

Welcome to your CDP Water Security Questionnaire 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Xerox is a workplace technology company, building and integrating software and hardware for enterprises large and small. Geographically, our footprint spans approximately 160 countries and allows us to deliver our technology and solutions to customers of all sizes, regardless of complexity or number of customer locations. Headquartered in Norwalk, CT, we have approximately 20,500 employees. As customers seek to manage information across digital and physical platforms, we deliver a seamless, secure and sustainable experience. We provide business process services, printing equipment, hardware and software technology for managing information - from data to documents. Our business spans four primary offering areas:

Workplace Solutions includes the sales of entry and mid-range products and supplies, as well as the associated technical service and financing of those products. **Production Solutions (High-End)** are designed for customers in the graphic communications, in-plant and production print environments with high- volume printing requirements. Graphic Communications and Production Solutions includes the sale of xerographic and ink jet presses, software and supplies as well as the associated technical service and financing of these products. **Xerox Services** includes a continuum of solutions and services that helps our customers optimize their print and communications infrastructure, apply automation and simplification to maximize productivity, and ensure the highest level of security. Our primary offerings in this area are) and Digital Services offerings to help our customers accelerate their digital transformation. **FITTLE** is a global financing solutions business and currently offers financing for direct channel customer purchases of Xerox equipment through bundled lease agreements, lease financing to end-user customers who purchase Xerox and non-Xerox equipment through our indirect channels and leasing solutions for OEMs of print and non-print related office equipment and IT services equipment.

In addition to our four primary offering areas, a smaller portion of our revenues comes from non-core streams including paper sales in our developing market countries, wide-format systems, licensing revenue, as well as standalone software such as CareAR, DocuShare® and XMPie. In addition. our innovation group, which comprises the research efforts undertaken at our facilities in Webster,N.Y. and Cary, N.C., is focused on incubating, productizing and

commercializing disruptive technology. In 2022, we made progress in our efforts to monetize or improve and broaden the financial profile of two of the businesses we stood up in 2021:FITTLE (formerly known as Xerox Financial Services) and Innovation (PARC).

- FITTLE focused its strategy in 2022 to broaden its portfolio of financed assets to include growth opportunities independent of Xerox equipment and services, such as the expansion of its dealer relationships.
- We also spun out two businesses incubated at PARC: Mojave, an energy efficient HVAC technology development business, and Novity, an industrial predictive maintenance business. Both companies were spun out as separate, independent businesses, with Xerox continuing to hold a noncontrolling minority share.

Our manufacturing and distribution facilities are located around the world. Our largest manufacturing site is in Webster, N.Y., where we produce the Xerox iGen, Nuvera, and Baltoro printer systems, as well as key components and consumables for our products such as toner. We also have manufacturing operations in Dundalk, Ireland, for components, consumables and printer systems sustainable manufacturing, and in Wilsonville, OR, for components. Other Xerox manufacturing plants are located in Venray, Netherlands; Ontario, Canada; and Oklahoma City, OK, where we manufacture materials and components.

Additionally, we work with various manufacturing and distribution partners. This diversification of suppliers brings flexibility in our manufacturing and supply chain and supports our cost efficiency goals. Fujifilm Business Innovation Corp. is our largest partner, with whom we maintain product sourcing agreements for specific products across our entry, mid-range and high-end portfolios, some of which are the result of mutual research and development agreements. We also outsource certain manufacturing activities to FLEX LTD (Flex), a global contract manufacturer with whom we maintain a longstanding relationship, and we acquire products from various third parties in order to increase the breadth of our product portfolio and meet channel requirements.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1, 2022	December 31, 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

- Argentina
- Austria
- Belarus
- Belgium
- Brazil
- Bulgaria
- Canada
- Chile
- Czechia

Denmark
Ecuador
Egypt
Finland
France
Germany
Greece
Guatemala
Hungary
India
Ireland
Israel
Italy
Japan
Kazakhstan
Latvia
Malaysia
Mexico
Netherlands
Norway
Peru
Philippines
Poland
Portugal
Romania
Russian Federation
Singapore
Slovakia
Spain
Sweden
Switzerland
Turkey
Ukraine
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
<p>Xerox has numerous sales, marketing, administrative/back office, and logistics office spaces that are leased spaces. These are referred to as “service facilities” throughout this document and are excluded from reporting in this disclosure.</p>	<p>Many of our sales, marketing, administrative/back office and logistics facilities are multi-tenanted where we do not directly pay the water utility bill. Water use is either included in the lease or is not reported by remote sites where water use is minimal due to the nature of the work at these sites. Therefore, actual data for these facilities is not available. However, we do not consider this exclusion to represent a significant proportion of our total water withdrawals.</p> <p>Initial calculations for these locations (based on available industry average water consumption per employee data, available industry average water consumption per square foot office space, and also sense checked against water billing data obtained for a proportion of services facilities), have identified that while these service facilities comprise over 80% of current Xerox-occupied facilities by number of facilities, service-related water withdrawals represent <20% of our total business water withdrawal. Thus, even when excluding service facilities, our reporting includes more than 80% of Xerox total water withdrawal.</p> <p>Therefore the reported water inventory/accounting included in the disclosure encompasses data from nine Xerox manufacturing, distribution and R&D sites (referred to as our “Technology business” or “Technology facilities” throughout this document) plus</p>

	our corporate headquarters in Norwalk, CT and does not include any portion of service facilities.
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W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, a Ticker symbol	XRX

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	<p>Direct: Xerox has operations relying on clean water to operate including manufacturing (process, cleaning & cooling water) and office facilities (drinking & sanitary water for employees). The quality of water is important for these uses, therefore sufficient quantities of high-quality freshwater is rated as important to Xerox. Water consumed by Xerox Technology operations is sourced from local municipal suppliers who withdraw water from lakes, rivers and other surface/ground waters. This water dependency importance rating is not expected to change in the near future . Water dependency will remain important for our direct and indirect operations, especially for our water-based EA toner manufacturing activities, which is the largest single use of water at Xerox. However, we expect these activities to continue to be based in our Webster, NY and Mississauga, ON, Canada location, both of which are located in the Great Lakes Region which has and is expected to continue to have abundant water resources.</p> <p>Indirect: We have outsourced a significant portion</p>

			<p>of our worldwide manufacturing operations to third parties and service providers requiring water to operate (sanitary & process water). For example, manufacture of electronic components requires substantial volumes of clean water. Insufficient quantities of good quality freshwater have the potential to disrupt our supply chain operations and therefore is rated as important to Xerox. This water dependency rating is expected to continue to remain important and Xerox will work with suppliers as needed should water-related issues threaten to impact supply chain operations. At this time, Xerox has not been informed of water-related supply chain issues of concern and therefore is not changing the importance rating.</p>
<p>Sufficient amounts of recycled, brackish and/or produced water available for use</p>	<p>Neutral</p>	<p>Neutral</p>	<p>Direct: With the exception of closed loop cooling water, recycled or produced water is not used by our operations. Brackish water is not used in any of our operations. Therefore, sufficient quantities of recycled, brackish or produced water has been rated as neutral to Xerox. It has been identified "neutral" rather than "not important" as availability of brackish water could become "important" in the future if the quantity of freshwater available declined and we were required to seek alternatives to freshwater for our operations.</p> <p>Indirect: Not only is water used to manufacture our products, it is also used indirectly for facilities support (e.g. cooling water) for our operations, products and suppliers.</p> <p>In addition, significant quantities of recycled, brackish and/or produced water is not known to be used by our supply chain therefore the availability of sufficient quantities has been rated as "neutral" for our supply chain as well. We do not consider it to be "not important" as brackish or recycled water would increase in importance to "important" if quantities of freshwater declined and alternatives to freshwater were required by our supply chain.</p>

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Monthly	To track and report progress against our water target, we monitor water withdrawal volumes directly on a monthly basis across Xerox’s core manufacturing, distribution and R&D facilities of our Technology business via incoming onsite water meters or indirectly via utility invoices.	Percentages of facilities are calculated based only on the # of facilities in scope, not including any facilities that we specifically noted as exclusions in W0.6a. This is an improvement to our calculation process, as in prior years we calculated the percentage based on all Xerox facilities, including those already noted as exclusions. This revised method more accurately shows performance of our facilities that are in scope. Our Technology facilities account for greater than 80% of our total water withdrawals due to the different activities undertaken at Technology sites as compared to service facilities. Therefore, we focus monitoring efforts on all Technology sites.

<p>Water withdrawals – volumes by source</p>	<p>100%</p>	<p>Monthly</p>	<p>Water withdrawals by source is monitored and known for all Technology sites. All water used for operational processes and personal use is sourced from local municipal suppliers who withdraw water directly from lakes, rivers and other surface/ground waters. Volumes of water withdrawn is directly monitored on a monthly basis using onsite water meters or indirectly using utility invoices.</p>	<p>Percentages of facilities are calculated based only on the # of facilities in scope, not including any facilities that we specifically noted as exclusions in W0.6a. This is an improvement to our calculation process, as in prior years we calculated the percentage based on all Xerox facilities, including those already noted as exclusions. This revised method more accurately shows performance of our facilities that are in scope.</p>
<p>Water withdrawals quality</p>	<p>Not monitored</p>			<p>All water withdrawals come from municipal water sources and are high quality potable water as received and incoming water quality is not monitored. However, for some Xerox manufacturing processes, municipal water is further treated via reverse osmosis and/or distillation.</p>

				The quality of the treated water is closely monitored to ensure acceptable quality parameters for the impacted manufacturing processes.
Water discharges – total volumes	100%	Monthly	As part of our goal to preserve clean water, the volume of discharges at our Technology business facilities is monitored to validate compliance with local sewer discharge permit conditions. Volumes of water discharge are monitored directly monthly using onsite water meters. (Note: Greater than 90% of overall discharge by volume is monitored via outgoing meters. Five smaller sites do not have discharge meters and estimate discharge based on the incoming water meters plus process knowledge.)	Percentages of facilities are calculated based only on the # of facilities in scope, not including any facilities that we specifically noted as exclusions in W0.6a. This is an improvement to our calculation process, as in prior years we calculated the percentage based on all Xerox facilities, including those already noted as exclusions. This revised method more accurately shows performance of our facilities that are in scope.
Water discharges –	100%	Monthly	The destination of water discharges	Percentages of facilities are

<p>volumes by destination</p>			<p>is monitored for all Technology facilities. Wastewater is discharged to the local municipal sewer from all Technology facilities. Discharge volumes are monitored directly using onsite meters on a monthly basis.</p>	<p>calculated based only on the # of facilities in scope, not including any facilities that we specifically noted as exclusions in W0.6a. This is an improvement to our calculation process, as in prior years we calculated the percentage based on all Xerox facilities, including those already noted as exclusions. This revised method more accurately shows performance of our facilities that are in scope.</p>
<p>Water discharges – volumes by treatment method</p>	<p>100%</p>	<p>Continuously</p>	<p>Six of our Technology sites perform pretreatment of select wastewaters and continuously monitor treated water to ensure discharge characteristics meet regulatory requirements. Outflow from onsite treatment systems is typically not metered but can be calculated based on flow</p>	<p>All Xerox Technology wastewater goes to sanitary sewer. Percentages of facilities are calculated based only on the # of facilities in scope, not including any facilities that we noted as exclusions in W0.6a. This improves our calculation process, as in prior years we calculated the % based on all Xerox</p>

			rate and time. All other facilities are permitted to discharge directly to the municipal sewer for treatment via publicly owned treatment works (POTWs) discharge volumes are monitored monthly directly using onsite meters.	facilities, including those noted as exclusions. This revised method accurately shows performance of our in scope facilities
Water discharge quality – by standard effluent parameters	100%	Continuously	Facilities that perform treatment or pretreatment of wastewater continuously monitor effluent characteristics to ensure they meet permit requirements prior to discharging the treated wastewater to the municipal sanitary sewer. All sites also contract outside laboratories to perform sampling and testing at intervals as required by local regulations; standard and specialized effluent parameters are analyzed by	Percentages of facilities are calculated based only on the number of facilities in scope, not including any facilities that we specifically noted as exclusions in W0.6a.

			Xerox environmental personnel to confirm compliance with regional permit requirements.	
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant			Xerox operations comply with regulatory requirements associated with their operations and the local water quality issues. For example, Webster, NY is required to monitor for phosphorus on a quarterly basis, however, this is considered to be part of standard effluent parameter compliance monitoring.
Water discharge quality – temperature	1-25	Continuously	Water discharges are at or near ambient temperature and Xerox is not required to monitor discharge at most facilities. Water discharge temperature is directly monitored on a continuous basis via temperature probes at two Technology business facilities that require it.	Percentages of facilities are calculated based only on the # of facilities in scope, not including any facilities that we specifically noted as exclusions in W0.6a. This is an improvement to our calculation process, as in prior years we calculated the percentage based on all Xerox facilities, including those already

				noted as exclusions. This revised method more accurately shows performance of our facilities that are in scope.
Water consumption – total volume	100%	Yearly	Consumption is calculated annually as water withdrawal minus water discharge volumes for all Technology facilities.	Consumption is calculated annually as water withdrawal minus water discharge volumes for all Technology facilities.
Water recycled/reused	Not monitored			Water is reused in closed loop cooling systems in our extruded toner manufacturing processes, but quantity of water recirculated and quantity of makeup water are not monitored or tracked. In one facility, reverse osmosis reject water is reused as cooling tower makeup water, but again the quantity of water recycled/reused is not monitored or tracked.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Continuously	Our Code of Business Conduct supports the principles of The United Nations Universal Declaration of	The governance model we use to accomplish this includes clearly defined goals, a single set of worldwide

			Human Rights (which acknowledges that clean drinking water and sanitation are essential to the realization of all human rights). The Xerox Environment, Health, Safety, and Sustainability (EHS&S) organization ensures that those principles are followed and ensures company-wide adherence to Xerox’s environment, health, safety, and sustainability policy.	standards, and a program of RBA surveillance audits that ensure conformance to these requirements. Suppliers complete an annual self-assessment questionnaire and suppliers scored as “high risk” receive an annual on-site audit. Audits include an on-site visit aimed at evaluating the site for basic life safety including potable water for human consumption and hygiene and environmental aspects, including sanitary water discharges.
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W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	1,360.3	Much higher	Increase/decrease in business activity	Lower	Increase/decrease in efficiency	In alignment with CDP technical guidance on water

						<p>accounting, water withdrawals includes municipal domestic water use at our "Technology " facilities as well as groundwater that was pumped up for remediation treatment on site, as well as estimates of groundwater infiltration into sanitary sewer pipes at the Webster, NY facility.</p> <p>Total withdrawals in 2022 has increased about 26% from the prior year, which we consider to be higher than the prior year. (We use a threshold of 10% variation to consider a change</p>
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						<p>"higher" or "lower" and a change of 20% to consider a change "much higher" or "much lower".)</p> <p>In 2021 some employees continued to work virtually and there were reductions in production volume from lingering COVID-related and also supply chain related impacts which caused water use at our technology facilities to decline. Therefore, the increase between 2021 and 2022 is largely due to our production volumes returning to pre-COVID</p>
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						<p>levels.</p> <p>Going forwards total water withdrawals are expected continue to decline (from 2019 levels) in the future due to a combination of efficiency improvements (such as engineering activities currently underway to evaluate potential toner wash water reduction for forward products), and reduction and eventual elimination of discharge of remediation waters and stormwater ingress waters.</p>
Total discharges	1,176.49	About the same	Increase/decrease in business activity	Lower	Increase/decrease in efficiency	YOY water discharge has increased

						<p>about 6% from the prior year, which we consider to be about the same. (We use a threshold of 10% variation to consider a change "higher" or "lower" and a change of 20% to consider a change "much higher" or "much lower".)</p> <p>In 2021 some employees continued to work virtually and there were reductions in production volume from lingering COVID-related and also supply chain related impacts which caused water use and discharge at</p>
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						<p>our technology facilities to decline. Therefore, the increase between 2021 and 2022 is largely due to our production volumes returning to pre-COVID levels.</p> <p>Going forwards total water discharges are expected continue to decline (from 2019 levels) in the future as overall water use declines due to a combination of efficiency improvements (such as engineering activities currently underway to evaluate potential toner wash water reduction for forward products),</p>
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						and reduction and eventual elimination of discharge of remediation waters and stormwater ingress ion waters.
Total consumption	183.82	Much higher	Increase/decrease in business activity	Lower	Increase/decrease in efficiency	Total water consumption increased about 379% YOY, which we consider much higher. (We use a threshold of 10% variation to consider a change "higher" or "lower" and a change of 20% to consider a change "much higher" or "much lower".) Consumption numbers are primarily driven by two factors – evaporation (from process

						<p>cooling towers and from drying processes in the toner manufacturing process) and entrained water (water that is part of raw materials, intermediate materials, or solids produced as part of manufacturing processes.)</p> <p>In 2021 some employees continued to work virtually and there were reductions in production volume from lingering COVID-related and also supply chain related impacts which caused water use and discharge at our technology</p>
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						<p>facilities to decline. Therefore, the increase between 2021 and 2022 is largely due to our production volumes returning to pre-COVID levels.</p> <p>Going forwards total water consumption is expected continue to decline (from 2019 levels) in the future as overall water use declines due to a combination of efficiency improvements (such as engineer activities currently underway to evaluate potential toner wash water reduction for forward products), and reduction and</p>
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						<p>eventual elimination of discharge of remediation waters and stormwater ingestion waters.</p> <p>Consumption from facility maintenance activities is very low as Xerox performs virtually no landscape irrigation and has no plans to increase landscape irrigation in the future.</p>
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W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	1-10	Lower	Increase/decrease in business activity	Lower	Increase/decrease in efficiency	WRI Aqueduct	Xerox uses several methods

							WWF Water Risk Filter	<p>to identify significant water risks related to our direct operations :</p> <ul style="list-style-type: none"> • All our major operating units and key corporate functions are responsible for evaluating, monitoring and managing site specific risks within their business using internal company knowledge and EHS&S expertise of the local situation, stakeholder issues, facility type and size and thus potential to impact global revenue. •
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								<p>Adherence to Xerox's EHS&S policy is achieved through internal surveillance audits including evaluating all our facilities for potable water for human consumption and hygiene and environmental aspects including sanitary water discharges .</p> <ul style="list-style-type: none">• In addition to these existing processes that are integrated into standard business practices, the WRI Aqueduct Water Risk Atlas Tool and WWF Water Risk Filter were
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								used to identify facilities within our Technology operations that we consider “water stressed regions” – that is, they are located in river basins classified as water scarce, exposed to physical water scarcity or high drought conditions, or at high risk of flooding. These tools were selected as they are robust and well recognized water risk assessment tools for identify water stressed locations and locations
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							<p>exposed to water risk. Four Technology facilities (Oklahoma City, OK USA; Cincinnati, OH, USA; Palo Alto, CA, USA; and Venray, Netherlands) have been identified to be operating in areas with water stress.</p> <p>As compared with the prior year, water withdrawals in water stressed areas was down 11%, primarily driven by lower production activity in our Oklahoma City, OK (USA). (We use a threshold</p>
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							<p>of 10% variation to consider a change "higher" or "lower" and a change of 20% to consider a change "much higher" or "much lower".) However, the total withdrawals at these facilities is a very small proportion of total water used by Xerox Corporation, accounting for just 6% of technology facility water use.</p> <p>The number of gallons of water used by Xerox facilities in water-stressed areas was lower than in prior</p>
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								year (11% lower than 2021), but the overall water use by all Xerox Technology locations increase by 26% (in part due to increases in volume due to COVID and supply chain related production volume increases).
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W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	231.94	Much higher	Other, please specify Stormwater ingress ion / rainwater	Stormwater ingress ion / rainwater
Brackish surface water/Seawater	Not relevant				Xerox does not withdraw brackish water/seawater for use.

Groundwater – renewable	Relevant	78.81	Lower	Increase/decrease in business activity	<p>All Xerox water withdrawal for process and personal use comes from municipal sources. However, as part of its remediation activities to remove prior pollution from its Webster, NY site, Xerox pumps up contaminated groundwater for analysis and treatment as needed. The amount of ground water withdrawn decreased by 10% in 2022 vs 2021. (We consider a change of <10% to be "about the same", 10-20% to be "lower" or "higher", and 20%+ to be "much lower or much higher".)</p> <p>In addition, there is some groundwater infiltration into sanitary sewer</p>
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					<p> piping at the Webster, NY location. This quantity is not sub-metered so cannot be determined exactly, but is estimated based on metered flows to the sanitary sewer. The amount of groundwater ingressing is declining over time due to infrastructure repairs on our Webster campus. Remediation withdrawals are also decreasing over time as remediation activities mature. </p>
Groundwater – non-renewable	Not relevant				<p> All Xerox water withdrawal for process or personal use comes from municipal sources. None is withdrawn directly from non-renewable groundwater sources. </p>
Produced/Entrained water	Relevant but				<p> Certain raw materials are </p>

	volume unknown				used in liquid form (aqueous solutions) but volume of liquid entrained in raw materials is not tracked. However, aqueous solutions are a very small proportion of total raw material use and a very, very small portion of total water use.
Third party sources	Relevant	1,049.55	About the same	Increase/decrease in business activity	All Xerox facilities obtain their water for process and personal use from municipal water supplies. 2022 water withdrawal is 9.7% higher than 2021, predominantly driven by increases in production volume post COVID. (We consider a change of <10% to be "about the same", 10-20% to be "lower" or "higher", and

					20%+ to be "much lower or much higher".)
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W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Relevant	64.58	About the same	Increase/decrease in business activity	<p>A portion of treated remediation groundwater from the Webster, NY site that meets strict discharge requirements for cleanliness is discharged under permit to the storm sewer.</p> <p>Volumes of groundwater drawn up for remediation treatment have been declining in general over time as the remediation activities near their conclusion. (We consider a change of <10% to be "about the same", 10-20% to be "lower" or "higher", and 20%+ to be "much lower or</p>

					much higher".)
Brackish surface water/seawater	Not relevant				Xerox does not withdraw brackish water/seawater for use.
Groundwater	Not relevant				Xerox facilities discharge only to local municipal treatment facilities or under permit to stormwater, not directly to ground water.
Third-party destinations	Relevant	1,111.9	About the same	Increase/decrease in business activity	<p>Xerox discharges all wastewater from manufacturing processes into municipal wastewater treatment facilities (also known as publicly owned treatment facilities, or POTWs).</p> <p>At the Webster, NY site, there is also some known groundwater infiltration into the sanitary sewer discharge pipes. As the pipes are not submetered, we cannot separately account for volumes of</p>

				<p>process water versus groundwater so reported water discharge to third parties includes this water source.</p> <p>2022 discharges to the POTW are the same as 2021 discharges. (We consider YOY changes $\leq 10\%$ to be "about the same".) At the Webster, NY site, substantial progress was made in 2021 to replace sections of underground piping that is allowing groundwater infiltration, which has reduced stormwater ingress by about 30% in 2021. However, stormwater ingress is a small proportion of overall water to the sanitary sewer, so overall discharges were about the same.</p>
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W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant					All Xerox wastewater is discharged to local municipal treatment facilities (POTWs) under local municipal wastewater permits. No tertiary treatment is undertaken
Secondary treatment	Not relevant					All Xerox wastewater is discharged to local municipal treatment facilities (POTWs) under local municipal wastewater permits. No secondary treatment is

						undertaken .
Primary treatment only	Relevant	64.58	About the same	Increase/decrease in business activity	1-10	<p>All Xerox wastewater is discharged to local municipal treatment facilities (POTWs) under local municipal wastewater permits. However, certain manufacturing sub-operations at portions of six of our Technology facilities do perform pre-treatment of wastewater prior to discharge to the POTW along with untreated waste waters.</p> <p>Primary treatment of manufacturing and R&D wastewater</p>

						<p>varies depending on the characteristics of the sub-operation's wastewater, but may include pH adjustments, filtration, and/or flocculation, settling and filtration to remove solid particles.</p> <p>None of the manufacturing or R&D wastewater pre-treatment sub-operations have meters to directly measure the quantity of water treated, though they do have flow meters which, with operational data, can be used to estimate</p>
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						<p>quantity through the pre-treatment systems for a given time period. However, this data is not tracked or monitored on an on-going basis.</p> <p>Xerox also performs remediation of groundwaters at our Webster, NY facility. Groundwater remediation treatment consists of air stripping to remove volatile organics prior to discharge to the POTW.</p> <p>Volumes of treated groundwater are metered and monitored</p>
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						monthly. The quantity indicated for primary pre-treatment includes ONLY groundwater remediation waters.
Discharge to the natural environment without treatment	Not relevant					Stormwater passes directly into the ground and the storm sewers without treatment, but this water is not included in any of our water calculations.
Discharge to a third party without treatment	Relevant	1,111.9	About the same	Increase/decrease in business activity	100%	All Xerox wastewater is discharged to local municipal treatment facilities (POTWs) under local municipal wastewater permits. Though most of the

						<p>industrial wastewater is discharged to the POTW without treatment, certain sub-operations at six of our Technology facilities do perform pre-treatment of wastewater prior to discharge to the POTW along with untreated waste waters. However, we do not have reliable data on the quantities of wastewater pretreated from these sub-operations, so the figure shown represents all industrial wastewater</p>
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						discharges from Technology facilities to the POTW.
Other	Not relevant					All Xerox wastewater is discharged to local municipal treatment facilities (POTWs) under local municipal wastewater permits. No other treatment is undertaken.

W1.3

(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	7,107,000,000	1,360.3	5,224,582.81261486	Xerox has set a target to reduce water use by 20% by 2030 from a 2020 baseline, so we expect overall water withdrawal to decrease over time. We expect to achieve this goal even as climate change increases relative losses due to evaporation. At the same time, we are always striving to grow revenue and have plans in place to achieve our financial targets. Thus, we highly expect our water withdrawal efficiency to improve over time.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances
Row 1	Yes

W1.4a

(W1.4a) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
Other, please specify See explanation	Don't know	<p>Xerox Corporation is committed to ensuring that Xerox branded products and the materials used in them are compliant with applicable regulatory requirements and our internal requirements for human and environmental health. We continuously monitor global chemical regulatory developments and assess products to ensure compliance with regulatory authority requirements. The company has long worked toward minimizing the use of hazardous substances in our products. We require our suppliers follow our EHS1001 and EHS701 requirements aligned with IEC62474 governing the use of chemicals in our products, parts, and supplies found at https://www.xerox.com/en-us/about/ehs/chemicals-in-products. IEC62474 is updated twice annually with IEC revisions.</p> <p>Since 2006, all new Xerox products meet the requirements of the EU's Directive 2002/95/EC, as revised by 2011/65/EU, on restrictions of the use of hazardous substances in electrical and electronic equipment (RoHS). Xerox also has no applications requiring an authorization for the placing on the market or the use of a substance on the Annex XIV Authorisation List.</p> <p>Certain chemical substances are subject to restrictions in the EU and these are listed in Annex XVII of the REACH Regulation. Xerox products comply fully with these requirements. The company continues to work closely with</p>

		its supply chain to ensure that all the requirements of the REACH Regulation are fully implemented.
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W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement
Suppliers	Yes
Other value chain partners (e.g., customers)	Yes

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

Yes, we assess the impact of our suppliers

Considered in assessment

Procurement spend

Number of suppliers identified as having a substantive impact

129

% of total suppliers identified as having a substantive impact

1-25

Please explain

We adopt the Responsible Business Alliance (RBA) Supplier Code of Conduct (SCC), which includes Labor, H&S, and environmental (climate, water usage & pollution) standards.

All suppliers are subject to an initial risk assessment, and those in the top 80% of production spend ("key suppliers") complete an annual self-assessment questionnaire that ranks them as low, medium and high risk suppliers based on a number of different factors with varying weights of importance. Suppliers flagged in the risk assessment (in addition to suppliers deemed critical to our supply chain) are required to complete detailed questionnaires. For suppliers identified as high risk, we are required to have 80% of those suppliers audited annually with an on-site audit. (Note: Suppliers may be identified as high risk for a number of different factors, and water risk is one factor.)

129 suppliers have been audited and assessed off-site through self-assessment questionnaires (SAQs), which is 97% of total spend.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization’s purchasing process?

	Suppliers have to meet specific water-related requirements
Row 1	Yes, water-related requirements are included in our supplier contracts

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization’s purchasing process, and the compliance measures in place.

Water-related requirement

Complying with going beyond water-related regulatory requirements

% of suppliers with a substantive impact required to comply with this water-related requirement

100%

% of suppliers with a substantive impact in compliance with this water-related requirement

100%

Mechanisms for monitoring compliance with this water-related requirement

Off-site third-party audit
Supplier self-assessment

Response to supplier non-compliance with this water-related requirement

Retain and engage

Comment

We adopt the Responsible Business Alliance (RBA) Supplier Code of Conduct (SCC), which includes Labor, H&S, ethics and environmental (climate change, water usage & pollution) standards. To monitor compliance to the SCC, we use Self-Assessment Questionnaires and conduct site audits of key suppliers. All suppliers are subject to an initial risk assessment, and suppliers in the top 80% of production spend ("key suppliers") are asked to complete an annual self-assessment questionnaire that ranks them as low, medium and high risk suppliers based on a number of different factors with varying weights of importance.

The types of water related information included in the audits or self-assessment questionnaire include hygiene and sanitation (testing for contamination of potable water), if treatment of wastewater meets local regulations and questions regarding water

efficiency measures. Areas of non-conformance are evaluated and addressed through a corrective action process .

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

No other supplier engagements

Details of engagement

% of suppliers by number

Rationale for your engagement

As part of the Supplier Compliance Program, we strongly encourage our suppliers to comply with the Supplier Code of Conduct (SCC). The T&Cs in Xerox purchase agreements and purchase orders incorporate this requirement as well as to comply with all applicable laws and regulations. We reinforce the SCC in an annual communication to our global supplier base.

Impact of the engagement and measures of success

Comment

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder

Customers

Type of engagement

Education / information sharing

Details of engagement

Run an engagement campaign to educate stakeholders about your water-related performance and strategy

Rationale for your engagement

Although customers do not require water directly to use our products and water use is not a concern that customers tend to have regarding the use of Xerox equipment and services, we regularly engage with our customers about sustainability issues including our environmental programs, goals and performance (which include water use, wastewater treatment, water consumption and pollution prevention) via the following methods:

- Specific conversations with targeted customers to solicit input into our materiality assessment
- Customer Satisfaction 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
- We've hosted dozens of sustainability forums with customers, sharing best sustainability practices and encouraging customers to reduce their environmental footprint.

Impact of the engagement and measures of success

We measure success of our customer engagement through recognition awards and ratings we receive. For recognition in the format of a 'best of' list, success is measure by achieving the list e.g. ENERGY STAR Partner of the year, Corporate Knights 100, Quocirca Sustainability Leaders. For recognition that has different tiers of assessment, participating and receiving an adequate rating is a requirement in most cases. However, success is measured by achieving the top 2 tiers of the assessment indicates success e.g. Ecovadis Gold or Platinum rating, CDP A or B ratings, EPEAT Silver or Gold ecolabel.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
Row 1	No	

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified
Row 1	Yes, we identify and classify our potential water pollutants	<p>Per Xerox’s EHS policy, all workplaces and operations must implement processes to conserve water and other natural resources, eliminate the use of toxic and hazardous materials, prevent pollution, and recover, reuse, and recycle products and materials. For manufacturing operations, ISO 14001 certifications and routine EHS&S assessments ensure that water pollution risk is identified and appropriately addressed.</p> <p>Xerox toxicologists conduct a comprehensive assessment of new materials in our products to ensure conformance with applicable global registration, hazard communication, and storage, handling and disposal requirements. The company evaluates the disposition of materials used in our global operations annually and reports to government agencies under national toxic chemical release reporting regulations such as the USEPA’s Toxic Release Inventory, the Canadian National Pollution Release Inventory, and the European Pollutant Release and Transfer Register.</p> <p>Wastewater discharges at manufacturing sites are monitored to validate compliance with local sanitary sewer discharge limits. Process wastewater is treated, as necessary, before being discharged into local sanitary sewers.</p>

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category

Oil

Description of water pollutant and potential impacts

Fuel oil and diesel is used for generator support functions in our manufacturing processes.

Surface contamination from spills / accidental releases and POTW impacts associated with slug release could potentially impact and contaminate groundwater and other surface water bodies impacting aquatic life, agriculture (irrigation and livestock water), drinking water, and recreation and aesthetics.

Value chain stage

Direct operations
Supply chain
Product use phase

Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Resource recovery
Implementation of integrated solid waste management systems
Industrial and chemical accidents prevention, preparedness, and response
Provision of best practice instructions on product use
Water recycling
Reduction or phase out of hazardous substances
Requirement for suppliers to comply with regulatory requirements
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
Upgrading of process equipment/methods

Please explain

The company has long worked toward minimizing the use of hazardous substances. Per Xerox's EHS policy, all workplaces and operations must implement processes to conserve water and other natural resources, eliminate the use of toxic and hazardous materials, prevent pollution, and recover, reuse, and recycle products and materials. For manufacturing operations, ISO 14001 certifications and routine EHS&S assessments ensure that water pollution risk is identified and appropriately addressed.

Xerox toxicologists conduct a comprehensive assessment of new materials in our products to ensure conformance with applicable global registration, hazard communication, storage, handling and disposal requirements.

We utilize best practices to prevent unwanted pollutants from entering waterways through surface contamination and runoff. Extensive sampling of wastewater discharged to sanitary and storm sewers ensures that discharged water meets our strict requirements. Wastewater discharges at manufacturing sites are monitored to validate compliance with local sanitary sewer discharge limits. Process wastewater is treated, as necessary, before being discharged into local sanitary sewers.

We measure the success of these actions from the number of spills and accidental

releases. Our goal is to proactively prevent any accidental release of regulated materials into the air, soil, and water.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management
Other

Tools and methods used

WRI Aqueduct
WWF Water Risk Filter
COSO Enterprise Risk Management Framework
Materiality assessment
Scenario analysis

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers

Water utilities at a local level

Comment

Our manufacturing processes require an adequate supply of clean and inexpensive fresh water for manufacturing processes (eg EA toner operations) as well as sanitary needs and cooling. We take an integrated approach to ensure water risk is assessed across all direct operations in a holistic and robust way consistent with other sustainability issues and as part of our standard business practices: Our Board of Directors oversee our CSR program. Major operating units and corporate functions evaluate and manage site specific risks within their business. The CSR Council undertakes the annual CSR materiality assessment, considering relevant risks impacting Xerox including water. In accordance with the GRI Standards we identify and report key risks and opportunities for the short term (0-5 years) and long term (6-10 years). The risk management process considers each of the countries in which Xerox operates, conducts business and sells products. In addition, the WRI Aqueduct Water Risk Atlas Tool and WWF Water Risk Filter were used to identify facilities within our Technology operations that we consider “water stressed regions” – that is, they are located in river basins classified as water scarce, exposed to physical water scarcity or high drought conditions, or at high risk of flooding. These tools were selected as they are robust and well recognized water risk assessment tools for identify water stressed locations and locations exposed to water risk.

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Other

Tools and methods used

- Materiality assessment
- Nation specific databases, tools, or standards
- Scenario analysis
- Other, please specify
 - Responsible Business Alliance (RBA) Code of Conduct

Contextual issues considered

- Water regulatory frameworks
- Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Suppliers

Comment

We adopt the Responsible Business Alliance (RBA) Code of Conduct on CSR for our suppliers, which includes standards regarding water usage and pollution. To monitor compliance and suppliers' exposure to water risks, we use Self-Assessment Questionnaires and audits of key suppliers. All suppliers are subject to an initial risk assessment, and suppliers in the top 80% of production spend ("key suppliers") are asked to complete an annual self-assessment questionnaire that ranks them as low, medium and high risk suppliers based on a number of different factors with varying weights of importance. Our annual CSR materiality assessment aggregates information gained from the processes described above and considers relevant risks including water in our operations and supply chain.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	Xerox uses several methods to identify significant water risks related to our direct operations and supply chain: <ul style="list-style-type: none"> • We adopt the RBA Code of Conduct on CSR for our suppliers, 	Each of the following water related issues are included in our risk assessment: <ul style="list-style-type: none"> • Xerox's operations rely on clean water to operate so water availability and quality is included. 	Each of the following stakeholders are included in our risk assessment: <ul style="list-style-type: none"> • Customer priorities is one of the criteria factored into our annual	Identified risks are evaluated to understand the context, and to explore options to mitigate the risk. E.g. Xerox used the results of the qualitative TCFD aligned climate scenario analysis to

<p>which include water use and pollution standards. To monitor compliance and suppliers' exposure to water risks we use questionnaires and conduct site audits of our key suppliers.</p> <ul style="list-style-type: none"> • In 2019 the WRI Aqueduct Water Risk Atlas Tool and WWF Water Risk Filter were used to identify facilities located in river basins classified as water scarce, exposed to physical water scarcity or severe drought, or at high risk of flooding. In 2020 this assessment was extended include Xerox service operations and large offices with >100 employees. • In 2020, we completed a qualitative, forward-looking climate scenario analysis using two alternative scenarios (2°C and 4°C). This covered all Xerox manufacturing locations and key facilities, as well as critical supplier locations, and includes site-specific analysis against a range of potential climate-related acute and long-term physical risks (including water-related). • Xerox's formal annual CSR materiality assessment process considers relevant issues impacting Xerox 	<ul style="list-style-type: none"> • Stakeholder conflicts is relevant from a reputation perspective. • Insufficient quantities of good quality freshwater have the potential to disrupt our supply chain e.g. the manufacture of electronic components requires substantial volumes of clean water. • Many of our Technology sites have sanitary discharge permits and subject to local regulatory frameworks so we include regulators • WASH services is not a material water-related risk for our operations, but we include this element in our workplace assessments at every operating location. This allows us to ensure the health and safety of all our employees. This is the baseline expectation of the UN Guiding Principles for Business and Human Rights 	<p>materiality assessment</p> <ul style="list-style-type: none"> • The availability of clean water to provide drinking water and sanitary services to our employees is essential to our operations • Even though water risk is relatively low, it is important to investors • We align with SDG 11 and our employees regularly engage with local communities • NGOs are part of our stakeholder engagement and regarded as valuable partners to discuss water-related concerns and opportunities, and maintaining strong government and community relationships • All of our sites utilize water sourced from local water utility providers so engage as required 	<p>determine facilities with highest physical risks. We used company data to compile and map cost-intensive Xerox and supplier operations, and published assessments of sea level rise, extreme storms, extreme precipitation, river and coastal flooding, drought to categorize the expected degree of impact for each location. Three sites were found to be at highest physical risk due to water-stress impacts, including sea level rise and drought. Multiple suppliers located in coastal areas were found to be at high risk of sea level rise and flooding, extreme storms and extreme temperature. This qualitative analysis is being used to screen and prioritize material risks to Xerox facilities and supply chain continuity by our CSR Council, ERM specialists and management to further evaluate specific risks that climate change presents to the Xerox business model and key assets and will help highlight the risks, opportunities, priorities and necessary actions that must be accounted</p>
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<p>products, services, processes and operations. It aggregates information gained from the methods described above and also includes interviews and workshops with internal stakeholders, reviews of public and internal documents; discussions with external stakeholders including suppliers; and feedback from employees.</p>			<p>for in wider strategic business decisions. As an outcome of the Climate Scenario Analysis, “transition risk” and physical risks (specifically, supply chain interruption due to climate change) have been added to the ERM major risks dashboard and are monitored monthly by ERM specialists and upper management</p>
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W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Assuming a lead role in sustainability requires a focused effort on aspects that will drive the greatest value to our stakeholders and company, and we utilize materiality assessments to prioritize this effort. Xerox’s formal CSR materiality assessment process considers relevant sustainability/CSR topics impacting Xerox products, services, processes, and operations, including water in our operations and supply chain. Each topic is assessed for both importance to our stakeholders as well as significance of positive and negative impacts to the economy/society/environment from Xerox’s operations, products, and facilities. Each topic is given a numerical score against the criteria to aid prioritization. Results are presented via a matrix so the importance of the topics can be visually presented. Subject matter experts are identified for all the high risk/opportunity issues and are responsible for defining and implementing necessary actions to respond to the issues identified. We prioritize the risks in terms of current risk profile as well as the projected risk profile on completion of the risk mitigation plans. Opportunities are prioritized on relative effort (measured by cost, time and intangibles) and benefit (measured by revenue opportunity, reduced liability and intangibles).

Xerox has identified water as a **LOW-RISK** material aspect; Xerox operations are not water intensive in an absolute sense, and our most water-intensive operations (on a relative scale)

are not located in water-constrained areas nor do they pose a pollution risk to local waters. We completed our initial materiality assessment of water impact in 2014 and update it annually. It has continued to be rated as low risk.

However, we have identified specific facilities within our direct operations exposed to water risk that could generate “a substantive change in our business operations, revenue or expenditure” based on meeting the following criteria:

- Facility locations classified as water stressed or water scarce according to publicly available water tools (WWF Water Risk Filter and WRI Aqueduct)
- Consideration of internal company knowledge (e.g. from the materiality processes described above and/or our recently completed climate scenario analysis) regarding the local water situation, the facility type, size and strategic importance and thus potential to impact/reduce global revenue (i.e. the Technology business represents ~60% total global revenue).
- When identifying and assessing risks, Xerox defines "substantive impact" as any activity that causes a substantive impact/change (positive or negative) on revenue growth, profitability, operating costs, brand value/corporate reputation, innovation or customer satisfaction affecting either publicly reported financial results, changes to existing enterprise risk assessment results requiring mitigating action, or impacting component or product availability to the extent customer shipments or schedule are impacted.

We use a materiality threshold of >\$2 million impact to quantify substantive change in our financial reporting. This definition applies both to our direct operations and our supply chain. For instance, toner manufacturing operations use water as raw material and thus, in the event of a future water restriction, have the potential for operations to be impacted resulting in potential additional costs associated with switching toner production to an alternative site. Toner manufacturing also relies on raw materials from suppliers in Asia and various locations in the US. Should a climate-enhanced storm interrupt raw material shipments long enough to disrupt production, this potential interruption could result in a substantive financial impact. Large office/R&D facilities (i.e. >100 employees) also have a potential to be impacted in the event of future water restriction, and availability of high-quality potable water is one factor that plays into Xerox facility siting decisions.

As an outcome of the Climate Scenario Analysis, water-related physical risks (specifically, supply chain interruption due to climate change) have been added to the Enterprise Risk Management (ERM) major risks dashboard and are monitored monthly by ERM specialists and upper management. In 2021 this included assessment of the risk of sea level rise, flooding, drought and fire risks to our manufacturing facilities and supply chain – especially our Dundalk (Ireland), PARC (Palo Alto, CA) and Venray (Netherlands) manufacturing and research sites and key suppliers located in coastal areas that were identified in the climate scenario analysis.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	3	1-25	Facilities identified as being in water-stressed regions via the WWF Water Basin Risk Filter tool and/or WRI Aquaduct assessment tool that are exposed to water risks that have the potential to have a substantive strategic or financial impact greater than our threshold of \$2M include the Venray Manufacturing facility in Venray, Netherlands; operations in Yukon, OK; and the Palo Alto Research Center in Palo Alto, CA, USA. In prior years we included our Cincinnati, OH, USA operations as they have been identified as in a water-stressed area; however, the risk does not meet the threshold for "substantive" so this location was removed in 2020.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Netherlands
Meuse

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

% company's total global revenue that could be affected

1-10

Comment

Water-related risks in Venray center around flood risks due to rising sea levels, severe storms, increased precipitation, and potential failure of water control measures that could result in catastrophic floods, as well as the increased risk of drought. Changing precipitation patterns causing extremes such as drought events could lead to energy and water resource shortages causing disruption in our operations and therefore could also increase the cost of doing business (though not disproportionately from competitors). Resiliency and effective response to any type of events, environmental or otherwise that may impact Xerox's ability to achieve our business objectives is a critical business requirement. Preparedness is achieved through a management system known

as the Business Continuity Assurance Process (BCAP). Business continuity is a critical component of the Xerox risk management portfolio. It includes four disciplines:

- Emergency Preparedness: the response to localized emergencies.
- Crisis Management: the coordination of resources to mitigate the impact of significant emergencies.
- IT Disaster Recovery: the recovery of electronic systems or data.
- Business Resumption: the processes implemented to fully resume business activities.

The Business Continuity process includes business impact analyses (including water-related risks such as flooding and water supply interruption), self-assessments/audits, periodic validations, and plan status reporting to Xerox management. For example, each individual site has a Business Resumption Plan for their site, which allows them to prepare for water related risks at their site. The availability of sufficient quantities of water is also included in the questionnaire conducted by Corporate Real Estate when making business decisions regarding site expansions and acquisitions. Cost for the Business Continuity program office (3 full time employees) to prepare, review and update and annually test the BRP, plus approximately 50 worldwide business continuity coordinators, are integrated into our normal operations and businesses processes, but are estimated to be less than \$500k/yr.

Country/Area & River basin

United States of America

Other, please specify

Arkansas and Red Rivers, Mississippi River Basin

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

% company's total global revenue that could be affected

1-10

Comment

Water-related risks in Yukon, OK and the greater Oklahoma City area center around drought and water availability issues due to rising temperatures and long-term drying trends. Additional risks are present due to severe storms, increased precipitation, and potentially catastrophic floods. Changing precipitation patterns causing extremes such as drought events could lead to energy and water resource shortages causing disruption in our operations and therefore could also increase the cost of doing business (though not disproportionately from competitors). Resiliency and effective response to any type of events, environmental or otherwise that may impact Xerox's ability to achieve our business objectives is a critical business requirement.

Preparedness is achieved through a management system known as the Business Continuity Assurance Process (BCAP). Business continuity is a critical component of the Xerox risk management portfolio. It includes four disciplines:

- Emergency Preparedness: the response to localized emergencies.
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The Business Continuity process includes business impact analyses (including water-related risks such as flooding and water supply interruption), self-assessments/audits, periodic validations, and plan status reporting to Xerox management. For example, each individual site has a Business Resumption Plan for their site, which allows them to prepare for water related risks at their site. The availability of sufficient quantities of water is also included in the questionnaire conducted by Corporate Real Estate when making business decisions regarding site expansions and acquisitions. Cost for the Business Continuity program office (3 full time employees) to prepare, review and update and annually test the BRP, plus approximately 50 worldwide business continuity coordinators, are integrated into our normal operations and businesses processes, but are estimated to be less than \$500k/yr. As part of our commitment to conserve resources, we monitor water withdrawal across the worldwide facilities of our Technology business. In 2012 we set a corporate target to reduce water consumption by 35% by 2020 against a 2010 baseline and significantly overachieved on this target, reducing water consumption by over 50% from our 2010 baseline. In January 2021 we set a new corporate target to reduce water consumption by 20% by 2030 from a 2020 baseline.

Country/Area & River basin

United States of America

Other, please specify

Coyote River, California River

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

% company's total global revenue that could be affected

1-10

Comment

Water-related risks in the San Francisco area center around drought and water availability issues due to rising temperatures and long-term drying trends. Drought conditions, persistent drying conditions, seasonal precipitation variability and wind

factors also combine to present a high fire risk. Additional risks are present due to flooding from sea level rise or severe storms, increased precipitation, and potentially catastrophic flooding. Changing precipitation patterns causing extremes such as drought or flood events could lead to energy and water resource shortages causing disruption in our operations and therefore could also increase the cost of doing business (though not disproportionately from competitors). Revenue at risk is due to potential disruption of R&D activities that may forestall commercialization of new products or technologies.

Resiliency and effective response to any type of events, environmental or otherwise that may impact Xerox's ability to achieve our business objectives is a critical business requirement. Preparedness is achieved through a management system known as the Business Continuity Assurance Process (BCAP). Business continuity is a critical component of the Xerox risk management portfolio. It includes four disciplines:

- Emergency Preparedness: the response to localized emergencies.
- Crisis Management: the coordination of resources to mitigate the impact of significant emergencies.
- IT Disaster Recovery: the recovery of electronic systems or data.
- Business Resumption: the processes implemented to fully resume business activities.

The Business Continuity process includes business impact analyses (including water-related risks such as flooding and water supply interruption), self-assessments/audits, periodic validations, and plan status reporting to Xerox management. For example each individual site has a Business Resumption Plan for their site, which allows them to prepare for water related risks at their site. The availability of sufficient quantities of water is also included in the questionnaire conducted by Corporate Real Estate when making business decisions regarding site expansions and acquisitions. Cost for the Business Continuity program office (3 full time employees) to prepare, review and update and annually test the BRP, plus approximately 50 worldwide business continuity coordinators, are integrated into our normal operations and businesses processes, but are estimated to be less than \$500k/yr. As part of our commitment to conserve resources, we monitor water withdrawal across the worldwide facilities of our Technology business. In 2012 we set a corporate target to reduce water consumption by 35% by 2020 against a 2010 baseline and significantly overachieved on this target, reducing water consumption by over 50% from our 2010 baseline. In January 2021 we set a new corporate target to reduce water consumption by 20% by 2030 from a 2020 baseline.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Netherlands
Meuse

Type of risk & Primary risk driver

Acute physical
Storm (including blizzards, dust and sandstorm)

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Xerox operations rely on regional infrastructure such as electrical power and municipal water to operate. Published analyses show that the Netherlands may be faced with a wide range of climate risks, varying from flooding events to failure of critical infrastructure (power, information & communications technology, transport and drinking water supply networks) on national, regional and local scales. Violent storms constitute the main risk factor for failure of critical infrastructure; extremely heavy rainfall and wind gusts are expected to cause damage, on multiple occasions, to traffic, buildings and infrastructure in the coming decade. Loss of power or municipal water supply, or flooding events (including both flooding at the site level and flooding that impacts transportation and supply chain partners) could cause disruption in our operations and therefore could also increase the cost of doing business (though not disproportionately from competitors).

This risk potentially impacts our Venray operations, located in the Meuse River Basin. Impacts are likely to be short-term but could cause disruption to ongoing manufacturing processes or result in increases to the cost of water or energy, and therefore increases in operating costs. The Dutch government has extensive experience with flood control, adaptation and mitigation measures, so we do not anticipate catastrophic long-term effects from phenomena such as sea level rise. However, flooding due to secondary dyke breaches, local power failure due to extreme weather, and disruptions to railway and road traffic due to storms and storm damage leave the Venray manufacturing site vulnerable to periodic short-term disruption.

Timeframe

4-6 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

220,000

Potential financial impact figure - maximum (currency)

3,100,000

Explanation of financial impact

Estimate includes fixed and variable costs associated with a period of full interruption ranging from one week to one month. Financial estimate based on Xerox proprietary information on cost of production, business continuity response options, and Xerox post sale profit margin for any impacts to sales revenue.

Primary response to risk

Amend the Business Continuity Plan

Description of response

Resiliency and effective response to any type of events, environmental or otherwise that may impact Xerox's ability to achieve our business objectives is a critical business requirement. The strategy to manage this risk is preparedness which is achieved through a management system known as the Business Continuity Assurance Process (BCAP) which has been implemented. Business continuity is a critical component of the Xerox risk management portfolio. It includes four disciplines:

- Emergency Preparedness: the response to localized emergencies.
- Crisis Management: the coordination of resources to mitigate the impact of significant emergencies.
- IT Disaster Recovery: the recovery of electronic systems or data.
- Business Resumption: the processes implemented to fully resume business activities.

The Business Continuity process includes business impact analyses (including water related risks such as flooding and water supply interruption), self-assessments /audits, periodic validations, and plan status reporting to Xerox management. For example, each individual site has prepared a Business Resumption Plan for their site, which allows them to prepare for water related risks at their site.

Climate and water-related risk is also included in the analysis conducted by Corporate Real Estate when making business decisions regarding site expansions and acquisitions.

Cost of response

500,000

Explanation of cost of response

Cost for the Business Continuity program office (3 full time employees) to prepare, review and update and annually test the BRP, plus approximately 50 worldwide

business continuity coordinators, are integrated into our normal operations and businesses processes, but are estimated to be less than \$500k/yr.

Country/Area & River basin

United States of America
Mississippi River

Type of risk & Primary risk driver

Chronic physical
Water stress

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Xerox operations rely on water to operate, including manufacturing-related uses (process, cleaning and cooling water uses) as well as office-based uses (drinking and sanitary water) that are located in regions that are currently classified as water scarce. Our Oklahoma City manufacturing plant (located in Yukon, OK) uses water as part of a wet chemistry process to produce raw materials used in our toner manufacturing operation, and also relies on plentiful water for steam generation and cooling towers/chillers to support production operations. Changing precipitation patterns causing extremes such as drought events could lead to localized energy and water resource shortages causing disruption in our operations and therefore could also increase the cost of doing business (though not disproportionately from competitors). This risk potentially impacts OKC operations located in the Mississippi River Basin. Impacts are likely to be short-term but could cause disruption to ongoing manufacturing processes or result in increases to the cost of water, and therefore increases in operating costs.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

125,000

Potential financial impact figure - maximum (currency)

1,800,000

Explanation of financial impact

Estimate includes fixed and variable costs associated with a period of full interruption ranging from one week to one month. Financial estimate based on Xerox proprietary information on cost of production, business continuity response options, and Xerox post sale profit margin for any impacts to sales revenue.

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

As part of our commitment to conserve resources, we monitor water withdrawal across the worldwide facilities of our Technology business. In 2012 we set a corporate target to reduce water consumption by 35% by 2020 against a 2010 baseline and significantly overachieved on this target, reducing water consumption by over 50% from our 2010 baseline. In January 2021 we set a new corporate target to reduce water consumption by 20% by 2030 from a 2020 baseline. We also regularly evaluate opportunities to reduce water use.

For instance, in Oklahoma City we have identified oversized infrastructure, such as chillers, and replaced them with more appropriately sized equipment and/or with different style chillers that do not require cooling towers. Improvement projects are supplemented with business resiliency activities.

Resiliency and effective response to any type of events, environmental or otherwise that may impact Xerox's ability to achieve our business objectives is a critical business requirement. Preparedness is achieved through a management system known as the Business Continuity Assurance Process (BCAP). Business continuity is a critical component of the Xerox risk management portfolio.

It includes four disciplines:

- Emergency Preparedness: the response to localized emergencies.
- Crisis Management: the coordination of resources to mitigate the impact of significant emergencies.
- IT Disaster Recovery: the recovery of electronic systems or data.
- Business Resumption: the processes implemented to fully resume business activities.

The Business Continuity process includes business impact analyses (including water related risks such as flooding and water supply interruption), self-assessments /audits, periodic validations, and plan status reporting to Xerox management. For example, each individual site has a Business Resumption Plan for their site, which allows them to prepare for water related risks at their site. The availability of sufficient quantities of water is also included in the questionnaire conducted by Corporate Real Estate when making business decisions regarding site expansions and acquisitions

Cost of response

500,000

Explanation of cost of response

Costs for infrastructure replacement vary annually depending on approved projects. Cost for the Business Continuity program office (3 full time employees) to prepare, review and update and annually test the BRP, plus approximately 50 worldwide business continuity coordinators, are integrated into our normal operations and businesses processes, but are estimated to be less than \$500k/yr.

Country/Area & River basin

United States of America
Other, please specify
Coyote River, California River

Type of risk & Primary risk driver

Chronic physical
Water stress

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Xerox operations rely on water to operate, including manufacturing- and R&D-related uses (process, cleaning and cooling water uses) as well as office-based uses (drinking and sanitary water) that are located in regions that are currently classified as water scarce. Our Palo Alto, CA research and development activities (PARC) are located in a geographic area at risk of drought and drought-aided fire, as well as flooding risk from sea level rise or changes to local precipitation patterns. While PARC activities are not water-intensive, they do rely on access to specialized equipment and processes at our research center and regional water stress puts the facility itself at risk. Changing precipitation patterns causing extremes such as drought events could lead to localized energy and water resource shortages causing disruption in our operations and therefore could also increase the cost of doing business (though not disproportionately from competitors) or stall bringing new technologies to market. Impacts are likely to be short-term but could cause disruption to ongoing research and development activities or result in increases to the cost of water, and therefore increases in operating costs.

Timeframe

4-6 years

Magnitude of potential impact

Low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Costs highly variable due to actual event conditions.

Primary response to risk

Amend the Business Continuity Plan

Description of response

Resiliency and effective response to any type of events, environmental or otherwise that may impact Xerox's ability to achieve our business objectives is a critical business requirement. Preparedness is achieved through a management system known as the Business Continuity Assurance Process (BCAP). Business continuity is a critical component of the Xerox risk management portfolio. It includes four disciplines:

- Emergency Preparedness: the response to localized emergencies.
- Crisis Management:
the coordination of resources to mitigate the impact of significant emergencies.
- IT Disaster Recovery: the recovery of electronic systems or data.
- Business Resumption: the processes implemented to fully resume business activities.

The Business Continuity process includes business impact analyses (including water related risks such as flooding and water supply interruption), self-assessments /audits, periodic validations, and plan status reporting to Xerox management. For example, each individual site has a Business Resumption Plan for their site, which allows them to prepare for water related risks at their site. The availability of sufficient quantities of water is also included in the questionnaire conducted by Corporate Real Estate when making business decisions regarding site expansions and acquisitions.

Cost of response

500,000

Explanation of cost of response

Cost for the Business Continuity program office (3 full time employees) to prepare, review and update and annually test the BRP, plus approximately 50 worldwide business continuity coordinators, are integrated into our normal operations and businesses processes, but are estimated to be less than \$500k/yr.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

China
Dong Jiang

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Chronic physical
Water stress

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

We have outsourced a significant portion of our manufacturing operations to 3rd parties and various service providers who also require water to operate (sanitary and process water). For example the manufacture of electronic components requires substantial volumes of clean water therefore a lack of access to good quality water has potential to disrupt our supply chain. Some of Xerox's suppliers are in locations that are currently classified as water scarce (e.g. regions of China).

Changes in precipitations patterns could lead to water resource shortages and result in disruption in production capacity, manufacturing costs could be higher than planned and the reliability of our products could decline if electronic components are not available or cannot be shipped to Xerox in a timely manner. If any of these risks were to be realized, we could experience interruptions in supply or increases in costs that might result in our being unable to meet customer demand for our products, damage our relationships with our customers and reduce our market share, all of which could adversely affect our results of operations and financial condition. Although no Xerox suppliers have experienced any disruptions to manufacturing operations relating to water availability, the potential risk cannot be discounted.

Timeframe

4-6 years

Magnitude of potential impact

Medium-low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

The financial impact has not been quantified.

Primary response to risk

Supplier engagement
Develop supplier drought emergency plans

Description of response

To manage this risk Xerox has implemented formal Business Resumption Plans for parts or subassemblies so that in the event of a climate related disruption, natural disaster, etc. there would only be a temporary disruption while orders are moved to the alternate supplier. For example, we require that all 'critical' Technology suppliers also maintain an acceptable business resumption plan and we audit the plans on a routine basis. 'Critical' suppliers are identified based on business risk and revenue impact criteria:

- Business risk criteria include length of time for a supplier to resume normal business after an adverse event, % of revenue Xerox represents, stability of the industry, propensity for natural disasters etc.
- Revenue impact criteria include amount spent, length of time before the machines/parts in field are impacted and spread across Xerox product families.

Additionally, the Xerox Global Procurement department works with our Value Chain Partners to identify alternative suppliers in the event of a supplier issue that causes a supply or services continuity issue. All our key suppliers in Asia have BRPs established and we continuously work with them to ensure their BRPs are updated and robust. The usual measurement of impact is "lead-time to recovery", measured in calendar weeks that can range from 1 week to 2 months. In suppliers' BRPs, the process is to rank their commodities according to criticality, thereafter allocate resources to mitigate the impact should these commodities become unavailable during disasters. This is usually done by having buffer inventory of up to 2 months or having alternate sources. In some cases, plans are put into place to expedite the arrival of critical materials, such as air shipping of replacement raw materials from alternate suppliers if a primary supplier is impacted.

Cost of response

500,000

Explanation of cost of response

Cost for the Business Continuity program office (3 full time employees) to prepare review and update and annually test the BRP, plus approximately 50 worldwide business continuity coordinators, are integrated into our normal operations and businesses processes, but are estimated to be less than \$500k/yr.

Country/Area & River basin

Japan
Other, please specify
Kanagawa

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Acute physical
Flood (coastal, fluvial, pluvial, groundwater)

Primary potential impact

Increased operating costs

Company-specific description

We have outsourced a significant portion of our manufacturing operations to 3rd parties and various service providers. Some of Xerox's suppliers are in locations that have historically been impacted by severe weather and flooding, especially in Japan. Therefore there is potential that those suppliers may experience disruptions, manufacturing costs could be higher than planned and the reliability of our products could decline. If any of these risks were to be realized, we could experience interruptions in supply or increases in costs that might result in our being unable to meet customer demand for our products, damage our relationships with our customers and reduce our market share, all of which could adversely affect our results of operations and financial condition.

Xerox suppliers could be impacted by more frequent business disruptions as a result of severe weather events, resulting in a reduction / disruption in production capacity and that electronic components are not available or cannot be shipped to Xerox in a timely manner. For example the Japanese tsunami in March 2011 resulted in business interruptions and additional costs to Xerox due to premium air-freight charges.

Timeframe

4-6 years

Magnitude of potential impact

Medium-low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Costs depend on specific incident characteristics.

Primary response to risk

Supplier engagement
Develop supplier flood emergency plans

Description of response

Xerox has formal Business Resumption Plans for parts or subassemblies so that in the event of severe weather/flooding/ natural disaster, etc. there would only be a temporary disruption while orders are moved to the alternate supplier. For example we require that all 'critical' Technology suppliers also maintain an acceptable business resumption plan and we audit the plans on a routine basis. 'Critical' suppliers are identified based on business risk and revenue impact criteria:

- Business risk criteria include length of time for a supplier to resume normal business after an adverse event, % of revenue Xerox represents, stability of the industry, propensity for natural disasters etc.
- Revenue impact criteria include amount spent, length of time before the machines/parts in field are impacted and spread across Xerox product families.

Additionally, the Xerox Global Procurement department works with our Value Chain Partners to identify alternative suppliers in the event of a supplier issue that causes a supply or services continuity issue. All our key suppliers in Asia have BRPs established and we continuously work with them to ensure their BRPs are updated and robust. The usual measurement of impact is "lead-time to recovery", measured in calendar weeks that can range from 1 week to 2 months. In suppliers' BRPs, the process is to rank their commodities according to criticality, thereafter allocate resources to mitigate the impact should these commodities become unavailable during disasters. This is usually done by having buffer inventory of up to 2 months or having alternate sources. In some cases, plans are put into place to expedite the arrival of critical materials, such as air shipping of replacement raw materials from alternate suppliers if a primary supplier is impacted.

Cost of response

500,000

Explanation of cost of response

Cost for the Business Continuity program office (3 full time employees) to prepare review and update and annually test the BRP, plus approximately 50 worldwide business continuity coordinators, are integrated into our normal operations and businesses processes, but are estimated to be less than \$500k/yr.

Country/Area & River basin

India
Cauvery River

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Acute physical
Other, please specify
Extreme temperature and associated water scarcity

Primary potential impact

Increased operating costs

Company-specific description

We have outsourced a significant portion of our IT, customer service and product design operations to 3rd parties and various service providers. Some of Xerox's suppliers are in locations that have historically been impacted by severe weather and flooding, especially in the Philippines. The Philippines are in an area that is anticipated to face substantial incursion of seawater as sea levels rise over the coming decades. Philippine suppliers also face potential extreme storm and extreme temperature events.

Extreme heat poses a risk to both people and infrastructure (power grids, domestic water availability, transportation systems) which can cause safety issues to personnel or disruption to operations. Extreme storms may interrupt global supply chain operations. Therefore, there is potential that those suppliers may experience disruptions, manufacturing costs could be higher than planned and the reliability of our products could decline. If any of these risks were to be realized, we could experience interruptions in supply or increases in costs that might result in our being unable to meet customer demand for our products, damage our relationships with our customers and reduce our market share, all of which could adversely affect our results of operations and financial condition.

Extreme heat poses a risk to both people and infrastructure (power grids, domestic water availability, transportation systems) which can cause safety issues to personnel or disruption to operations. Xerox suppliers could be impacted by more frequent business disruptions as a result of severe weather events, resulting in a reduction / disruption in production capacity and that electronic components are not available or cannot be shipped to Xerox in a timely manner. For example, the Japanese tsunami in March 2011

resulted in business interruptions and additional costs to Xerox due to premium air-freight charges.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Costs depend on specific incident characteristics.

Primary response to risk

Supplier engagement
Develop supplier drought emergency plans

Description of response

Xerox requires suppliers to have formal Business Resumption Plans for parts or subassemblies so that in the event of power or water disruptions/severe weather/extreme temperatures/flooding/ natural disaster, etc. there would only be a temporary disruption while orders are moved to the alternate supplier. For example, we require that all 'critical' Technology suppliers also maintain an acceptable business resumption plan and we audit the plans on a routine basis. Risks to employees from extreme temperatures must be addressed in emergency plans. 'Critical' suppliers are identified based on business risk and revenue impact criteria:

- Business risk criteria include length of time for a supplier to resume normal business after an adverse event, % of revenue Xerox represents, stability of the industry, propensity for natural disasters etc.
- Revenue impact criteria include amount spent, length of time before the machines/parts in field are impacted and spread across Xerox product families.

Additionally, the Xerox Global Procurement department works with our Value Chain Partners to identify alternative suppliers in the event of a supplier issue that causes a supply or services continuity issue. All our key suppliers in Asia have BRPs established

and we continuously work with them to ensure their BRPs are updated and robust. The usual measurement of impact is “lead-time to recovery”, measured in calendar weeks that can range from 1 week to 2 months. In suppliers’ BRPs, the process is to rank their commodities according to criticality, thereafter allocate resources to mitigate the impact should these commodities become unavailable during disasters.

Cost of response

500,000

Explanation of cost of response

Cost for the Business Continuity program office (3 full time employees) to prepare review and update and annually test the BRP, plus approximately 50 worldwide business continuity coordinators, are integrated into our normal operations and businesses processes, but are estimated to be less than \$500k/yr.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Cost savings

Company-specific description & strategy to realize opportunity

We recognize that water efficiency initiatives may also result in financial savings. For example, eliminating once through cooling systems in air compressors at Webster is estimated to have saved the company ~\$136,000 per year in water costs and water efficiency projects implemented at Webster between 2010 and 2014 is estimated to have saved the company ~\$156,000 per year in water costs. Improvements to the sanitary sewer infrastructure at the Webster, NY facility implemented in 2020 and 2021 are anticipated to save up to another \$150,000 per year in water discharge costs. Assuming an additional 10% saving in water use and sewer discharge costs in the US and Canada, would save ~\$0.2M based on Xerox’s current water utility spend in these countries.

To manage this opportunity for cost saving we have an ongoing water reduction program and monitor water withdrawal across the worldwide manufacturing, distribution

and R&D facilities of our Technology business against our voluntary water reduction target. For instance, we set a corporate target to reduce absolute water withdrawals by 35% by 2020 against a 2010 baseline, achieved that target, and set a new target of 20% reduction in absolute water use by 2030 against a 2020 baseline to further ratchet down water use. We have a number of projects planned for 2021 and beyond to continue to reduce our water use. For instance, engineers are evaluating improvements to the toner wash process to reduce water use in manufacturing EA toners. Decreasing use of water either by optimization of manufacturing processes or by recycling or reusing water could result also in reduced cost to manufacture goods or offer services to customers from both reduced water supply costs and in many cases reduced energy costs.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

592,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

Eliminating once through cooling systems in air compressors at Webster is estimated to have saved the company ~\$136,000 per year in water costs and water efficiency projects implemented at Webster between 2010 and 2014 is estimated to have saved the company ~\$156,000 per year in water costs. Assuming a \$100,000 annual reduction in Webster, NY discharge costs from sewer infrastructure improvements and an additional 10% savings (\$0.2M) in water use and sewer discharge costs in the US and Canada from other water reduction initiatives, is anticipated to save about \$592k per year based on Xerox's current water utility spend in these countries.
($\$136,000 + \$156,000 + \$100,000 + \$200,000 = \$592,000$)

Type of opportunity

Products and services

Primary water-related opportunity

Increased sales of existing products/services

Company-specific description & strategy to realize opportunity

We recognize opportunity in business resumption challenges experienced by others impacted by adverse weather or events such as the COVID-19 pandemic through increased demand for some of our offerings. As the frequency of extreme weather events or increases, impacts such as precipitation extremes /flooding may be partially offset by revenue opportunities associated with Xerox's business continuity products whereby Xerox can keep customers "up and running" after they have been impacted. Increased demand for Xerox's cloud-based products would result in increased revenue to Xerox. Xerox® DocuShare® Private Cloud Service manages and stores information in a secure central repository, in the cloud, which provides access to business critical content both online and offline. This ensures the safety and availability of our customer's data at any time including if customers have been impacted by adverse weather or other disruptive events. When an organization gets its technical infrastructure and software as a service through a cloud, the potential for a significant weather related disaster to shut down the services or lose data is low. In addition, as the environmental awareness of consumers increases it creates a demand for sustainable products. With an embodied water footprint of 2-13 liters per A4 sheet, paper is a water intensive product. This presents opportunities for Xerox to develop more document management and cloud-based products that reduce paper reduction and in turn help customers reduce their water footprint.

In 2019, Xerox's Managed Document Services offerings (which includes our workflow automation services portfolio and cloud based products) represented 35% of our total 2019 revenue (i.e. \$3,430 Million). Therefore assuming a 0.5% increase in our Managed Document Services offering equates to a ~\$17.2 Million increase in revenue. Our investments in innovation align with our growth opportunities in areas such: Simplifying, automating and enabling business processes on the cloud via flexible platforms that run on robust and scalable infrastructure to enable greater business process agility and resilience; and Reducing the environmental impact of digital printing including cloud based printing. Our fleet of new multifunction devices, will help our customers transform how they work with leading security, high-performance apps, on-the-go print capabilities and cloud connectivity.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

13,780,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

In 2020, Xerox Services offerings (which includes our workflow automation services portfolio and cloud-based products) represented 39% of our total 2020 revenue (i.e. \$2756 Million). Therefore, assuming a 0.5% increase in our Managed Document Services offering equates to a ~\$13.78 Million increase in revenue.

Type of opportunity

Markets

Primary water-related opportunity

Expansion into new markets

Company-specific description & strategy to realize opportunity

Xerox's potential impacts extend beyond air and land. Oceans cover more than 70% of Earth's surface, but there is very little monitoring in place. Researchers at Xerox's Palo Alto Research Facility (PARC) are working with the Defense Advanced Research Projects Agency (DARPA) to better understand what's happening over large ocean areas, both on the surface and underwater. Similar to IoT, this is known as the Ocean of Things (OoT) program. PARC will create low cost solar-powered drifting sensors with multiple sensing technologies, which will collect information on various parameters (such as temperature, pH, motion, noise, etc.) and pass data via satellite to a cloud network for real-time analysis. Then, the OoT program will combine data from multiple floats, seeing the whole picture rather than the single pixel gathered by one sensor. DARPA plans to carry out tests with thousand-float arrays in the Southern California Bight and Gulf of Mexico later in 2020.

Opportunities also exist to expand the customer base for these floating ocean sensors for applications including ocean health monitoring, sustainable fishing and harvesting monitoring, national security monitoring, and monitoring of ocean traffic.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

Data not yet publicly available.

Type of opportunity

Markets

Primary water-related opportunity

Strengthened social license to operate

Company-specific description & strategy to realize opportunity

The increasing environmental awareness of consumers globally, particularly regarding climate change and water issues presents an opportunity for Xerox to inform the community about its environmental performance related to its water and other environmental goals through our outreach program.

Xerox engages with the community on important matters that affect them in the following ways:

- Our Annual Report on Global Citizenship provides EHS&S performance data on its products, processes and facilities along with information about its environmental sustainability challenges and goals.
- External websites such as www.xerox.com and www.xerox.com/environment, provide current information on the EHS&S policies at Xerox, environmental attributes and performance of products and services, environmental goals and policies.
- Through social media, blogs, presentations, panel discussions, media appearances, interviews and press releases.
- Maintaining a working relationship with local town and village environmental authorities by routinely reporting data on process discharges to the town and village sewage treatment plant.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

The impact has not been quantified financially.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)

Venray Manufacturing

Country/Area & River basin

Netherlands

Meuse

Latitude

51.542952

Longitude

5.981852

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

11.98

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

11.98

Total water discharges at this facility (megaliters/year)

11.98

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

11.98

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

Water consumption at our Venray manufacturing facility is the same as 2021. (We use a threshold of 10% variation to consider a change "higher" or "lower" and a change of 20% to consider a change "much higher" or "much lower".) Closure and demolition of buildings with old steam boilers and chillers at our Venray manufacturing facility throughout 2020 such that by 2021 these water-using processes were gone and water use was reduced. We expect the current water use levels to be the new normal going forward.

Facility reference number

Facility 2

Facility name (optional)

Oklahoma City Manufacturing Plant

Country/Area & River basin

United States of America
Mississippi River

Latitude

35.470848

Longitude

-97.719607

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

28.71

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

28.71

Total water discharges at this facility (megaliters/year)

11.71

Comparison of total discharges with previous reporting year

Much lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

11.71

Total water consumption at this facility (megaliters/year)

17

Comparison of total consumption with previous reporting year

About the same

Please explain

Water consumption at our Oklahoma City manufacturing facility increased 1.6% from 2021 which we consider about the same.

(We use a threshold of 10% variation to consider a change "higher" or "lower" and a change of 20% to consider a change "much higher" or "much lower".)

Facility reference number

Facility 3

Facility name (optional)

Palo Alto Research Center (PARC)

Country/Area & River basin

United States of America

Other, please specify

Coyote River, California River Basin

Latitude

37.402735

Longitude

-122.148601

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

17.37

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

17.37

Total water discharges at this facility (megaliters/year)

6.49

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

6.49

Total water consumption at this facility (megaliters/year)

10.88

Comparison of total consumption with previous reporting year

Lower

Please explain

Consumption at our Palo Alto Research Center was about 16% lower in 2022 than in 2021.

(We use a threshold of 10% variation to consider a change "higher" or "lower" and a change of 20% to consider a change "much higher" or "much lower".)

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified

76-100

Verification standard used

Starting in reporting year 2021 annual total water withdrawal and discharge volumes are verified by a third party.

Water withdrawals – volume by source

% verified

Not verified

Please explain

Water volumes are tracked by the individual facilities using data sources and methods that they have available locally. These numbers are reported to our corporate Environment, Health, Safety and Sustainability team, who compile the data for the corporation. Starting in reporting year 2021 annual total water withdrawal and discharge volumes are verified by a third party.

Water withdrawals – quality by standard water quality parameters

% verified

Not relevant

Please explain

We do not do testing on incoming water quality by standard water quality parameters therefore this is not relevant.

Water discharges – total volumes

% verified

76-100

Verification standard used

Starting in reporting year 2021 annual total water withdrawal and discharge volumes are verified by a third party.

Water discharges – volume by destination

% verified

Not verified

Please explain

Water volumes are tracked by the individual facilities using data sources and methods that they have available locally. These numbers are reported to our corporate Environment, Health, Safety and Sustainability team, who compile the data for the corporation. Starting in reporting year 2021 annual total water withdrawal and discharge volumes are verified by a third party.

Water discharges – volume by final treatment level

% verified

Not verified

Please explain

Water volumes are tracked by the individual facilities using data sources and methods that they have available locally. These numbers are reported to our corporate Environment, Health, Safety and Sustainability team, who compile the data for the corporation. Starting in reporting year 2021 annual total water withdrawal and discharge volumes are verified by a third party.

Water discharges – quality by standard water quality parameters

% verified

Not relevant

Please explain

Xerox tests to ensure that they meet all required water quality parameters for all impacted wastewater streams prior to discharge. However, because all Xerox wastewater is discharged to municipal treatment facilities, we do not report water discharges broken down by water quality parameters.

Water consumption – total volume

% verified

Not verified

Please explain

Water volumes are tracked by the individual facilities using data sources and methods that they have available locally. These numbers are reported to our corporate Environment, Health, Safety and Sustainability team, who compile the data for the corporation. Starting in reporting year 2021 annual total water withdrawal and discharge volumes are verified by a third party.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	<p>Commitment to align with international frameworks, standards, and widely-recognized water initiatives</p> <p>Commitment to prevent, minimize, and control pollution</p> <p>Commitment to reduce or phase-out hazardous substances</p> <p>Commitment to reduce water withdrawal and/or consumption volumes in direct operations</p> <p>Commitment to reduce water withdrawal and/or consumption volumes in supply chain</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</p> <p>Commitment to the conservation of freshwater ecosystems</p> <p>Reference to company water-related targets</p> <p>Acknowledgement of the human right to water and sanitation</p>	<p>Our commitment to water is incorporated within the group environmental, sustainability or EHS Policy.</p> <p>Xerox companywide EHS&S Policy includes water in our commitment to "strive to conserve water and other natural resources, eliminate the use of toxic materials". 'Preserving water' is one of our strategic commitment areas. Our water-related commitments are publicly communicated via our website and in our corporate social responsibility reporting.</p> <p>We ensure companywide adherence to our EHS&S policy through global standards and surveillance audits.</p> <p>All manufacturing & distribution sites implement ISO14001 and define water reduction targets and actions; these prescribe the performance standards for direct operations.</p> <p>To ensure our technology suppliers operate according to water use and pollution industry standards we adopt the Responsible Business Alliance (RBA) Code of Conduct; which prescribes the performance standards expected of our suppliers.</p> <p>We take an integrated approach to ensure water is managed across all direct operations and suppliers consistent with other sustainability issues and as part of our standard business practices.</p> <p>Our Code of Business Conduct supports the principles of The UN Universal Declaration of Human Rights which acknowledges that clean drinking water and sanitation are essential to the realization of human rights.</p> <p>Most Xerox products do not require consumers to use water. However through outreach programs, we inform customers/communities about sustainability issues such as water, e.g. with The Nature Conservancy we provided a water filling station at a local festival to encourage attendees to learn about their water source and actions to conserve local waters.</p>

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Chief Executive Officer (CEO)	<p>Board level responsibility for CSR, including water-related issues lies jointly between the CEO and the Corporate Governance Committee (CGC) of the Board of Directors. The CEO's water-related responsibilities include:</p> <ul style="list-style-type: none"> • Developing water-related strategy, • Monitoring water targets • Considering water-related issues when guiding business strategy, risk management policies and overseeing major capital expenditures, acquisitions, and divestitures • Approving the release of environmental information, including water related info <p>As a board member, and leader of the Executive Management Committee (EMC), the CEO provides the day-to-day linkage between the board, the EMC and our management level CSR Council (and is also a member). The CSR Council reports to and advises the CEO. The CSR Council is chaired by a member of the Executive Committee, and the Chief Sustainability Officer serves as the Executive Staff Director of the CSR Council. This structure ensures that the business is held accountable for the CSR goals and ensures the CSR Council reflects real business input and requirements.</p> <p>On an annual basis, the Chief Sustainability Officer is responsible for confirming the corporate CSR priorities with the CEO and Corporate Governance Committee of the board; presenting the results of the annual CSR materiality assessment and proposed action plan for Board approval; and providing the CEO and the Corporate Governance Committee of the board with a status of CSR progress and recommendations going forward. The CEO has frequent and available access to the Board, enhancing speed of implementation of decisions proposed by the CSR Council and approved by the Executive Management Committee.</p>
Board-level committee	<p>Board level responsibility for CSR, including climate related issues lies jointly between the CEO and the Corporate Governance Committee (CGC) of the Board of Directors. The Corporate Governance Committee (CGC) of the Board of Directors oversees significant shareholder relations issues and CSR matters, including water related risks and opportunities as applicable.</p>

	On an annual basis, the Chief Sustainability Officer is responsible for confirming the corporate CSR priorities with the CEO and Corporate Governance Committee of the board; presenting the results of the annual CSR materiality assessment and proposed action plan for Board approval; and providing the CEO and the Corporate Governance Committee of the board with a status of CSR progress and recommendations going forward.
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W6.2b

(W6.2b) Provide further details on the board’s oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Monitoring progress towards corporate targets Overseeing the setting of corporate targets Reviewing and guiding corporate responsibility strategy Reviewing and guiding risk management policies Reviewing and guiding strategy	At least annually the Board conducts a review of the Company's long-term strategic plans and principal issues. Periodically during the year, the Board receives strategy updates from members of senior management of the Company. For example, annually, the Chief Sustainability Officer (and Executive Director of the CSR Council): <ul style="list-style-type: none"> • Confirms the corporate CSR (including water-related) priorities with the CEO and Corporate Governance Committee of the board; • Presents the results of the annual CSR materiality assessment and proposed action plan to the board for their approval; and • Provides the CEO and the Corporate Governance Committee of the board with a status of CSR (including water-related) progress and recommendations going forward.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues
Row 1	Not assessed

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Sustainability Officer (CSO)

Water-related responsibilities of this position

- Assessing water-related risks and opportunities
- Managing water-related risks and opportunities
- Setting water-related corporate targets
- Monitoring progress against water-related corporate targets

Frequency of reporting to the board on water-related issues

Annually

Please explain

The Chief Sustainability Officer (CSO) holds the highest-level management position with direct responsibility for assessing and managing water related issues. The CSO reports to the Executive Vice President & General Counsel who reports to the CEO and Vice-Chairman of the Board.

In this position, the CSO is responsible for overseeing our environmental (including water-related) governance and leads coordination of the company’s CSR activities, serving as Executive Staff Director of the CSR Council, communicating sustainability-related issues to the CEO and Board, and ensuring the implementation of water related decisions made by the CSR Council and/or board.

Water risk has been identified as a low materiality issue for Xerox and therefore typically the CSO will only report to the Board on water related issues as and when important matters arise. The Environment, Health, Safety & Sustainability (EHS&S) group reports directly to the Chief Sustainability Officer.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	In 2020, the Compensation Committee of the Board of Directors established an Environmental, Social and Governance payout modifier that will increase or decrease the otherwise applicable performance-based payout for executive officers of the company. This incentive is in addition to already existing incentives available to a wide range of Xerox employees. Effective starting in 2021, Xerox Managers and the Board of Directors have been added to those eligible for climate-related management incentives. In 2022 we introduced ESG as a

		weighted metric after introducing it as a modifier in 2021, to further reinforce the significance and criticality of these objectives. As water has been determined to not be a material aspect for Xerox, these compensation metrics do not include management of water-related issues.
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W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

No

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, and we have no plans to do so

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	11-15	Water quantity and quality currently meets our demands without materially affecting our business. Water availability and quality in operations is considered in our corporate CSR materiality assessment process. Xerox combines water scarcity information gained from recognized third party tools (such as the WRI Aquaduct Risk Atlas and the WWF Water Basin Risk tool) with internal knowledge regarding the company's current water use and impacts, as well as potential future changes in water availability, quality and demand / competition to develop a detailed understanding of current and potential future water risks. Major operating units and corporate functions (e.g. Real Estate) are also responsible for evaluating

			<p>site specific risks e.g. resiliency to events that impact Xerox’s ability to achieve business objectives. Preparedness is achieved via the Business Continuity Assurance Process including business impact analysis of risks such as drought and flooding. Assessment of water risks via the Xerox materiality assessment process show that water is available in sufficient quantity and quality to sustain Xerox operations in the areas where it operates, and that Xerox use of water and discharge characteristics are not causing a substantial impact upon or risk to local watersheds. Consequently, water issues as low materiality to Xerox, with the exception of discharge and effluents, which are of medium priority.</p>
Strategy for achieving long-term objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	11-15	<p>Though water-related issues are of low materiality to Xerox, we believe that responsible management of water use and discharge and understanding and reacting to water-related risks and opportunities are an essential part of being a globally-responsible citizen and sustainably-operating company. We conducted a comprehensive review of our environmental impacts and opportunities of Xerox actions, products and services and identified four strategic commitment areas where we can make a significant impact on the environment. One is ‘Preserving Clean Air and Water’: We work to eliminate the use of persistent, bio-accumulative and toxic materials throughout the supply chain; use water efficiently; and avoid the release of hazardous air emissions. This applies across the value chain; our partnerships, customers, employees and suppliers. We also set metrics and targets related to water use, and incorporate continual improvements in water efficiency into our long-term business strategy. Our commitment and progress towards preserving clean air and water is publicly communicated in our annual CSR Report which is available via our website.</p>
Financial planning	No, water-related issues were reviewed but not considered as	5-10	<p>Though water-related issues are of low overall materiality to Xerox, we have identified specific facilities within our direct operations exposed to</p>

	strategically relevant/significant	water risk that could generate “a substantive change in our business operations, revenue or expenditure” based on meeting the following criteria: 1. Facility locations classified as water stressed or water scarce according to publicly available water tools (WWF Water Risk Filter and WRI Aqueduct) 2. Consideration of internal company knowledge (e.g. from the materiality processes described above) regarding the local water situation, the facility type, size and strategic importance and thus potential to impact/reduce global revenue (e.g. toner manufacturing operations use water as raw material and thus, in the event of a future water restriction, have the potential for operations to be impacted resulting in potential additional costs associated with switching toner production to an alternative site.) 3. Opportunities for new products/services, e.g. Xerox® DocuShare® Private Cloud Service to ensure the safety and availability of our customer’s data at any time including if customers have been impacted by adverse weather or other disruptive events.
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W7.2

(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

40

Anticipated forward trend for OPEX (+/- % change)

-20

Please explain

CAPEX: No water related capital spending (CAPEX) occurred in 2021 or 2022 and no CAPEX spend is anticipated in 2023, so this is indicated as a 0% change. Spend on

water projects are short -term and reported as operational expenses not CAPEX.

OPEX: In 2021 Xerox spent ~\$1,400k for Webster consumption/sewer and water main repairs and in 2022 water related OPEX was approximately \$1,960k for water/sanitary sewer consumption and discharge, repair work on sanitary sewers and a water meter install. For 2022 the outlook spending is similar for water consumption, discharge and sewer repair and therefore a 20% decrease compared to 2022.

Costs for water testing and monitoring are not comprehended here, but are insignificant in comparison.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	In 2020, at the request of the CSR Council the Xerox EHSS team completed a qualitative, forward-looking climate scenario analysis using two alternative scenarios that may impact the business: “Low Carbon Future <2°C” and “Extreme Global Warming 4°C”. This analysis covered all Xerox manufacturing locations and key facilities, as well as critical supplier locations, and includes site- specific analysis against a range of potential climate-related acute and long-term physical risks (including water risk) as well as transition risks.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization’s business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	In 2020, at the request of the CSR Council the Xerox EHSS team completed a qualitative, forward-looking climate scenario analysis using two alternative scenarios that may impact the business: “Low Carbon Future <2°C” and “Extreme Global Warming 4°C”. This analysis covered all Xerox	The 4DS scenario was used to determine highest physical risks. We used company data to compile a map cost-intensive Xerox and supplier operations, and used published assessments of sea level rise, extreme storms, extreme precipitation, river and coastal flooding, and extreme temperature,	This qualitative analysis is being used to screen and prioritize material risks to Xerox facilities and supply chain continuity by our CSR Council, Enterprise Risk Management (ERM) specialists and upper management. Senior Management, and other decisionmakers will further evaluate specific risks that climate change presents to

		<p>manufacturing locations and key facilities, as well as critical supplier locations, and includes site- specific analysis against a range of potential climate-related acute and long-term physical risks (including water risk) as well as transition risks.</p> <p>The IEA and IPPC models make assumptions about technology, energy policy, CO2 prices, fuel prices, energy use, resources, markets and various societal, political and economic drivers such as population and GDP. No changes were made to the inputs or assumptions in the scenarios. Our climate change-related scenario analysis considered medium (2030-2040) and long-term (2050) time frames. The timeframes are relevant to Xerox due to our goals to reduce GHG emissions by at least 60% by 2030 and to achieve net zero carbon no later than 2040.</p>	<p>drought and fire risks to categorize the expected degree of impact for each location. Our Dundalk (Ireland), PARC (Palo Alto, CA) and Venray (Netherlands) manufacturing and research sites were found to be at highest physical risk due to sea level rise, drought and fire. Multiple suppliers located in coastal areas were found to be at high risk of sea level rise and flooding, extreme storms and extreme temperature risk.</p>	<p>the Xerox business model and key assets and will help highlight the risks, opportunities, priorities and necessary actions that must be accounted for in wider strategic business decisions.</p> <p>As an outcome of the Climate Scenario Analysis, water-related physical risks (specifically, supply chain interruption due to climate change) have been added to the Enterprise Risk Management (ERM) major risks dashboard and are monitored monthly by ERM specialists and upper management. Each month one of the risk categories is selected for a “deep dive” analysis . In 2021 this included assessment of the risk of sea level rise, flooding, drought and fire risks to our manufacturing facilities and supply chain – especially our Dundalk (Ireland), PARC (Palo Alto, CA) and Venray (Netherlands) manufacturing and research sites and key suppliers located in coastal that were found to be in the climate scenario analysis .</p>
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W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

Water risk has been identified as a low materiality issue for Xerox. While we have governance mechanisms in place as well as targets and programs to reduce water use, water issues do not currently rise to the level of materiality to necessitate developing an internal price on water to help drive our internal water program.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	Judged to be unimportant, explanation provided	Xerox’s products and services do not directly use or discharge water during their use therefore we do not consider developing products and services that could be considered as having a lower detrimental impact on water resources, than the market norm or than the company’s previous products/services to be applicable to our business.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	No, and we do not plan to within the next two years	Our goal is to proactively prevent any accidental release of regulated materials into the air, soil, and water. e utilize best practices to prevent unwanted pollutants from entering waterways through surface contamination and runoff. All manufacturing and distribution facilities also implement an

		environmental management system that conforms with ISO14001. This establishes a framework to ensure compliance with regulations and Xerox standards, identify environmental impact, and set individual site objective and performance targets.
Water withdrawals	Yes	
Water, Sanitation, and Hygiene (WASH) services	No, and we do not plan to within the next two years	The Xerox Environment, Health, Safety, and Sustainability (EHS&S) organization ensures company-wide adherence to Xerox’s environment, health, safety, and sustainability policy. The governance model we use to accomplish this includes clearly defined goals, a single set of worldwide standards, and a programme of surveillance audit that ensures conformance to these requirements. Audits include an on-site visit aimed at evaluating the site for basic life safety including potable water for human consumption and hygiene and environmental aspects including sanitary water discharges.
Other	No, and we do not plan to within the next two years	Although Xerox has not established a reduction goal for wastewater discharges, these volumes roughly correlate with withdrawal and have decreased more than 50% since 2010.

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number

Target 1

Category of target

Water withdrawals

Target coverage

Business division

Quantitative metric

Reduction in total water withdrawals

Year target was set

2021

Base year

2020

Base year figure

982,000,000

Target year

2030

Target year figure

785,776,406

Reporting year figure

1,049,000,000

% of target achieved relative to base year

-34.1447216587

Target status in reporting year

Underway

Please explain

In January 2021, Xerox set a corporate target to reduce absolute water withdrawals by 20% by 2030 from 2020 baseline.

In 2020 and 2021 employees continued to work virtually and there were reductions in production volume from COVID-related and also supply chain related impacts which caused water use at our technology facilities to decline. Therefore, the increase between 2020 and 2022 is largely due to our production volumes returning to pre-COVID levels.

Going forwards total water withdrawals are expected continue to decline (from 2019 levels) in the future due to a combination of efficiency improvements (such as engineer activities currently underway to evaluate potential toner wash water reduction for forward products), and reduction and eventual elimination of discharge of remediation waters and stormwater ingress waters.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

 Xerox Assurance Statement Additional KPI 2022 V1.pdf

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
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W1 Current state	Total water withdrawal and discharge volumes	AA1000AS	Starting in reporting 2021 annual total water withdrawal and discharge volumes are verified by a third party. Xerox has determined that it is important now to externally verify the information due to the physical risks that water availability can pose to communities from climate related impacts. Additionally, independent third-party verification reduces reputational risks associated with information disclosure of environmental metrics.
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W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Please explain
Row 1	Not mapped – and we do not plan to within the next two years	

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Please explain
Row 1	No – and we do not plan to within the next two years	

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	Yes	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	Please explain
Plastic packaging used			

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	Please explain
Plastic packaging used		

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	President and Chief Executive Officer	Chief Executive Officer (CEO)

SW. Supply chain module

SW0.1

(SW0.1) What is your organization’s annual revenue for the reporting period?

	Annual revenue
Row 1	7,107,000,000

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

No, CDP supply chain members do not buy goods or services from facilities listed in W5.1

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	Yes, for all facilities	Latitude and longitude data is available for all Technology Business facilities. Geolocations may in some cases be for the nearest city, and not the specific Xerox facility address.

SW1.2a

(SW1.2a) Please provide all available geolocation data for your facilities.

Identifier	Latitude	Longitude	Comment
Joseph C. Wilson Center for Technology (Webster, NY)	43.222801	-77.417621	Xerox's largest manufacturing facility, located in Webster, NY. Manufactures both Xerox equipment and supplies.
Dundalk Color Toner Plant (Dundalk, Ireland)	53.966016	-6.387586	Color toner manufacturing plant located in Dundalk, Ireland. Co-located with Dundalk equipment manufacturing plant.
Dundalk Global Manufacturing Plant (Dundalk, Ireland)	53.966016	-6.387586	Equipment manufacturing plant located in Dundalk, Ireland. Co-located with Dundalk Color Toner Plant.
Venray Manufacturing Plant (Venray, Netherlands)	51.542952	5.981852	Supplies manufacturing plant located in Venray, Netherlands.

Oklahoma City Manufacturing Plant (Yukon, OK)	35.470848	-97.719607	Supplies manufacturing plant located in Yukon, OK
Wilsonville Manufacturing Plant (Wilsonville, OR)	45.313859	-122.759278	Supplies manufacturing plant located in Wilsonville, OR
Supplies Development Centre (SDC) (Mississauga, ONT, Canada)	43.513073	-79.665458	Supplies manufacturing plant in Mississauga, ONT, Canada. Located near the Xerox Research Center of Canada (XRCC).
Xerox Research Centre of Canada (XRCC), (Mississauga, ONT Canada)	43.513073	-79.665458	Research and Development and pilot development plant in Mississauga, ONT, Canada. Located near the Supplies Development Centre (SDC).
Cincinnati Operations (Middletown, OH)	39.5151	-84.3983	Equipment and hardware take-back, logistics, and remanufacturing operations center near Cincinnati, OH.
Palo Alto Research Center (PARC), (Palo Alto, CA)	37.402735	-122.148601	Renowned research facility in Palo Alto, CA
Xerox Corporate Headquarters (Norwalk, CT)	41.158605	-73.394599	Xerox Corporate Headquarters, Norwalk, CT
Xerox Limited Headquarters (Uxbridge, Great Britain)	51.5485	-0.4796	Xerox European headquarters operations
Cary, NC Center of Excellence	35.82879	78.8026	Cary, NC Center of Excellence

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.