

# 2018 Corporate Social Responsibility Goals and Progress Summary



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Document Version: 17 (12/2018).

## Preface

For generations, Xerox has stood for innovation, quality and an excellent customer experience. Led by the core values our founder established a half century ago, we conduct business ethically and in an environmentally and socially conscious manner. We are the company that revolutionized the office, created printing-on-demand, and repeatedly reinvented and transformed to keep pace with the demands of our customers and the market. We set goals, track our progress, communicate and share best practices to improve the quality of work and life, keeping to the core value of corporate citizenship.

Today, we honor this heritage by turning investments in innovation into products and services that help our customers be more productive, profitable and sustainable. We are helping define the future of work and enabling printing beyond paper with new technologies that will disrupt the market and change the way we think about workflows and information processes. This is our contribution to a more sustainable world.

We are proud to present our 2018 corporate social responsibility goals and a summary of our progress.

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# 1. Corporate Social Responsibility Goals

## **Alignment with the United Nations Sustainable Development Goals (SDGs)**

The 2030 Agenda of the United Nations for Sustainable Development provides a global blueprint for dignity, peace and prosperity for people and the planet, now and in the future. Achieving the SDGs requires immediate and accelerated actions by countries along with collaborative partnerships among governments and stakeholders at all levels.

Tech companies, like Xerox, are important stakeholders that can lead by example in their own operations and provide the solutions and countermeasures globally to achieve the goals.

Established over a half century ago by founder Joseph C. Wilson, our corporate values have stood the test of time and align with the SDGs. We will continue our efforts to bring our Operations and those of our customers closer to goal.

## Environment Goals

Operations		
Goal	SDG Alignment	2017 Progress
100% landfill avoidance by 2020	6, 7, 9, 11, 12, 13	93%
25% reduction in energy use by 2025, from 2016 baseline	6, 7, 9, 11, 12, 13	14%
25% reduction in GHG emissions by 2025, from 2016 baseline	6, 7, 9, 11, 12, 13	8%
20% renewable energy use by 2020	6, 7, 9, 11, 12, 13	0.4%
35% reduction in water use by 2020, from 2010 baseline	6, 7, 9, 11, 12, 13	46%

Products		
Goal	SDG Alignment	2017 Progress
100% landfill avoidance (spent equipment and supplies)	9, 11, 12, 13	99.7%
100% newly launched and eligible products achieve Energy Star®	9, 11, 12, 13	100%
100% newly launched and eligible products achieve EPEAT®	9, 11, 12, 13	100%

## Social Goals

Labor		
Workplace safety		
Goal	SDG	2017 Progress
5% reduction in Total Recordable Injury Rate (TRI) from 2016	3	5.3%
5% reduction in Days Away from Work (DAFW)	3	2.3%

Balanced workforce/diversity		
Goal	SDG	2017 Progress
36% woman managers (Europe, Middle East and Africa)	5, 10	32%
38% woman managers (the Americas)	5, 10	36%
32% woman managers (Asia Pacific)	5, 10	30%
7% veterans (U.S.)	5, 10	4%
7% employees with disabilities	5, 10	4%

## 2. Progress

### Environment - Operations

Greenhouse Gas Emissions (GHG) <sup>1</sup>	2016	2017
<b>GHG emissions, by type [tonnes CO<sub>2</sub>eq]</b>		
CO <sub>2</sub>	179,081	153,877
CH <sub>4</sub>	222	164
N <sub>2</sub> O	825	621
<b>GHG emissions, by region [tonnes CO<sub>2</sub>eq]</b>		
U.S. and Canada	136,740	115,692
Europe and South America	43,388	38,968
<b>Worldwide total GHG emissions (Scope 1 and Scope 2)</b>	<b>180,128</b>	<b>154,660</b>
<b>% reduction GHG emissions (from 2016 baseline)</b>	-	<b>14.0</b>
<b>GHG emissions normalized to revenue [tonnes CO<sub>2</sub>eq/\$ million]</b>	<b>16.7</b>	<b>15.1</b>
<b>GHG emissions, by scope [tonnes CO<sub>2</sub>eq]</b>		
<b>Scope 1 GHG emissions (facilities &amp; fleet) <sup>2</sup></b>		
<b>Scope 1 GHG emissions, by type</b>		
CO <sub>2</sub>	98,392	91,512
CH <sub>4</sub>	98	85
N <sub>2</sub> O	620	480
<b>Scope 1 GHG emissions, by region</b>		
U.S. and Canada	76,766	71,017
Europe and South America	22,345	21,060



	2016	2017
<b>Worldwide total Scope 1 GHG emissions</b>	<b>99,111</b>	<b>92,077</b>
<b>Scope 1 GHG emissions normalized to revenue [tonnes CO<sub>2</sub>eq/\$ million]</b>	<b>9.2</b>	<b>9.0</b>
<b>Scope 2 GHG emissions (purchased electricity) <sup>3</sup></b>		
<b>Scope 2 GHG emissions, by type</b>		
CO <sub>2</sub>	80,689	62,365
CH <sub>4</sub>	123	79
N <sub>2</sub> O	205	140
<b>Scope 2 GHG emissions, by region</b>		
U.S. and Canada	59,973	44,675
Europe and South America	21,044	17,908
<b>Worldwide total Scope 2 GHG emissions</b>	<b>81,017</b>	<b>62,583</b>
<b>Scope 2 GHG emissions normalized to revenue [tonnes CO<sub>2</sub>eq/\$ million]</b>	<b>7.5</b>	<b>6.1</b>
<b>Scope 3 GHG emissions (indirect), by category <sup>4</sup></b>		
Upstream transportation and distribution (carriers and corporate trucking) [North America, CO <sub>2</sub> only]	141,215	95,972
Waste generated in operations [Global]	1,147	1,191
Business travel [Global, CO <sub>2</sub> only] <sup>5 6</sup>	17,526	9,420
Employee commuting [Global]	78,361	73,235
Upstream leased assets	Not relevant	Not relevant
Investments	Not relevant	Not relevant
Downstream transportation and distribution	Not relevant	Not relevant
Processing of sold products	Not relevant	Not relevant
End of life treatment of sold products [North America]	929	775

	2016	2017
Downstream leased assets	Not relevant	Not relevant
Franchises	Not relevant	Not relevant
<b>Total Scope 3 GHG emissions</b>	<b>239,178</b>	<b>181,593</b>
<b>Energy</b>		
<b>Energy use [MWh] <sup>1</sup></b>		
Direct energy use (natural gas – corresponding to Scope 1 GHG emissions)	452,131	423,511
Indirect energy use (purchased electricity – corresponding to Scope 2 GHG emissions)	298,903	267,245
<b>Total energy use</b>	<b>751,034</b>	<b>690,756</b>
<b>Total energy use normalized to revenue [MWh/\$ million]</b>	<b>69.7</b>	<b>67.3</b>
<b>Total non-renewable energy use</b>	<b>727,210</b>	<b>688,022</b>
<b>Energy reduction [MWh] <sup>1</sup></b>		
Total energy reduction (from 2016 baseline)	-	60,278
% reduction total energy use (from 2016 baseline)	-	8.0
<b>Renewable Energy Credits (REC), by region [MWh] <sup>7</sup></b>		
U.S.	2,735	2,734
Europe	21,089	0
<b>Total renewable energy use (REC)</b>	<b>23,824</b>	<b>2,734</b>
<b>% renewable energy use (REC) of total energy use</b>	<b>2.7</b>	<b>0.4</b>
<b>Non-hazardous waste <sup>8</sup></b>		
<b>Non-hazardous waste, by treatment type [thousand tonnes]</b>		
Recycling	28.3	17.3
Reuse	3.3	3.9

	2016	2017
Energy from waste	5.2	3.1
Landfill	1.3	1.3
Treatment	0.9	0.2
Incineration	0.1	0.2
<b>Total non-hazardous waste</b>	<b>39.2</b>	<b>26.0</b>
<b>% reuse, recycle, energy from waste</b>	<b>94.0</b>	<b>93.5</b>
<b>% reduction landfill, incineration, treatment (from 2016 baseline)</b>	-	<b>27.4</b>
<b>Hazardous waste <sup>9</sup></b>		
<b>Hazardous waste, by region [thousand tonnes]</b>		
U.S. and Canada	0.41	0.42
Europe and South America	0.11	0.09
<b>Worldwide total hazardous waste</b>	<b>0.51</b>	<b>0.51</b>
<b>Hazardous waste, by treatment type [thousand tonnes]</b>		
Fuels blending	0.31	0.29
Recycling	0.08	0.05
Treatment	0.09	0.15
Incineration	0.04	0.02
Landfill	0.0003	0.0003
<b>% recycle, fuels blending</b>	<b>60.0</b>	<b>66.0</b>
<b>% reduction hazardous waste generation (from 2016 baseline)</b>	-	<b>1.4</b>
<b>Toxics and hazardous materials</b>		
<b>Total Reportable Releases and Transfers and Pollutant Release and Transfer Registers (TRI and PRTR), by region [tonnes]</b>		

	2016	2017
U.S. and Canada	123	122
Europe and South America	0	0
<b>Worldwide total TRI &amp; PRTR</b>	<b>123</b>	<b>122</b>
<b>TRI normalized to revenue [tonnes/\$ billion]</b>	<b>11.4</b>	<b>11.9</b>
<b>% reduction TRI &amp; PRTR (from 2016 baseline)</b>	<b>-</b>	<b>0.8</b>
<b>Methylene chloride [lbs.] <sup>10</sup></b>		
<b>Worldwide total methylene chloride</b>	<b>306,627</b>	<b>394,038</b>
<b>% reduction total methylene chloride (from 2010 baseline of 1,038,000 lbs.)</b>	<b>70.0</b>	<b>62.0</b>
<b>1,3-butadiene air emissions [lbs./batch] <sup>11</sup></b>		
<b>Worldwide total 1,3-butadiene air emissions</b>	<b>7.1</b>	<b>7.0</b>
<b>Air emissions <sup>12</sup></b>		
<b>Volatile Organic Compounds (VOCs) (production), by region [tonnes]</b>		
U.S. and Canada	7.1	5.4
Europe and South America <sup>13</sup>	7.6	13.8
<b>Worldwide total VOCs</b>	<b>14.7</b>	<b>19.2</b>
<b>Worldwide total Non-VOCs</b>	<b>6.6</b>	<b>6.5</b>
<b>Worldwide total VOCs/Non-VOCs</b>	<b>21.3</b>	<b>25.7</b>
<b>NO<sub>x</sub> (non-production), by region [tonnes] <sup>14</sup></b>		
U.S. and Canada	27.4	26.4
Europe and South America	4.8	4.6
<b>Worldwide total NO<sub>x</sub></b>	<b>32.2</b>	<b>31.0</b>
<b>NO<sub>x</sub> normalized to revenue [tonnes/\$ billion]</b>	<b>3.0</b>	<b>3.0</b>
<b>SO<sub>x</sub> (non-production), by region [tonnes] <sup>14</sup></b>		

	2016	2017
U.S. and Canada	0.21	0.21
Europe and South America	0.03	0.03
<b>Worldwide total SO<sub>x</sub></b>	<b>0.24</b>	<b>0.23</b>
<b>SO<sub>x</sub> normalized to revenue [tonnes/\$ billion]</b>	<b>0.022</b>	<b>0.023</b>
<b>Water</b>		
<b>Water consumption, by region [million liters]</b>		
U.S. and Canada	1,074	1,010
Europe and South America	85	79
<b>Worldwide total water consumption</b>	<b>1,160</b>	<b>1,089</b>
<b>Water consumption normalized to revenue [million liters/\$ million]</b>	<b>0.11</b>	<b>0.11</b>
<b>% reduction water consumption (from 2010 baseline of 2,030 million liters)</b>	<b>43</b>	<b>46</b>
<b>Water discharge to sanitary sewer, by region [million liters]<sup>15</sup></b>		
U.S. and Canada	1,313	1,242
Europe and South America	229	56
<b>Worldwide total water discharge<sup>16</sup></b>	<b>1,541</b>	<b>1,297</b>
<b>Water discharge normalized to revenue [million liters/\$ million]</b>	<b>0.14</b>	<b>0.13</b>
<b>Water recycled [million liters]</b>		
<b>Worldwide total water recycled</b>	<b>1.0</b>	<b>1.1</b>
<b>Corporate compliance</b>		
Reportable spills/Environmental releases [#] <sup>17</sup>	0	0
Notices of violation received [#]	2	0
Monetary fines levied [\$ USD]	0	0

1. The greenhouse gas inventory is based on the new Xerox energy goal which began in 2017 using 2016 as baseline and encompasses fleet and facilities for Xerox.
2. 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 both leased and owned by Xerox. Emissions for facilities are based on actual data as reported on utility invoices, with estimates for remainder of facilities in the inventory using Commercial Building Energy Consumption (CBEC) energy use factors. Emissions from fleet are based on actual fuel receipts and vehicle efficiency rates.
3. Indirect emissions of greenhouse gases include emissions from the consumption of purchased electricity and steam for facilities leased and owned by Xerox. CBECs energy use factors were used to include estimated emissions for office and warehouse facilities where data is not readily available (U.S. and Canada). HFC emissions were estimated based on square feet.
4. Relevant criteria for Scope 3 emissions as defined on the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (WRI/WBCSD) Table 6.1 – Criteria for identifying relevant Scope 3 activities.
5. Includes worldwide air travel emissions for total Xerox, as provided by Xerox's global travel services provider, based on aircraft, load, and miles.
6. 2016 Business Travel Scope 3 emissions includes both Xerox Service employees and Xerox Technology employees due to the inherent inability to separate non-continuing from continuing operations. 2017 Business Travel Scope 3 emissions only reports continuing operations Xerox Technology employee data.
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 renewable energy in the Netherlands and renewable energy credits (RECs) from wind in Wilsonville, Oregon. Total energy encompasses fleet and facilities for Xerox Corporation.
8. Non-hazardous solid waste: Process waste consists primarily of paper, wood pallets, waste toner, plastics and packaging including corrugated cardboard; Equipment manufacturing waste includes scrap metal, waste batteries and lamps, miscellaneous trash, and end-of-life equipment and parts. Non-hazardous waste is either disposed of directly by Xerox, or a disposal method is designated and confirmed when shipped off-site.
9. Hazardous waste is disposed of directly by Xerox, or a disposal method is designated and confirmed when shipped off-site.
10. Total amount of methylene chloride used to produce Xerox photoreceptor components.
11. 1,3-butadiene air emissions from toner resin manufacturing.
12. The majority of air emissions originate from the production of imaging supplies such as toner, photoreceptor drums and belts, and fuser rolls.
13. VOC emission increases in 2017 attributed to increased production volumes in Brazil and Venray and actual stack testing data for the Venray facility.
14. NO<sub>x</sub> and SO<sub>x</sub> 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>).
15. Measurement methodology updated to remove site discharges from non-Xerox operations.
16. 2016 total water discharges restated from 1,543 million liters to 1,541 million liters after error in data was discovered.
17. Reportable spills/environmental releases reported in accordance with the GRI definition for significant spills as those included in the Xerox financial statements.

## Environment - Products

Eco-labels	2016	2017
% newly launched eligible products achieving Energy Star®	100	100
% newly launched eligible products achieving EPEAT®	100	100
<b>End-of-life management <sup>1</sup></b>		
<b>Equipment and parts processing</b>		
<b>Equipment and parts end-of-life processing, by treatment type [thousand tonnes]</b>		
Materials recycling	23.5	21.5
Used equipment sold	8.7	9.4
Remanufacture/reuse	2.6	1.1
Energy from waste	2.1	2.5
Landfill	0.06	0
Incineration	0	0.02
<b>Total equipment and parts processing</b>	<b>37.0</b>	<b>34.5</b>
<b>% remanufacture, reuse, recycle, energy from waste</b>	<b>99.8</b>	<b>100</b>
<b>Supplies processing</b>		
<b>Supplies end-of-life processing, by treatment type [thousand tonnes]</b>		
Remanufacture/reuse	4.2	4.2
Materials recycling	0.3	0.3
Energy from waste	0.2	0
Landfill	0.1	0.1
Incineration	0	0
<b>Total supplies processing</b>	<b>4.8</b>	<b>4.6</b>

	2016	2017
<b>% remanufacture, reuse, recycle, energy from waste</b>	<b>97.9</b>	<b>97.8</b>
<b>Corporate Compliance</b>		
Violations of health, safety and/or environmental regulations [#]	0	0
Product recalls [#]	0	0
Total units recalled [#]	0	0

1. Equipment, parts and supplies end-of-life management: Returns processed through Xerox worldwide asset recovery centers and 3rd party recyclers.

## Social - Labor

Diversity	2017
<b>Women and minorities</b>	
<b>Women employees by region</b>	<b>% of total</b>
Americas	31.2
Asia Pacific and Japan	29.6
Europe, Middle East, and Africa	32.2
<b>Worldwide</b>	<b>31.5</b>
<b>Women managers by region</b>	<b>% of total</b>
Americas	31.5
Asia Pacific and Japan	79.6
Europe, Middle East, and Africa	29.0
<b>Worldwide</b>	<b>32.2</b>
<b>New hires globally, by gender</b>	<b>% of total</b>
Women	36.4
Men	63.6



2017	
<b>Global workforce by age group and gender</b>	<b>% of total</b>
<b>30 and under</b>	
Women	39.8
Men	60.2
<b>31–50</b>	
Women	33.4
Men	66.6
<b>51 and over</b>	
Women	26.4
Men	73.6
<b>Employees - full time by classification and gender</b>	<b>% of total</b>
<b>Executives</b>	
Women	24.4
Men	75.6
<b>Directors</b>	
Women	30.2
Men	69.8
<b>Managers</b>	
Women	33.3
Men	66.7
<b>Professionals</b>	
Women	35.7
Men	64.3

	2017
<b>Other</b>	
Women	29.0
Men	71.0
<b>All classifications combined</b>	
Women	32.0
Men	68.0
<b>Employees – part time by classification and gender</b>	<b>% of total</b>
<b>Executives</b>	
Women	0.0
Men	100.0
<b>Directors</b>	
Women	50.0
Men	50.0
<b>Managers</b>	
Women	31.2
Men	68.8
<b>Professionals</b>	
Women	48.0
Men	51.9
<b>Other</b>	
Women	28.7
Men	71.3

	2017
<b>Total</b>	
Women	30.1
Men	69.9
<b>Minorities</b>	
<b>New hires United States, by race</b>	<b>% of total</b>
White	65.4
	2017
Black	13.1
Hispanic	7.4
Asian	13.7
Native American	0.4
<b>Employment</b>	
<b>Employees (regular full time and part time) by region</b>	<b>Total</b>
Americas	23,721
Asia Pacific and Japan	1,427
Europe, Middle East, and Africa	10,769
<b>Worldwide</b>	<b>35,917</b>
<b>Employee turnover – U.S.</b>	<b>%</b>
Total employee turnover rate	21.0
Voluntary turnover rate	7.0
<b>Freedom of association</b>	
% of employees covered (U.S. and Canada)	5

## Social - Workplace Health and Safety

Total Recordable Incidents <sup>1</sup>	2016	2017
<b>Total Recordable Incident (TRI) rate, by region</b>		
U.S.	1.22	1.84
Europe	0.38	0.14
<b>Worldwide TRI rate</b>	<b>0.75</b>	<b>0.71</b>
<b>% Reduction TRI rate (from 2016 baseline)</b>	-	<b>5.3</b>
Days Away from Work <sup>1</sup>	2016	2017
<b>Days Away from Work (DAFW) Rate, by region</b>		
U.S.	0.62	0.88
Europe	0.27	0.19
<b>Worldwide DAFW rate</b>	<b>0.43</b>	<b>0.42</b>
<b>% reduction DAFW rate (from 2016 baseline)</b>	-	<b>2.3</b>
<b>Types of injuries <sup>1 2</sup></b>		
<b>Leading causes of lost workdays [% of U.S. total]</b>		
Materials handling (carry, lift, push, pull)	21	29
Slips, trips, falls	25	15
Awkward postures (bend, twist, squat, kneel)	15	12
Motor vehicle accidents	9	12
Struck by/against/contact with	-	12
Repetitive motion	16	-
<b>Leading causes of recordable incidents (with and without lost time) [% of U.S. total]</b>		
Materials handling (carry, lift, push, pull)	20	30
Struck by/against/contact with	16	19

	2016	2017
Slips, trips, falls	21	13
Repetitive motion	18	11
Awkward postures (bend, twist, squat, kneel)	11	9
<b>Fatalities</b>		
Work-related fatalities [#]	0	0
<b>Corporate compliance <sup>1</sup></b>		
Safety non-compliance [\$ fines/# non-monetary violations]	0/0	0/3

1. Workplace Safety performance reporting is for the Xerox Technology Business (except for Global Imaging Systems) worldwide unless otherwise noted.
2. Leading cause of lost workdays and recordable incident is defined as the top five greatest contributing causes to these outcomes each year. List is in descending order of contribution for the most current report year.

## Social - Community Involvement and Volunteerism

Social investment and volunteerism by category	2017
Cash <sup>1</sup>	\$4,081,693
Services <sup>2</sup>	\$2,259,727.56
Number of employee volunteer hours	91,524
<b>Cash Match Program</b>	
<b>U.S. employee participation in Cash Match Program</b>	
Number of employees	501
Employee contributions to Cash Match Program	\$330,652.15
Xerox contributions to Cash Match Program	\$283,656
<b>Disaster relief efforts</b>	
<b>Partner: event</b>	
American Red Cross: Hurricanes Harvey and Irma	\$110,000
Save the Children: Hurricane Maria; Earthquake relief for Mexico	\$40,000
<b>Total disaster relief efforts</b>	<b>\$150,000</b>

1. Cash investment denotes total Xerox investment in non-profit organizations including the following programs: community partner organizations;
2. Equals the value of Xerox employee volunteer time, \$24.69/hour, updated annually by Independent Sector.

## Supply Chain

Supply chain spend	2017
<b>Diverse suppliers</b>	
Minority-owned	\$46M
Women-owned	\$70M
Veteran-owned	\$23M
Small Tier I businesses	\$300M
<b>Supplier screening and assessments</b>	
% of new production suppliers screened using CSR criteria	100
Number of suppliers assessed for CSR impacts	38
Number of suppliers identified as having significant actual and potential negative CSR impacts	16