

California Transparency in Supply Chains Act of 2010



The California Transparency in Supply Chains Act of 2010 became effective January 1, 2012. This California state law requires large retailers and manufacturers to disclose their efforts to eradicate slavery and human trafficking from their supply chain.

Xerox is committed to freely chosen employment which is embedded in our Code of Business Conduct, in our position on labor relations and in our employment practices. Xerox principles are guided by the United Nations Universal Declaration of Human Rights which prohibits slavery, servitude and the slave trade.

To strengthen our approach to supplier-facing sustainability and human rights actions, Xerox started working with the Electronic Industry Citizenship Coalition (now known as the Responsible Business Alliance or RBA) in 2006 and became a member in 2008. The RBA holds its members accountable to a common code of conduct and as a RBA member, Xerox is committed to continuously improving the social, environmental and ethical responsibility of its supply chain. Xerox has adopted the RBA's Code of Conduct on corporate social responsibility as its code of conduct for suppliers ("Supplier Code of Conduct") and reinforces it annually in a letter to its suppliers. The Supplier Code of Conduct includes labor standards based on recognized principles of international labor and human rights. Freely chosen labor is a primary standard in the Supplier Code of Conduct, prohibiting forced, bonded or indentured labor.

The following highlight our efforts to eradicate slavery and human trafficking from our supply chain:

Verification

- Xerox has implemented a verification process through an internal compliance program with its direct suppliers which utilizes the RBA Code of Conduct.
- Xerox conducts initial risk assessments of its suppliers based on objective criteria.
- For suppliers identified in the initial risk assessment as high-risk, the supplier is required to complete a Self-Assessment Questionnaire (SAQ) annually, which requires the supplier to measure their compliance with the RBA's Code of Conduct. The supplier's responses to the SAQ allow Xerox to identify where possible risks in the supply chain exist. If major risks are identified in the SAQ, an announced audit of that supplier is conducted (as more fully described below). The SAQ step also serves to raise suppliers' awareness about the importance of social responsibility topics, clarify Xerox's expectations, target areas for review, and document suppliers' assessment of their performance.
- In addition to the initial risk assessment and SAQ, Xerox procurement professionals and quality assurance engineers routinely conduct on-site visits of suppliers as part of our ongoing supplier verification.

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Audit

- As indicated above, if major risks are identified in a SAQ, an announced audit of that supplier is conducted by Xerox. Xerox may also conduct an audit of any supplier identified in the initial risk assessment as high-risk, regardless of their results on the SAQ.
- During the audit process, areas of nonconformance are evaluated as risk, priority, major, or minor and are addressed through a corrective action process.
- All audits are on-site visits by trained Xerox employees and follow a consistent process. Xerox utilizes the RBA audit format to evaluate key critical sustainability areas, including but not limited to, labor practices, freedom of association, child labor, forced labor, human rights, recruitment fees, passport seizure and environmental concerns.
- Since 2010, Xerox has conducted over 350 SAQs and has audited over a hundred suppliers with more than 60% of them showing improvement on closure of corrective actions assigned during initial audits in the categories of labor, health & safety, environmental, ethics and management systems elements of their operations. In 2017, Xerox conducted 15 SAQs as well as 37 announced, on-site supplier audits which represented more than 75% of Xerox direct supplier spend.

Certification

- Xerox requires all direct suppliers and critical indirect suppliers to represent and warrant their compliance with all applicable laws and regulations in Xerox agreements for the purchase of products. Similar representations are required by virtue of issuing Xerox purchase orders and other Xerox purchase documents.
- Xerox Global Procurement and Corporate Security screen all direct suppliers and significant indirect suppliers to ensure compliance with global anti-bribery laws and regulations, including but not limited to, the U.S. Foreign Corrupt Practices Act and U.K. Bribery Act. If a supplier is found to have violated applicable laws or contract terms and conditions, Xerox Global Procurement and Corporate Security review each situation on a case by case basis and determine the necessary course of action (i.e. terminate supplier relationship, instruct supplier to make corrective actions, etc.).
- Critical direct and indirect suppliers are required to keep some or all of the following business documents on file while conducting business with Xerox:
 - All Xerox Purchase Orders and supplier invoices
 - Multi-National Master Purchase Agreement
 - Confidential Disclosure Agreement
 - Purchase Material Authorization
 - Business Resumption Plan
 - Product Safety and Certification Documents
 - Quality Plan and Quality Inspection Data
 - Restriction of Hazardous Substances (RoHS) compliance form

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- Tool Validation forms and records of the associated Xerox owned tool numbers
- Responsible Business Alliance (RBA) Code of Conduct
- Multi-National Survey Audit Reports
- Conflict Mineral Templates

Internal Accountability

- Xerox has a Corporate Social Responsibility (CSR) Council which is comprised of several senior executives who are responsible for fostering a culture that promotes compliance and validating fair operating practices, environment, health & safety, labor, government affairs, reputation & brand, finance & real estate, philanthropy and supply chain & procurement. One senior executive member serves as the Executive Chair of the CSR Council and reports directly to the CEO and provides direction to the CSR Council.
- Xerox also has an Ethics and Compliance Program that is an integral part of its daily business operations and practices. To facilitate this commitment to integrity Xerox has:
 - A global, written [Code of Business Conduct](#) available in 19 languages
 - A supplemental [code of conduct for finance employees](#)
 - A specific code of [conduct for the Board of Directors](#)
 - A dedicated [Xerox Ethics Helpline](#) and a strictly enforced 'no retaliation policy' to promote comfort in using the Helpline
 - An Ethics & Compliance Governance Board comprised of senior executives representing all areas of Xerox business
 - Annual global communication of [business ethics policy](#) and CEO message on ethics and integrity
 - The Xerox Code of Business Conduct seeks to align employee actions and decisions with the company's core values and compliance requirements. Our position advocating for human rights and opposing human trafficking is codified in our Code of Business Conduct. All employee violations of the Code of Business Conduct are thoroughly reviewed and investigated on a case by case basis and each incident is treated seriously, fairly and consistently.
 - Xerox provides a variety of channels for employees, suppliers and customers to report suspected ethical violations, including phone, web, email and postal mail. The Ethics Helpline is available globally 24 hours a day, seven days a week in multiple languages, via toll-free telephone numbers (www.xerox.com/ethics) and our web reporting tool (www.xeroxethicshelpline.com), which supports multiple languages.

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- The Xerox Ethics and Compliance Program is overseen by the Audit Committee of the Board of Directors. The Ethics Office reports up to the Executive Vice President, General Counsel and Secretary via the Associate General Counsel and Chief Ethics Officer, with ongoing reporting responsibilities directly to the Audit Committee. The Executive Vice President, General Counsel and Secretary reports directly to the CEO.

Training

- All Xerox employees are required to complete the Xerox Code of Business Conduct training and ethics acknowledgement on an annual basis. The training is designed to enhance an employee's ability to recognize and respond to ethical issues, communicate the process and expectations about reporting suspected violations of the Code, and give instructions for obtaining additional guidance should an employee have a question or concerns about Xerox ethics procedures.
- Additionally, all Xerox Global Procurement employees are required to complete a Supply Chain Transparency Course annually. The training is designed to aid in the mitigation of human trafficking by building awareness of how human trafficking and slavery manifest themselves in the supply chain.

For more information about social responsibility at Xerox, please visit the [Xerox Global Citizenship](#) site.