %	99.1 %

Reducing Emissions By Reducing Employee Air Travel

Preserving The Planet

Business travel plays a big role in contributing to greenhouse gas emissions. In recent years, we've promoted videoconferencing and other technology as environmentally friendly alternatives to air travel. Thanks to these efforts, we've reduced emissions due to air travel by 20 percent per employee every year since 2010.

[See more](#) detailed information on carbon dioxide equivalents (CO₂e).

2010	2011	2012	2013
Baseline year	Down 20 % per employee from 2010	Down 20 % per employee from 2010	Down 20 % per employee from 2010

Energy Use Reduction

Preserving The Planet

Following achievement of our "Energy Challenge 2012," we adopted a new goal of reducing greenhouse gas emissions by 10 percent across all company operations by 2017. In 2013, we attained a 6 percent reduction – more than half of our five-year goal.

To allow for consistent reporting, the chart below depicts achievement against the original 2002 baseline.

[See more](#) detailed information on energy use reduction.

2010	2011	2012	2013
Down 21 % from 2002	Down 27 % from 2002	Down 33 % from 2002	Down 39 % from 2002

