

Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

(C0.1) Give a general description 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.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1, 2022

End date

December 31, 2022

Indicate if you are providing emissions data for past reporting years

No

C0.3

(C0.3) 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

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) 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

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Chief Executive Officer (CEO)	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 CEO's climate-related responsibilities include: <ul style="list-style-type: none"> • Developing climate-related strategy, • Monitoring GHG targets

	<ul style="list-style-type: none"> • Considering climate-related issues when guiding business strategy, risk management policies and overseeing major capital expenditures, acquisitions, and divestitures • Approving the release of climate-related information <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 also participates as a member of the Council. The CSR Council reports to and advises the CEO and COO. 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. At additional times during the year the Board is advised by the CSO when there are any meaningful internal or external CSR-related developments. 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. In 2020, the CEO and the Board made the decision to approve a proposal from the CSR Council that Xerox commit to becoming net zero carbon emitting by 2040, climate action that builds upon and goes beyond our recently approved science-based GHG targets. As part of increased commitment to climate action, the CEO and Board also approved the addition of ESG metrics into the executive and management bonus structure. In 2022 we introduced ESG as a weighted metric after introducing it as a modifier in 2021, to further reinforce the significance of these objectives. Each year's ESG metrics include an explicit climate-related metric.</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 climate change related risks and opportunities specifically.</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. In 2020, the Chief Sustainability officer and the CSR Council raised the need for increased climate action with the CEO and the</p>

	<p>Board, resulting in a commitment for Xerox Corporation to become net zero carbon by 2040, ten years ahead of the time frame called out by the Paris Agreement. In addition, the CSO and CSR Council effectively championed formally integrating sustainability metrics into the executive and management bonus structure, expanding and aligning our corporate system of financial incentives to reach to the very top of the corporation. 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. Each year’s ESG metrics include an explicit climate-related metric.</p>
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C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Overseeing and guiding employee incentives Reviewing and guiding strategy Monitoring the implementation of a transition plan Overseeing the setting of corporate targets Monitoring progress towards corporate targets Reviewing and guiding the risk management process	<p>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 senior management. For example, annually, the Chief Sustainability Officer (and Executive Director of the CSR Council):</p> <ul style="list-style-type: none"> • Confirms the corporate CSR (including climate 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 climate related) progress and recommendations going forward. • Provides requisite training including Xerox’s Scope 1, 2 and 3 emissions and roadmap to reduce them. <p>In 2019, the CSR Council approved the setting of science-based GHG targets (60% reduction of Scope 1 & 2 GHG emissions by 2030 from a 2016 baseline, and 35% reduction of Scope 3 emissions by 2030 from a 2016 baseline). Progress toward these targets is reviewed annually after our GHG inventory is completed. During this period, we review our targets for revision and addition of new targets. In addition, the</p>

		<p>CSR Council commissioned the Xerox EHSS team to conduct a Climate Scenario Analysis to identify and prioritize climate-related risk for Xerox manufacturing facilities and key suppliers. This analysis is a qualitative, forward-looking climate scenario analysis using two scenarios (2°C and 4°C) and time frames extending out to 2050. The analysis was completed August 2020 and covers 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 as well as transition risks. This findings from this qualitative analysis serve as input to existing materiality, ERM and CSR Council processes.</p> <p>In 2020, the CEO and the Board approved a proposal from the CSR Council to commit Xerox to net zero carbon by 2040, climate action that builds upon and goes beyond our recently approved science-based greenhouse gas targets.</p> <p>Effective 2021, the Compensation Committee of the Board of Directors established an ESG metric into the executive bonus structure which was approved by the CEO and Board.</p> <p>Our Enterprise Risk Management (ERM) process also strengthens our capability to assess, monitor and manage all categories of business risk. As a member of the ERM steering committee the Chief Sustainability Officer, is responsible for communicating to the ERM committee any significant risks that have been identified by our CSR Council, including climate-related. Results from the Climate Scenario Analysis will also feed any identified climate-related risks into the ERM process. Vital strategic and operational risks identified are approved by the Executive Management Committee (EMC) and reviewed annually by the Board.</p>
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C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

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

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Chief Sustainability Officer (CSO)

Climate-related responsibilities of this position

Providing climate-related employee incentives
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Annually

Please explain

The Chief Sustainability Officer (CSO) holds the highest-level management position with direct responsibility for assessing and managing climate related issues. The CSO reports to the Executive Vice President & General Counsel who reports to the CEO. In this position, the CSO is responsible for overseeing our environmental (including climate related) governance and leads coordination of the company's CSR activities, serving as Executive Staff Director of the CSR Council, communicating climate-related issues to the CEO and Board, and ensuring the implementation of climate related decisions made by the CSR Council and/or board.

The CSO monitors climate related issues through the CSR Council which is composed of senior leaders and meets quarterly to review the company's policies, goals, strategies, and actions to drive progress including GHG reduction and developments with potential CSR impacts. The Council determines the relevancy of the risks and opportunities to Xerox and develops an action plan for review and subsequent approval by the CEO and Executive Management Committee (EMC). An individual from the EMC chairs the CSR Council to provide direction, guidance, ensure that the business is held accountable for the CSR goals and that the CSR Council reflects real business requirements. The CSO, with the CSR Council, makes climate-related decisions as a

team and by consensus, but it is the CSO who is ultimately responsible for bringing the climate related issues or topics to the CSR council for consideration and approval.

The Environment, Health, Safety & Sustainability (EHS&S) group reports directly to the CSO. Therefore, it is appropriate that the CSO holds the highest management position with direct responsibility for climate related issues as through the expertise of the EHS&S group this individual is closer to climate related issues than any of the CSR Council members.

The primary objective of the CSR Council is to provide centralized oversight of the corporation’s performance and management approach, including policies, goals, strategies and to recommend actions to drive progress and integrate CSR and climate related issues into existing business practices. This is achieved through:

- Annually evaluating the relevance of the corporations’ CSR priorities using a materiality assessment process;
- Identifying issues and opportunities and addressing them in a timely manner with responsible operations;
- Communicating Xerox’s CSR initiatives, recognition and achievements internally and externally

On an annual basis, the CSO is responsible for confirming the corporate CSR priorities with the CEO and Corporate Governance Committee (CGC) of the board; presenting the results of the CSR materiality assessment and proposed action plan to the board for their approval; and providing the CEO and the CGC with a status of CSR progress and recommendations.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	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 Executives 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. Beginning in 2022 the ESG metrics were extended to the bonus calculation for all

		management level employees. Each year's ESG metrics include an explicit climate-related metric.
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C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Corporate executive team

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of climate transition plan KPI
Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

Our performance-based Management Incentive Plan (MIP) is an annual cash incentive based on the achievements of financial metrics (80% weighting) and ESG metrics (20% weighting) set for the year.

We include ESG metrics in the compensation criteria for all senior management, which covers climate change, a balanced workforce, succession planning, board refreshment, and workplace safety.

In 2022 we introduced ESG as a weighted metric (20%) for all bonus-eligible employees, after introducing it as a modifier in 2021, to further reinforce the significance and criticality of these objectives.

For the ESG portion of the MIP, the Compensation Committee evaluated performance relative to the following objectives (weightings):

- Environmental (5%) — Implement Climate Change Awareness Training for all active, full-time employees corporate-wide
- Safety (5%) — Improve Days Away From Work (DAFW) case rate worldwide
- Social (10%) — Increase representation of women and diverse employees at professional levels.

For each metric, subject to that metric's weighting: (i) the payout for achieving target-level performance is 100% of the target incentive amount; (ii) the payout for achieving maximum-level performance is 200% of the target incentive amount; (iii) the payout for achieving threshold-level performance is 50% of the target incentive amount; and (iv) if performance results for the metric are below threshold level, achievement for that metric is zero and is weighted in the overall payout factor calculation.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Inclusion of ESG metrics in the Annual Cash Incentive underscores the importance of our environment, safety, and people in a measurable and objective way .

The 2021 environmental metric was to approve and accelerated Net Zero target to 2040 from the original 2050 timeline and establish the emissions reduction roadmap.

The 2022 metric required employees to complete a Xerox-specific Net Zero training. 97% of all employees completed this training, overachieving the target.

For 2023, one of the four ESG goals is:

- Climate Change: Enhance GHG inventory and implement data collection software solution

Entitled to incentive

Management group

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of climate transition plan KPI

Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

Our performance-based Management Incentive Plan (IMP) is an annual cash incentive based on the achievements of financial metrics (80% weighting) and ESG metrics (20% weighting) set for the year

We include ESG metrics in the compensation criteria for all management, which covers climate change, a balanced workforce, succession planning, board refreshment, and workplace safety

In 2022 we introduced ESG as a weighted metric (20%) after introducing it as a modifier in 2021, to further reinforce the significance and criticality of these objectives.

For the ESG portion of the MIP, the Compensation Committee evaluated performance relative to the following objectives (weightings):

- Environmental (5%) — Implement Climate Change Awareness Training for all active, full-time employees corporate-wide
- Safety (5%) — Improve Days Away From Work (DAFW) case rate worldwide
- Social (10%) — Increase representation of women and diverse employees at professional levels.

For each metric, subject to that metric's weighting: (i) the payout for achieving target-level performance is 100% of the target incentive amount; (ii) the payout for achieving maximum-level performance is 200% of the target incentive amount; (iii) the payout for achieving threshold-level performance is 50% of the target incentive amount; and (iv) if performance results for the metric are below threshold level, achievement for that metric is zero and is weighted in the overall payout factor calculation.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Inclusion of ESG metrics in the Annual Cash Incentive underscores the importance of our environment, safety, and people in a measurable and objective way.

The 2021 environmental metric was to approve and accelerated Net Zero target to 2040 from the original 2050 timeline and establish the emissions reduction roadmap.

The 2022 metric required employees to complete a Xerox-specific Net Zero training. 97% of all employees completed this training, overachieving the target.

For 2023, one of the four ESG goals is:

- Climate Change: Enhance GHG inventory and implement data collection software solution

Entitled to incentive

All employees

Type of incentive

Monetary reward

Incentive(s)

Bonus – set figure

Performance indicator(s)

Reduction in absolute emissions

Incentive plan(s) this incentive is linked to

Not part of an existing incentive plan

Further details of incentive(s)

Monetary awards (<\$2,000) can be awarded at a managers' discretion, through the 'Merit Recognition Program'. These are not directly linked to individuals' performance targets but are awarded based on merit and can for example be used to reward ideas or efforts to reducing energy and GHG emissions in Xerox operations, products and services provided to customers. Non-monetary rewards can also be given, such as awarding individuals with Xerox logo merchandise or through the US Xerox Dinner Award Recognition Program.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

The inclusion of energy and GHG focused ideas and efforts in the Merit Recognition Program underscores the importance of our environment, safety, and people in a measurable and objective way.

Entitled to incentive

Buyers/purchasers

Type of incentive

Non-monetary reward

Incentive(s)

Other, please specify
Internal Policy

Performance indicator(s)

Other (please specify)
Environmental criteria included in purchases

Incentive plan(s) this incentive is linked to

Not part of an existing incentive plan

Further details of incentive(s)

In accordance with Xerox's Socially Responsible Procurement Purchasing Policy, in addition to consideration of quality, cost, and delivery criteria, all Global Purchasing personnel are required to select suppliers and their goods and services based on Social Responsibility criteria which include:

- Protecting the environment by conserving the use of valuable resources, minimizing waste and preventing releases to air, water and land
- Facilitating Xerox's design, manufacture, distribution and marketing of products and services that optimize resource utilization and minimize environmental and safety impacts
- Enabling Xerox to achieve its goal of continuous improvement of environment, health, and safety performance across the Value Chain.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

The inclusion of energy and GHG criteria into the Procurement Purchasing Policy and decisions contributes towards the reduction of our Scope 3 emissions and is part of our Roadmap to Net Zero.

Entitled to incentive

Environment/Sustainability manager

Type of incentive

Monetary reward

Incentive(s)

Other, please specify
Restricted stock units with 3 vesting

Performance indicator(s)

Achievement of climate transition plan KPI
Implementation of employee awareness campaign or training program on climate-related issues
Other (please specify)
Successful performance against individual climate-related objectives.

Incentive plan(s) this incentive is linked to

Long-Term Incentive Plan

Further details of incentive(s)

Management has discretion to award LTIP to a limited number of employees. For certain roles, performance criteria include climate-related performance. For each of the past several years, we have awarded LTIP to employees whose responsibilities include addressing climate change.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

A number of key employees have direct responsibility for climate strategy and subject matter expertise. This incentive recognizes the importance of these issues to the business and incents their performance.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	5	We consider short-term risks to be those 0-5 years out; medium-term being 5-10 out; and long-term as being beyond 10 years.
Medium-term	5	10	We consider short-term risks to be those 0-5 years out; medium-term being 5-10 out; and long-term as being beyond 10 years.
Long-term	10	50	We consider short-term risks to be those 0-5 years out; medium-term being 5-10 out; and long-term as being beyond 10 years.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

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. Climate change related risks are formally integrated in Xerox's Enterprise Risk Management process.

We use a materiality threshold of >\$2 million impact to quantify substantive change.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Our Enterprise Risk Management (ERM) process strengthens our capability to assess, monitor and manage all categories of business risks across the value chain. ERM steering committee members meet monthly to assess all categories of emerging risks, risk appetite and occurrence probability considering all risk time tables (i.e., short, medium and long-term through our ERM process. Vital strategic and operational risks identified are approved by the Executive Management Committee (EMC) and reviewed annually by the Board. The ERM committee follows the guidelines of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) that in 2017 integrated ESG risks including climate-change related risks and opportunities in its guidelines. We assess business risks based on the risk of failing to attain our strategic objectives. The committee also monitors action plans put in place to mitigate risk at the enterprise level.

The corporation has tasked the CSR Council with the day-to-day monitoring and management of climate-related risks and opportunities. The CSR Council has the responsibility for monitoring and assessing climate change-related risks/opportunities and alerting ERM Committee of those relevant to the Enterprise. The CSR Council meets quarterly. Included in each meeting is an update of current, newly identified and/or emerging risks as well as the appropriate or necessary steps to take to mitigate the risk(s). The CSO leads coordination of the company's CSR activities, serving as the Executive Staff Director of our CSR Council.

Annually the CSR Council is responsible for identifying and assessing the relevance of the corporations' CSR priorities using a materiality assessment process. This process considers relevant CSR topics impacting Xerox® products, services and operations, including energy, GHG emissions and climate change strategy. In accordance with the GRI Standards we identify and report key risks and opportunities associated with CSR topics for the short (0-5 years), medium (5-10 years) and long term (>10 years). The intent of the materiality assessment is to confirm material topics, identify impacts, risks and opportunities, optimize the allocation of resources and help to determine the content of the annual CSR Report. Our assessment includes interviews and workshops with internal stakeholders, reviews of public and internal Xerox documents, discussions with external stakeholders and feedback from employees. We examine factors, including regulations, global social challenges, our evolving business model and environmental impacts. Each topic is assessed for both the importance to stakeholders and the significance of our positive and negative impacts (from an economic/social/environmental perspective). Xerox can have impact through our operations and facilities, products, employees and suppliers, our lobbying efforts and our community involvement. To aid prioritization, each topic is given a score (1-3) against the criteria. Results are presented via a matrix to visually present the importance of the topics. The most material topics are those that are rated high on either the x-axis or y-axis on this matrix. We prioritize the risks in terms of current risk profile as well as

the projected risk profile upon 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 environmental impact and liability and intangibles). Annually, the EMC and Chief Sustainability Officer presents the results of the CSR materiality assessment and proposed action plan to the board for approval. Both physical and transitional risks and opportunities are managed in the same way.

The process for managing climate-related risks and opportunities is also driven by the CSR council. The CSR Council is composed of executives who each monitor and manage a specific CSR topic area (including product development, environment and climate related issues, supply chain, etc.). Each member is supported by individuals with expertise in each topic area. The primary objective of the CSR Council is to provide oversight of the corporation's performance and management approach, including policies, goals, and strategies and to recommend actions to drive progress and integrate CSR and climate related issues into existing business practices.

Physical risk example: In our materiality assessment, physical climate change issues are integrated into the assessments of our environmental/social/economic impacts from multiple relevant topics including energy, water use and supplier assessments. Major operating units and corporate functions are also responsible for evaluating site specific risks.

The risk management process chose facilities and supplier locations that were deemed critical to business operations on the criteria of over 100 employees or comprising over \$10 million in annual supplier spend. Geographical locations of sites were mapped to further identify at risk locations. Major climate impacts such as sea level rise, extreme storms, extreme temperature, and fire risk were qualitatively assessed against these locations considering long-term risk of climate impacts.

As we cannot remove this risk, physical risks are mitigated via the Business Continuity Assurance Process. Each site is required to have a Business Resumption Plan. Resumption plan drills are conducted annually and include physical climate change risks such as hurricanes, tornadoes and floods as part of the drills. The results of the drills and lessons learned are communicated to top management during operational reviews. Any deficiency is addressed via a corrective action plan. The deficiencies identified from the drills become part of the risk assessment process of the business unit in order prevent them from happening again. For example, in 2019, one of our Canadian locations conducted a 1000-year flood scenario assessment for their annual BRP drill. Evaluation of site impacts showed that the distance from the nearest watershed and the design of the building would help mitigate the impact of flood waters from an electrical infrastructure perspective, indicating relatively low vulnerability for site transformers and electrical transmission infrastructure. However, the site is currently working with a local conservation authority to develop a stormwater control landscape design to further reduce the risk of additional site impacts.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Xerox recognizes that our business is directly affected by climate related regulations aimed at reducing energy use and GHG emissions in our direct operations and by our products. Our operations and our products are subject to environmental regulations in each of the jurisdictions in which we conduct our business and sell our products.</p> <p>For example, many of our products are already required to comply with the European Union's Energy-Related Products Directive (ERP) which has led to the adoption of "implementing measures" that require certain classes of products to achieve certain design and/or performance standards in connection with energy use, including the regulation of power consumption during standby/off mode and network standby. We must comply with applicable climate related regulations or potentially face market access limitations that could have a material adverse effect on our operations and financial condition. Our EHS&S department tracks emissions and energy legislation and policy that affect the company through trade associations and partnerships. As an example, we are closely monitoring the developing Ecodesign for Sustainable Products Regulation (ESPR) in the EU that will replace the previous Imaging Equipment Voluntary Agreement.</p> <p>The CSR Council works with the Corporate Compliance Office to assure demonstration of compliance with climate related laws, regulations and policies. Consequently, we consider issues including environmental compliance to laws and regulations, relating to our energy use, reporting our GHG emissions and the energy efficiency of our products when assessing our environmental/social/economic impacts in our corporate CSR materiality assessment, quarterly CSR meetings and ERM processes.</p>
Emerging regulation	Relevant, always included	<p>Xerox recognizes that our business could be directly or indirectly affected by additional future climate related regulations and voluntary certifications aimed at further reducing emerging energy use and GHG emissions in our direct operations, by our products and by our supply chain. For example, the US EPA's ENERGY STAR eco-label specification for imaging equipment continues to introduce progressively more stringent energy efficiency requirements over time (Version 3.2 specification revision was finalized and went into effect in late 2021). This could present an increase in operating cost to the business. If Xerox was unable to meet the requirements and offer products that are</p>

		<p>as energy efficient as our competitors, there is also a risk of reduced demand for our products and market share. The increase in stringency of regulations, carbon taxes etc. aimed at limiting GHG emissions in the countries and states we operate, including cap and trade, do not directly impact Xerox, since we are not a regulated utility or heavy GHG emitter.</p> <p>However, they do have the potential to result in uncertainty in the cost of supplied energy, as energy generators/suppliers could pass on possible increased generation costs (to comply with the regulations) to the end user. For example, in the US, there remains uncertainty surrounding the EPA's proposed Clean Power Plan and economic studies on the impact of the rule of electricity prices have varied significantly. Given our current level of energy expenditure (including electricity, natural gas and mobile source fuel) changes in existing regulations that put an upward pressure on the cost of energy could increase the cost of doing business for Xerox in any affected region.</p> <p>The Office of Global Government Affairs is responsible for tracking external developments and determining relevancy to Xerox products and operations. Through trade associations and partnerships, our EHS&S department tracks future emissions and energy legislation and policy changes that may affect the company. Consequently, we consider issues including emerging laws, regulations or voluntary agreements relating to our energy use, GHG emissions & reporting and the energy efficiency of our products when assessing our environmental/social/economic impacts in our corporate CSR materiality assessment, quarterly CSR meetings and ERM processes.</p>
Technology	Relevant, always included	<p>We operate in an environment of rapid technological developments, changes in industry standards, and demands of customers to become more efficient. Xerox recognizes that changes in technology and innovations that support the transition to an energy efficient and low-carbon economy, for example, developments in technology which improve the energy efficiency of our document printing products and services and the development of substitute products with lower emissions, represents both risks and opportunities for our business.</p> <p>The printing market and environment is changing because of new technologies and shifts in customer preferences in office printing. A significant part of our strategy and ultimate success in this changing market is our ability to develop and market technology, products and services that meet these changes. If we fail to accurately anticipate and meet our customers' needs through the development of new products, technologies and service offerings or if we fail to adequately protect our intellectual property rights, if our new products are not widely accepted or if our current or future products fail to meet applicable worldwide</p>

		<p>regulatory requirements, we could lose market share and customers to our competitors and that could materially adversely affect our results of operations and financial condition. Consequently, in our corporate CSR materiality assessment process, our quarterly CSR meetings and ERM processes we assess:</p> <ul style="list-style-type: none"> • The environmental/social/economic impacts from the energy efficiency of our products including future challenges and opportunities for improvement, innovation and competitive advantage; and • How significantly customers are influenced by the energy efficiency of our products.
Legal	Relevant, always included	<p>Recent years have seen an increase in climate-related litigation claims being brought by property owners, municipalities, states, insurers, shareholders, and public interest organizations. Reasons for such litigation include for example the failure of organizations to mitigate impacts of climate change, failure to adapt to climate change, 'climate-washing' and insufficient disclosure around material financial risks.</p> <p>Xerox recognizes that if we fail to meet, for example, climate-related legislation or our stakeholders' expectations there is potential that our business could be exposed to unfavorable publicity, litigation and possible financial obligations; any of which could have a material adverse effect on our profitability, cash flow and stock price.</p> <p>Consequently, in our corporate CSR materiality assessment process, our quarterly CSR meetings and ERM processes we assess:</p> <ul style="list-style-type: none"> • Our environmental/social/economic impacts by considering issues including environmental compliance and laws, regulations or voluntary agreements relating to our energy use, GHG emissions and the energy efficiency of our products. • How significantly stakeholders (including investors, regulators and customers) are influenced by various climate related issues.
Market	Relevant, always included	<p>Xerox recognizes that our business could be affected by climate-related market changes such as changes in the behavior of our customers, the decline in printed pages and the increase in electronic documentation.</p> <p>For example, the environmental awareness and consumer concern for climate change continues to increase, creating an increased demand for more sustainable products. Consumers expect organizations and businesses to tackle the carbon footprint of their own operations and help consumers reduce their carbon emissions during the use of products or services.</p> <p>Customers are increasingly demanding more energy efficient products with lower power consumption and a smaller "carbon footprint". The risk</p>

		<p>if Xerox took no action to keep up with market trends is that consumers would view our printing products as unsustainable in comparison to those of our competitors, which could potentially result in reduced demand for our products and loss of sales and market share.</p> <p>Consequently, in our corporate CSR materiality assessment process, our quarterly CSR meetings and ERM processes we assess:</p> <ul style="list-style-type: none"> • The environmental/social/economic impacts from the energy efficiency of our products; and • How significantly customers are influenced by the energy efficiency of our products (including the impact on brand value and corporate reputation).
<p>Reputation</p>	<p>Relevant, always included</p>	<p>Xerox recognizes that changing customer perceptions of our organization’s contribution to, or detraction from, the transition to a lower-carbon economy is a potential reputational risk.</p> <p>For example, the environmental awareness of stakeholders, including investors and customers, is increasing, including concern regarding increasing electricity usage by ICT companies, as well as the in-use and standby-use power consumption of devices. If stakeholders perceive that Xerox was failing to address global climate related issues through its operations, products and services, or we were subject to negative publicity this could result in an adverse effect on our financial condition, loss of reputation and in turn loss in brand value and revenue.</p> <p>We regularly engage with our customers about sustainability issues including environmental programs, goals and performance through:</p> <ul style="list-style-type: none"> • 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 • Open Xerox website • Host sustainability forums with customers, sharing sustainability best practices and encouraging customers to reduce their environmental footprint. <p>Consequently, in our corporate CSR materiality assessment process, our quarterly CSR meetings and ERM processes we assess:</p> <ul style="list-style-type: none"> • The environmental/social/economic impacts from our own energy use

		<p>and the energy efficiency of our products; and</p> <ul style="list-style-type: none"> • How significantly stakeholders including customers and investors are influenced by the energy efficiency of our own operations and our products (including the impact on brand value and corporate reputation).
<p>Acute physical</p>	<p>Relevant, always included</p>	<p>Xerox recognizes that our business could be directly and indirectly affected by acute physical impacts of climate change such as more frequent short-term business disruptions caused by severe weather (such as hurricanes, or floods) in locations where we operate. Severe weather could impair our ability to provide services to our customers and keep our costs aligned. For example, in 2018, hurricanes Michael and Florence caused damage to some of our customers' equipment (which we were required to replace). While the 2020 Wilsonville/Portland fires did not damage any facilities, smoke caused a closure of our manufacturing operations for two days.</p> <p>We have also outsourced a significant portion of our manufacturing operations to third parties and service providers. Some of Xerox's suppliers are in locations that have historically been impacted by severe weather. There is potential that those manufacturers may experience disruptions and manufacturing costs could be higher. Changing precipitation patterns causing extremes such as flooding, or drought could lead to energy and water resource shortages causing disruption in our operations. If any of these risks were to be realized, we could experience interruptions in supply or increases in costs that result in 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.</p> <p>Consequently, in our CSR materiality assessment process, our quarterly CSR meetings and ERM processes:</p> <ul style="list-style-type: none"> • Physical climate change issues are integrated into the assessments of our environmental/social/economic impacts from multiple relevant topics including energy, water use and supplier assessments • The potential risk for extreme weather to disrupt Xerox operations or our supply chain is also included in the ESG risks assessed as part of our ERM process. • In addition, in 2020 the Xerox EHSS team completed a Climate Scenario Analysis to identify and prioritize climate-related risk for Xerox manufacturing facilities and key suppliers. Major operating units and corporate functions (e.g. Real Estate) are responsible for evaluating site specific risks e.g. resiliency to events that impact Xerox's ability to achieve business objectives. Preparedness is achieved via the BCAP including business impact analysis of risks such as drought and flooding.

<p>Chronic physical</p>	<p>Relevant, always included</p>	<p>Xerox recognizes that our business could be directly and indirectly affected by longer term physical impacts of climate change such as change in precipitation patterns.</p> <p>E.g. we have outsourced a significant portion of our manufacturing operations to third parties and service providers who require sanitary and process water to operate. Some Xerox suppliers are in locations that have historically been impacted by changing precipitation patterns. Therefore, there is potential that those manufacturers may experience disruptions and manufacturing costs could be higher. If any of these risks were to be realized, we could experience interruptions in supply or increase 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.</p> <p>Consequently, the impacts of our suppliers including physical climate change issues are considered in our corporate CSR materiality assessment, Business Continuity Assurance Process, our quarterly CSR meetings and ERM processes. Our CSR materiality assessment also includes discussions with our suppliers, and supplier priorities is one of the criteria factored into this assessment. We have adopted the Responsible Business Alliance’s (RBA) Code of Conduct on CSR for our suppliers which includes standards regarding water usage and pollution. To monitor compliance to the Code of Conduct and our suppliers’ exposure to water risks, we use Self-Assessment Questionnaires and conduct site audits of our key suppliers. High risk suppliers include those who have high risk financial profiles, have zero tolerance or major observation issues during audits or are in high risk geographies. Other methods used to engage with our suppliers include:</p> <ul style="list-style-type: none"> • Routine business reviews with key suppliers • Annual communication of Xerox supplier code of conduct to supplier base • Inclusion of small and diverse businesses through our Supplier Diversity Program <p>The potential risk for physical climate-related risks (extreme weather) to disrupt Xerox operations or our supply chain is also included in the ESG risks assessed as part of our ERM process. In 2020 the Xerox EHSS team completed a Climate Scenario Analysis to identify and prioritize climate-related risk for Xerox manufacturing facilities and key suppliers. This will feed into ERM chronic risk assessments and planning.</p>
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C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Current regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

Xerox recognizes that our business is directly affected by climate related regulations, standards and voluntary certifications aimed at reducing energy use and GHG emissions of our products.

If Xerox was unable to meet the energy efficiency requirements and unable to offer products that are as energy efficient as our competitors, there is a risk of reduced customer demand for our products and reduced market share. Changes to existing regulations, introduction of new regulations, or failure to comply with regulations requiring our products to meet certain levels of energy efficiency could also present an increase in operating cost to the business.

For example, the EU is developing a new regulation, Ecodesign for Sustainable Products (ESPR), which will include performance standards for imaging equipment in connection with design for sustainability, including energy efficiency, circularity, product durability, reusability, upgradeability, repairability, recycled content, remanufacturing, and recycling. ESPR will replace the EU Imaging Equipment Voluntary Agreement previously in place, that Xerox was a signatory of from the time it was established. The US ENERGY STAR standard/eco-label specification for Imaging Equipment also introduces progressively more stringent energy efficiency requirements over time and for a broader range of products, including remanufactured products and professional imaging equipment (Version 3.2 specification revision was finalized and went into effect in late 2021). While not a regulation, compliance with Energy Star is a default requirement for many customers and is regularly referenced in public sector procurement requirements, as well as other eco-labels, including Blue Angel and EPEAT. Both EPEAT and Blue Angel require ENERGY STAR certification, as well as recycled content and responsible end of life management. Xerox acquires these

ecolabels and maintains registrations for all eligible products. Such regulations and ecolabels are arising in all countries globally, therefore the need to continually improve the energy efficiency of our imaging equipment continues to be a high priority for Xerox.

As the whole industry is affected by these requirements, Xerox is not at a strategic disadvantage compared to our competitors. Nevertheless, it is essential that Xerox is able to offer products that are as energy efficient as our competitors.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium

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)

0

Potential financial impact figure – maximum (currency)

1,400,000,000

Explanation of financial impact figure

If our products do not meet energy efficiency regulations and standards, there is potential for this to result in reduced demand for our products and decreased sales revenue.

The extent of energy performance on final procurement decisions and hence the impact on revenue is unclear.

However, our total annual equipment sales market share is ~\$1.6 Billion and we estimate annual sales of our products with an eco-label (i.e. annual sales of all our entry and mid-range products) is ~\$1.4 Billion per year (based on 2020 - 2022 sales data). If Xerox took no action to meet more stringent requirements introduced by applicable energy efficient regulations within the required time frame, and our competitors' products become more favorable to customers, than our products with an eco-label, this market share (~\$1.4 Billion revenue per year) could be at risk.

The estimated financial impact and potential loss of revenue is therefore estimated to range from \$0 to \$1.4 Billion per year as a worse case.

A decrease in equipment sales will also have a secondary financial impact due to

decreased sales of associated consumables, such as replacement toner cartridges and other post sales services such as maintenance.

Cost of response to risk

6,600,000

Description of response and explanation of cost calculation

To ensure that product design teams can incorporate timely environmental considerations, developments in regulations are tracked via formal processes including our Regulatory and Market Driven Initiatives (RMI) process. This gathers information from trade associations and regulatory tracking systems (e.g. Digital Europe, Imaging & Print Europe). We also solicit feedback from clients and local Xerox entities. The information gathered helps determine next steps e.g., joining a technical advisory team or collaborating on the development of new regulations.

Case Study:

Situation: US EPA's ENERGY STAR eco-label specification for imaging equipment continues to introduce progressively more stringent energy efficiency requirements over time. This could present an increase in operating cost to the business and if Xerox was unable to meet the requirements and offer products that are as energy efficient as our competitors, there is also a risk of reduced demand for our products and market share

Task: Ensure product design teams are aware of changes to the US Energy Star standard and risks are mitigated

Action: From 2019 -2021 Xerox served as a technical advisor for V3.0, 3.1, and 3.2 of the Energy Star specification for Imaging Equipment

Result: Versions 3.1 and 3.2 were finalized and went into effect in late 2020 and 2021 and Xerox was fully informed and prepared for the changes. Since 2010, 100% of our eligible new products have achieved ENERGY STAR registration. Many existing products were re-engineered to be more energy-efficient to meet the 3.0 criteria.

Customer expectations are also tracked through our Bid and Tender management process. Xerox manages compliance with product environmental requirements through our formal product design process and scientists in our materials research group evaluate aspects of energy, materials and sustainability to continually improve our products Our goal remains to have 100% of newly launched eligible products achieve EPEAT silver or gold and ENERGY STAR status.

Cost of response: Costs to track product energy efficiency regulations, monitor product energy efficiency, and implement energy efficiency measures, are integrated in our normal business processes and are estimated to be approximately \$6.6M annually. This estimate is based on 50% of the EHS&S budget devoted to market access (\$1.2M), 0.5% of the development teams RD&E budget (\$1.3M), and \$4.1M for EPEAT reverse logistics to strip parts for reman and recycle.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Storm (including blizzards, dust, and sandstorms)

Primary potential financial impact

Increased direct costs

Company-specific description

Xerox could be directly impacted by more frequent short-term business disruptions as a result of severe weather/natural disasters e.g., flooding and winter snow storms in locations where it operates, particularly in the Mid-West and Northeast United States. These events could impair our ability to effectively provide services to our customers and keep our operating costs aligned to our associated revenues and market requirements.

For example:

- In 2012, 76 Xerox facilities were forced to close for a limited time and 102 customers in the United States were impacted by Super Storm Sandy.
- In 2014, severe winter weather forced the closure of our American Logistics Center for parts and supplies.
- In 2017, hurricanes Harvey, Irma and Maria caused irreparable damage to 4 company vehicles used by our technical services representatives/sales personnel (two vehicles in Texas, one in Georgia and one in Puerto Rico).
- In 2018, hurricanes Michael and Florence caused damage to some of our customers' equipment, which we were required to replace, and flooding to some company cars. Also in 2018, Typhoon Yutu caused power outages that lasted for days, requiring mold assessments and cleanup/remediation for Xerox office areas.
- In 2020, forest fires raged near our Wilsonville, Oregon manufacturing facility, forcing a two-day closure of the facility due to heavy smoke. While there was no lasting facilities impact, this event had the potential to cause substantial damage to the facility and major interruptions to our ability to produce products.

However, events during the recent past have shown how our business continuity practitioners have worked in concert with our processes to ensure the safety of people and assets and the resumption of business.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Low

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)

6,000,000

Potential financial impact figure – maximum (currency)

20,000,000

Explanation of financial impact figure

Should our facilities experience a disruption in their production due to severe weather, e.g. damage to our facilities or impact to our workforce, there would be increased operating, production and, potentially also capital costs to Xerox. The \$ impact would depend on the type and location of the facility. E.g. the total Net Impact cost to Xerox associated with Hurricane Sandy was estimated at ~\$630K which included cost/damage to Xerox facilities (<\$20,000) In 2017, the cost of shutting down one of our US manufacturing plants for 2 days due to a wind storm was \$200K.

However our Business Resumption Plan analysis indicates that as a worst case, should one of our toner sites be unable to operate unexpectedly for a period of three months due to facility damage from severe weather, the additional direct costs to Xerox associated with emergency actions to switch toner production to one of our facilities in another location and higher shipping costs for raw materials and finished goods would likely be in the range of \$2M - \$4M for a single event. Assuming 3-5 such incident over a 10 year period gives total increased costs in the range of \$6-20M over ten years (i.e. \$2M x 3 events and \$4M x 5 events).

The estimated financial impact and potential increase in direct costs is therefore estimated to range from \$6 Million to \$ 20 Million over a ten year period.

Cost of response to risk

500,000

Description of response and explanation of cost calculation

Resiliency and effective response to any type of event, environmental or otherwise, that may impact our ability to achieve our business objectives is a critical business requirement. These objectives include: the safeguarding of human and capital assets; cash flow; reputation and brand. At Xerox, 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: response to localized emergencies

- Crisis Management: coordination of resources to mitigate the impact of significant emergencies
 - IT Disaster Recovery: recovery of electronic systems/data
 - Business Resumption: processes implemented to fully resume business activities
- The Business Continuity process includes business impact analyses (including physical climate risk such as storms and temperature extremes), self-assessments/audits, periodic validations, and plan status reporting to Xerox management. Each individual site has a Business Resumption Plan, which allows them to prepare for risks of climate changes at their site. Annually plan drills are conducted and risks such as hurricanes and floods are included in the drills. Geographic risks including availability of water and flooding potential are included in the decision checklist used by Corp. Real Estate when considering site expansions and acquisitions.

Cost of response: Cost to run the Business Continuity program office (1 full time employee) to prepare, review, update and annually test the BRP, plus approximately 250 worldwide business continuity coordinators and practitioners, is integrated into our normal operations and businesses processes, but are estimated to be less than \$500k/yr.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Market

Changing customer behavior

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

Our business could be affected by climate-related market changes such as changes in the behavior of our customers, the decline in printed pages and the increase in electronic documentation. The environmental awareness of consumers and their concerns regarding climate change is increasing globally, creating an increased demand for more sustainable products. Consumers expect organizations and businesses to tackle the carbon footprint of their own operations and help consumers reduce their carbon emissions during the use of products or services. The risk if Xerox took no action is that consumers would view our products as unsustainable in comparison to those of our competitors, which could potentially result in reduced demand for our products and loss of sales and market share.

For example, lifecycle assessments have demonstrated that paper is by far the largest lifecycle energy and CO2 impact of printing. [Life-Cycle Analysis in the Printing Industry: A Review. Bosquin, J. et. al. <http://print.rit.edu/pubs/picrm201105.pdf>]. This resulted in customers looking for ways to reduce their paper consumption and printing, declines in printed pages, fewer devices per location and an increase in electronic documentation.

Rather than see a reduced demand for Xerox products this has prompted Xerox to develop new products and services that directly result in paper reduction. For example, our Managed Print Services can help to reduce the environmental impact of a business by decreasing paper waste and carbon footprint. These solutions are also proving effective in tackling paper-to-digital workflow efficiency by providing key analytics to help understand the way in which paper is used in today's business world.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

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)

320,000,000

Potential financial impact figure – maximum (currency)

1,100,000,000

Explanation of financial impact figure

If we do not meet customers' expectations for energy efficient products, there is potential for this to result in reduced demand for our products and decreased sales revenue. The extent of energy performance on final procurement decisions and hence the impact on revenue is unclear.

However, our total equipment sales market share is ~\$1.6 Billion per year. Based on requests from customers, we estimate that ~20% of our equipment sales are driven by the energy efficiency of our products. Therefore, we can assume that 20% of our market share- ~\$320M per year (i.e. 20% of \$1.6 Billion) could be at risk if we took no action to respond to consumers' demands for energy efficient products.

Furthermore, 20% of our post-sales revenue of ~\$5.5 Billion per year is equivalent to an additional \$1.1B per year of revenue which could also be at risk if contracts are not won

because we do not meet customers' expectations for energy efficient products.

The estimated financial impact and potential loss of revenue is therefore estimated to range from \$320M to \$1.1 Billion per year as a worse case.

Cost of response to risk

6,600,000

Description of response and explanation of cost calculation

Xerox has been a leader in customer led innovation. Xerox launched the Customer Relationship Survey, which compiles valuable insights into customer behavior in a centralized database

Xerox continues to invest in the R&D of products with a lower environmental impact and tools to drive the transition to digital workflows. E.g. Xerox has met consumer demand for increased product energy efficiency and reduced GHG emissions and paper consumption by the following offering:

- Since 1993, have introduced >500 copier, printer, fax and multifunction products that have ENERGY STAR status

We regularly communicate the company-wide commitment to environmental stewardship through our annual CSR report.

Cost of response:

The cost to conduct customer relations surveys is integrated into the ongoing and normal operations of our worldwide sales teams.

Costs to monitor, product energy efficiency & digital solutions, and implement energy efficiency measures are integrated into our normal operations and are estimated to be approximately \$6.6M annually. This estimate is based on 50% of the EHS&S budget devoted to market access (\$1.2M), 0.5% of the development teams RD&E budget (\$1.3M), and \$4.1M for EPEAT reverse logistics to strip parts for reman and recycle.

Approximately 1% of Xerox total revenue is spent on brand related marketing, e.g. costs associated with marketing efforts to maintain consumer awareness of Xerox sustainability efforts (e.g. annual production of the CSR report) are also integrated into our normal operations but are estimated to be ~\$1M/yr

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Reputation
Shifts in consumer preferences

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

Our brand recognition, reputation for document management expertise, innovative technology and service delivery excellence are our competitive advantages. However, changing customer perceptions of our organization's contribution to or detractor from the transition to a lower-carbon economy is a potential reputational risk.

The environmental awareness of stakeholders, including investors and customers, is increasing, including concern regarding increasing electricity usage by ICT companies, as well as the in-use and standby-use power consumption of devices. If stakeholders perceive that Xerox was failing to address global climate related issues through its operations, products and services, loss of reputation and in turn, loss in brand value and sales revenue could result.

Time horizon

Short-term

Likelihood

Very unlikely

Magnitude of impact

Medium

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)

320,000,000

Potential financial impact figure – maximum (currency)

1,100,000,000

Explanation of financial impact figure

If stakeholders perceive that Xerox was failing to address climate issues through its operations, products and services there is potential for reduced demand for our products and decreased sales revenue.

In 2023, BrandFinance placed Xerox brand value at \$2.1 billion as well as in the top 10 companies with the highest American Sustainability Perception Score. Attempts to quantify changes in reputation on brand value have proven difficult. However, an event

(reputational risk) that caused a reduction in the stated brand value (our brand is diminished) could result in decreased sales and revenue.

The extent of the climate and energy related performance of our brand on procurement decisions and revenue is unclear. However, our total equipment market share is ~\$1.6 Billion per year and we estimate that ~20% of our equipment sales are driven by the energy efficiency of our products. Therefore, we can assume that 20% of our market share ~\$320M per year (i.e. 20% of \$1.6 Billion) could be at risk if stakeholders perceive that Xerox was failing to respond to demands for more sustainable products and our brand equity diminished.

Furthermore, 20% of our post-sales revenue of ~\$5.5 Billion per year is equivalent to an additional \$1.1 Billion per year of revenue could also be at risk if contracts are not won because stakeholders perceive that Xerox was failing to address climate issues through its operations, products and services.

The estimated financial impact and potential loss of revenue is therefore estimated to range from \$320M to \$1.1 Billion per year as a worse case.

Cost of response to risk

1,000,000

Description of response and explanation of cost calculation

Our brand is a valuable resource and continues to be ranked in the top percentile of the most valuable global brands. Annually, Xerox conducts brand awareness and perception surveys and measures its brand influence through internal and external analytical programs including the Customer Relationship Survey. Marketing and sales coverage investments are influenced by brand data, specifically levels of perception and consideration among key customer groups.

Actions we have taken to maintain our brand recognition and customer awareness of the contribution of our products and services to a lower-carbon economy include:

- In 2019, Setting a new, science-based corporate target to reduce GHG emissions 60% by 2030 from a 2016 target
- In 2020, establishing and communicating our corporate intent of being net zero by 2040.
- Continuing our strong commitment to improving the energy efficiency of our products as evidenced by continuing to meet stricter environmental labels such as ENERGY STAR 3.2, EPEAT and Blue Angel.
- In 2018, we partnered with PrintReleaf to offer our manage print services customers the opportunity to purchase certified reforestation/biomass credits for all paper they consume
- We regularly communicate the company-wide commitment to environmental stewardship through our CSR Report

Cost of response: Approximately 1% of Xerox total revenue is spent on brand related marketing activities. E.g. costs associated with efforts to maintain consumer awareness

of Xerox sustainability efforts (e.g. annual production of the CSR report) are integrated into our normal operations but are estimated to be ~\$1M/yr.

Comment

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Acute physical

Other, please specify

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Increased direct costs

Company-specific description

We have outsourced a significant portion of our overall worldwide manufacturing operations to third parties and various service providers. Some Xerox suppliers are in locations that have historically been impacted by severe weather. Therefore, there is potential that those manufacturers may experience disruptions, manufacturing costs could be higher than planned and the delivery of our products could be impacted. Xerox suppliers could be impacted by more frequent business disruptions because of severe weather, resulting in a reduction/disruption in production capacity and electronic components that are unavailable or cannot be shipped to Xerox in a timely manner.

If any of these risks were 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.

For example, the Japanese tsunami in March 2011 resulted in business interruptions and additional costs to Xerox due to premium air-freight charges.

In 2018 a number of our US suppliers in the Gulf of Mexico experienced short term closures due to impacts from Hurricanes Michael and Florence and flooding in Texas. Service calls in our Midwest NSP territories also experienced delays due to severe winter weather impacting travel.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium-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 figure

Should our key suppliers experience a disruption in their production capacity or be unable to operate due to severe weather events, damage to their facilities and/or impact their workforce, there would likely be increased operating and production costs to Xerox associated with sourcing and transporting the same products from alternative suppliers. The impact has not been fully quantified financially but would depend on the type and location of the supplier.

For example, during the Japanese tsunami in March 2011 additional costs to Xerox to freight products by air was ~\$20M. In 2017 (although not climate related) we experienced a spike in air freight volumes and costs to ease delays in our supply chain. In 2018, a number of our US suppliers in the Gulf of Mexico experienced short term closures due to impacts from Hurricanes Michael and Florence and flooding in Texas. Service calls in our Midwest NSP territories also experienced delays due to severe winter weather impacting travel.

Cost of response to risk

500,000

Description of response and explanation of cost calculation

Xerox has formal Business Resumption Plans (BRP) for parts or subassemblies so that in the event of a climate related natural disaster there would only be a temporary disruption while orders are moved to alternate suppliers. We require that all 'critical' suppliers maintain BRP plans and we audit the plans. 'Critical' suppliers are identified based on:

- Business risk: length of time to resume normal business, % of revenue, propensity for natural disasters
- Revenue impact: amount spent, spread across Xerox product families.

Xerox Global Procurement department works with our supply chain partners to identify alternative suppliers in the event of a supply or services continuity issue. All our key suppliers in Asia have BRPs. Commodities are ranked according to criticality and

resources are allocated to mitigate the impact should these commodities become unavailable during disasters, such as buffer inventory of up to 2 months or alternate sources. E.g. during the Japanese tsunami in 2011 our Business Continuity process ensured that business interruptions were minimized by sourcing and air freighting the same products from alternative suppliers.

Cost of response: Costs to run the Business Continuity program office (1 full time employee) to prepare, review and update and annually test the BRP, plus approximately 250 worldwide business continuity coordinators and practitioners, are integrated into our normal operations and businesses processes, but are estimated to be less than \$500k/yr

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

An increase in regulations and standards requiring products to meet certain levels of energy efficiency not only creates an increased awareness and demand among consumers but presents a global opportunity for Xerox to provide more products that are more energy efficient compared to our competitors. It creates a marketing opportunity to showcase products that are industry leaders, increasing demand for Xerox products and

in turn, our market share.

For example, the US ENERGY STAR standard/eco-label specification for Imaging Equipment introduces progressively more stringent energy efficiency requirements over time and for a broader range of products (the Version 3.2 specification revision was finalized and went into effect late 2021.). While not a regulation, compliance with Energy Star is a default requirement for many customers and is regularly referenced in public sector procurement requirements, along with other eco-labels, including Blue Angel and EPEAT.

Over the last 24 months Xerox has launched 15 new printers/multifunction printers – all achieving Energy Star/EPEAT certification. Included with these are new models are ConnectKey-enabled products. ConnectKey is an ecosystem of hardware, software, solutions and services focused on creating the most productive and secure workplace for today's hybrid workers. A key attribute to the ConnectKey ecosystem is that it is cloud-ready and enables information to be moved to and from the cloud without the security risks that commonly exist. Cloud computing is an alternative to large data centers and is being recognized worldwide as less energy intensive than data centers while generating fewer GHGs. In addition, Xerox ConnectKet technology enables energy management by allowing for control, management and setting of power states and timeout intervals for both individual devices or fleets of devices.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

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)

0

Potential financial impact figure – maximum (currency)

80,000,000

Explanation of financial impact figure

The increase in development and demand for more energy efficient and low emission products presents a potential for Xerox to provide more products that are more energy efficient compared to our competitors thus increasing demand for Xerox products and in turn our sales revenue.

While energy efficiency criteria grow in prominence in public and private procurement

specifications, it is uncertain as to whether energy performance has a substantial impact on the final procurement decisions; hence the impact on revenue is unclear.

However, our total equipment market share is ~\$1.6 Billion per year. Assuming developments in technology and ecolabel requirements would enable us to expand our range of eco label and low carbon products and services, resulting in a maximum 5% increase in sales, our sales revenue could increase by up to \$80M/yr. (i.e. 5% of \$1.6Billion) (based on 2020 -2022 sales data).

The estimated financial impact and potential increase in revenue is therefore estimated to range from \$0 to \$80 Million per year.

Cost to realize opportunity

6,600,000

Strategy to realize opportunity and explanation of cost calculation

To realize this opportunity developments in regulations are tracked via a number of formal processes including our Regulatory and Marketing Initiative Management System. The system includes gathering information from trade associations and regulatory tracking systems. Xerox manages compliance with product environmental requirements through our formal product design process, in which design requirements are implemented to achieve the performance expectations set by regulations and certifications. Our goal remains to have 100% of newly launched eligible products achieve EPEAT silver or gold and ENERGY STAR status. In 2018, we became the first to register printing devices for EPEAT in 11 EU Countries.

Case Study:

Situation: the US EPA's ENERGY STAR eco-label specification for imaging equipment continues to introduce progressively more stringent energy efficiency requirements over time. An increase in regulations and standards requiring products to meet certain levels of energy efficiency not only creates an increased awareness and demand among consumers, it creates a marketing opportunity to showcase products that are industry leaders. This increases demand for Xerox products, and in turn our market share.

Task: Ensure the opportunity for Xerox to provide more products that are more energy efficient compared to our competitors and the US Energy Star standard are maximized

Action: From 2019-2021 Xerox served as a technical advisor for the EPA for V3.0, 3.1, and 3.2 of the Energy Star specification for Imaging Equipment.

Result: Versions 3.1 and 3.2 specification revisions were recently finalized and went into effect in late 2020 and 2021 and Xerox was fully informed and prepared for the changes. 100% of new, eligible products were registered with Energy Star.

Xerox continues to invest in R&D of energy-efficient product designs to meet future customer demands. We direct our R&D investments to areas such as data analytics, business process automation, and reducing the environmental impact of digital printing.

Cost to realize: Costs to track product energy efficiency regulations, monitor product energy efficiency, and implement energy efficiency measures, are integrated into our

normal operations, and are estimated to approximately \$6.6M annually. This estimate is based on 50% of the EHS&S budget devoted to market access (\$1.2M), 0.5% of the development teams RD&E budget (\$1.3M), and \$4.1M for EPEAT reverse logistics to strip parts for reman and recycle.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of climate adaptation, resilience and insurance risk solutions

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

We recognize opportunity in business resumption challenges experienced by other businesses impacted by adverse weather through increased demand for our services offerings. As the frequency and severity of extreme weather associated with climate change increases, negative weather impacts such as severe changes in precipitation extremes, tropical storms and more intense winter storms may be partially offset by revenue opportunities associated with Xerox business continuity products. Xerox can reduce interruption and keep customers “up and running” after they have been impacted because of realization of climate change risks and in turn enable them to adapt to the physical changes associated with climate change.

For example, Xerox® DocuShare® Private Cloud Service manages and stores information in a secure central repository, in the cloud, which provides access to business critical content online and offline, through desktop and mobile devices, from encrypted user authentication to internet firewalls to regularly scheduled backups, offsite storage and site replication—to ensure the safety and availability of our customer’s data at any time, including if our 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.

Xerox is also working to address customer issues faster, and with less environmental impact, with expanded remote solve capabilities utilizing AI & AR. In January of 2021 Xerox announced the acquisition of CareAR™, an augmented reality support platform

company that provides real-time access to expertise for customers, employees, and field workers. With CareAR™ software, remote agents and experts can virtually see the situation and visually guide a solution using a suite of augmented reality tools via desktop, mobile, and smart glass devices, as if they were in-person. This has been proven to improve remote solve of customer issues, resulting in fewer on-site service calls and a reduction in Xerox service call miles, fuel usage and associated GHG emissions. In one year CareAR enabled Xerox to reduce client site visits by more than 21,000, with more than 269,000 metric tons of Co2 avoided as a result.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

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)

0

Potential financial impact figure – maximum (currency)

17,000,000

Explanation of financial impact figure

Physical climate related impacts present potential revenue opportunities associated with Xerox business continuity products. Xerox can reduce interruption and keep customers “up and running” after they have been impacted as a result of realization of climate change risks and in turn enable them to adapt to the physical changes associated with climate change.

For example, increased demand for Xerox cloud-based products would result in increased revenue to Xerox.

In 2018, revenue from Xerox Intelligent Workplace Services offering (which includes our workflow automation services portfolio) was ~\$3,457 Million. Therefore, assuming a maximum 0.5% increase in our annual revenue from our Intelligent Workplace Services offering equates to up to a ~\$17 Million per year increase in sales revenue (i.e. 0.5% of \$3457 Million).

The estimated financial impact and potential increase in revenue is therefore estimated to range from \$0 to \$17 Million per year.

Cost to realize opportunity

304,000,000

Strategy to realize opportunity and explanation of cost calculation

Xerox has a rich heritage of innovation, and it continues to be a core strength of the company as well as a competitive differentiator. Our aim is to create value for our customers, our shareholders and our people by driving innovation in key areas.

Investment in R&D is critical for competitiveness in our fast-paced markets.

To realize this opportunity, we direct our R&D investments and innovation to align with our strategic growth opportunities in areas including:

- Simplifying, automating and enabling business processes on the cloud via developing new products with 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

Cost to realize: Costs to grow this business are integrated into our normal operations and businesses processes, but we have aligned our R&D investment portfolio with our growth opportunities in areas such as workflow automation, as well as reducing the environmental impact of digital 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. The cost to realize is therefore based on our total annual Xerox R&D expenses, which totaled \$304 million in 2022.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Energy cost avoidance: Focusing on energy efficiency to achieve emissions reduction targets within our company operations also presents significant global cost savings opportunities from reduced electricity, gas and mobile source fuel consumption.

Focusing on energy efficiency and emission reduction also results in additional reputational benefits.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

460,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Focusing on improving the energy efficiency of our operations presents an opportunity to reduce operating (energy) costs. For example, energy efficiency activities implemented between 2002 and 2015 is estimated to have saved the company ~\$21 million in energy costs from reduced electricity, gas and mobile source fuel consumption.

In 2018, measures and initiatives to reduce energy consumption across the company (e.g. HVAC and compressed air upgrades) has resulted in energy savings of ~\$460,000/year in total. We have therefore calculated the potential annual financial impact, and reduction in annual operating costs, based on actual annual energy costs savings realized in 2018. Energy savings benefits from infrastructure upgrades continue year-to-year.

Cost to realize opportunity

2,000,000

Strategy to realize opportunity and explanation of cost calculation

To manage this opportunity for cost saving and reputational benefits we have implemented an ongoing energy reduction program and monitor energy consumption against our voluntary energy and GHG reduction targets.

Case Study

Situation: Focusing on improving the energy efficiency of our operations presents an opportunity to significantly reduce operating (energy) costs.

Task: Implement a formal energy reduction program and GHG reduction targets

Action: In 2019, having met its previous target of 25% reduction in GHG emissions by 2025 from a 2016 baseline, Xerox set a new, more aggressive science-based target of

60% reduction in GHG emissions by 2030 from the same 2016 baseline.

Result: In 2019, we achieved a 19% reduction in total energy use from 2016, as well as a 29% reduction in GHG emissions compared to 2016. In 2020, our energy consumption decreased 15.9% from 2019 and in 2022 Scope 1 and 2 GHG emissions totaled 126,579 metric tons of CO₂e, a 46% reduction from the 2016 baseline.

We have several projects scheduled/budgeted to help us reduce our energy use and achieve this target, including lighting upgrades, Air Handling Unit Controls upgrades and boiler blowdown heat recovery economizer replacement at our Webster, NY location and optimization in operations all around North America.

Facility energy usage and cost is also tracked for all sites where energy is paid directly by Xerox. We strategically manage energy procurement to provide the lowest risk mitigated energy cost.

The costs to realize the opportunity include implementing energy efficiency projects and initiatives e.g. in 2018 our budget for capital projects with associated energy savings and energy related operational improvements was ~\$2M

We invested ~\$1,000,000 in measures to reduce energy consumption and carbon emissions across the company such as:

- New air compressor and compressed air control systems
- Two projects at the Webster, NY campus to utilize 'free cooling' systems in place of mechanical cooling for CHW systems

Budgeted projects that were not implemented were deferred to 2019.

We have therefore calculated the annual costs to realize this opportunity, based on the actual 2018 budget for capital projects with associated energy savings and energy related operational improvements.

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Our brand recognition, reputation for document management expertise, innovative technology and service delivery excellence are our competitive advantages.

The environmental awareness of consumers globally is increasing, creating a demand for more sustainable products. Consumers expect organizations and businesses to tackle the carbon footprint of their own operations and help consumers reduce their carbon emissions during the use of products or services. For example, lifecycle assessments have demonstrated that paper is by far the largest lifecycle energy and CO2 impact of printing. [Life Cycle Analysis in the Printing Industry: A Review. Bosquin, J., et. al. <http://print.rit.edu/pubs/picrm201105.pdf>]. This has resulted in customers looking for ways to reduce their paper consumption and printing, but also presents opportunities for Xerox to develop new products and services that directly result in paper reduction.

Consequently, Xerox has developed office solutions to provide services such as scan to email and print drivers that allow users to set duplex to default, n-up printing, turn off banner pages, etc. In late 2009, Xerox introduced the “earth smart” feature on its print driver, which makes several of the features which enable responsible printing available at the click of an icon. This driver feature has been rolled out on individual products and was released in the global driver in mid-2010. Our Managed Print Services can help reduce the environmental impact of a business by decreasing paper waste and carbon footprint. These solutions are proving effective in building toward properly tackling paper-to-digital workflow efficiency by providing key analytics to help understand the way in which paper is used in today’s business world.

Customers are also increasingly demanding more energy efficient products with lower power consumption and a smaller “carbon footprint”. Increasing customer demand for energy efficient products and electronic delivery of documents creates opportunities for innovations in Xerox product design and operation.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

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)

0

Potential financial impact figure – maximum (currency)

350,000,000

Explanation of financial impact figure

Being at the forefront of product innovations which use less energy while maintaining product efficiency presents business opportunities and helps us to gain/maintain our market position. Maintaining or increasing market share has a direct link to business revenue and profitability.

The potential annual financial impact, and increase in revenue is calculated by assuming a 5% increase in our current total market share (of \$7 Billion) due to our improved brand recognition and reputation for creating sustainable products and services. This would increase revenue by up to a maximum of \$350M (i.e 5% of \$7 Billion) per year.

The estimated financial impact and potential increase in revenue is therefore estimated to range from \$0 to \$350 Million per year.

Cost to realize opportunity

8,000,000

Strategy to realize opportunity and explanation of cost calculation

Xerox has long been a leader in customer led innovation. In 2012 Xerox launched the Customer Relationship Survey which standardized the way Xerox collects and analyzes customer feedback worldwide and compiles valuable insights into customer behavior in a centralized database.

Xerox continues to invest in R&D of products and consumables with a lower environmental impact and has met consumer demand for product energy efficiency and reduced GHG emissions and paper consumption by for example:

- Introducing >500 copier, printer, fax and multifunction products that have ENERGY STAR status since 2009
- In 2018 we partnered with PrintReleaf to offer our manage print services customers the opportunity to purchase certified reforestation/biomass credits for all paper they consume

We also regularly communicate the company-wide commitment to environmental stewardship through our annual CSR report

Costs to realize: Costs to conduct customer relations surveys are integrated into the normal operations of our worldwide sales teams. Costs to implement energy efficiency measures are integrated into our normal operations but are estimated to be <\$7M/yr (<0.1% of total operating costs of ~\$7 Billion). Approximately 1% of Xerox total revenue is spent on brand related marketing and costs associated with marketing efforts to maintain consumer awareness of Xerox sustainability efforts (e.g. production of the CSR Report) are estimated to be ~\$1M/yr. Breakdown of R&D spending by category is not publicly communicated and is not included in this estimate.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization’s strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

Xerox conducted extensive, proactive investor outreach to facilitate candid discussions about our business and strategy. the company hosted calls with investors and solicited feedback about ESG reporting metrics, diversity and executive compensation

Frequency of feedback collection

Annually

Attach any relevant documents which detail your climate transition plan (optional)

Xerox 2040 Net Zero Plan

 Xerox 2040 Net Zero plan.pdf

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative, but we plan to add quantitative in the next two years

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios IEA 2DS	Company-wide		<p>In 2020, Xerox completed a qualitative, forward-looking climate scenario analysis using two alternative temperature scenarios; “Low Carbon Future <2°C” and “Extreme Global Warming 4°C”. This analysis evaluated physical climate risks and resilience at all Xerox manufacturing locations and key facilities, critical supplier locations and customer related activities, and includes site-specific analysis against a range of potential climate-related acute and long-term physical risks as well as transition risks that impact Xerox’s markets, technology, regulatory requirements and reputation.</p> <p>The “Low Carbon Future <2°C” was assessed using the IEA’s World Energy Outlook 2DS. This ambitious climate transition scenario, was selected as it has been a commonly used climate scenario for many years and is widely used by policy makers and business stakeholders to assess their climate strategies. For Xerox this represents significant climate impact as well as higher transition and opportunity risks as part of a faster-moving transition to low carbon technologies.</p> <p>The IEA 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.</p> <p>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. Any identified significant risks, opportunities or adaptive measures would need to be addressed in our net-zero roadmap (currently under development), our short-term business strategies and capital planning activities. The long-term timeframe is relevant due to</p>

			international policies that are in place (e.g.: Paris Climate Accord) and, at the time, aligned with Xerox's net zero by 2050 goal (which has since been moved up to 2040).
Physical climate scenarios Customized publicly available physical scenario	Company-wide	1.6°C – 2°C	<p>In 2020, Xerox completed a qualitative, forward-looking climate scenario analysis using two alternative temperature scenarios; "Low Carbon Future <2°C" and "Extreme Global Warming 4°C". This analysis evaluated physical climate risks and resilience at all Xerox manufacturing locations and key facilities, critical supplier locations and customer related activities, and includes site-specific analysis against a range of potential climate-related acute and long-term physical risks as well as transition risks that impact Xerox's markets, technology, regulatory requirements and reputation.</p> <p>This scenario was selected as it has been a commonly used climate scenario for many years and is widely used by policy makers and business stakeholders to assess their climate strategies</p> <p>The model makes 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.</p> <p>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. Any identified significant risks, opportunities or adaptive measures would need to be addressed in our net-zero roadmap (currently under development), our short-term business strategies and capital planning activities. The long-term timeframe is relevant due to international policies that are in place (e.g.: Paris Climate Accord) and, at the time, aligned with Xerox's net zero by 2050 goal (which has since been moved up to 2040).</p>

<p>Physical climate scenarios Customized publicly available physical scenario</p>	<p>Company-wide</p>	<p>4.1°C and above</p>	<p>In 2020, Xerox completed a qualitative, forward-looking climate scenario analysis using two alternative temperature scenarios; “Low Carbon Future <2°C” and “Extreme Global Warming 4°C”. This analysis evaluated transition risks that impact Xerox’s markets, technology, regulatory requirements and reputation.</p> <p>Given the slowing of US climate ambitions under the Trump administration and uncertainty of near-term US political direction, this temperature scenario was selected to represent a very real worst-case climate possibility. For Xerox, the 4DS scenario would represent a broad range of climate impacts and physical risks impacting our facilities, supply chain and customers in potentially catastrophic ways.</p> <p>The 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.</p> <p>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. Any identified significant risks, opportunities or adaptive measures would need to be addressed in our net-zero roadmap (currently under development), our short-term business strategies and capital planning activities. The long-term timeframe is relevant due to international policies that are in place (e.g.: Paris Climate Accord) and, at the time, aligned with Xerox’s net zero by 2050 goal (which has since been moved up to 2040.).</p> <p>The 4DS scenario was used to determine highest physical risks. We used company data to map cost-intensive Xerox and supplier operations against assessments of sea level rise, extreme storms, extreme precipitation, river and coastal flooding,</p>
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			and extreme temperature, 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.
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C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

- Impact on major suppliers?
- Impact on Sales/Profit?
- Impact on geographical areas with large customer base?
- Impact on Employees and Owned Facilities?
- What are the costs to respond to and mitigate crises?
- What are changes to facility, process and transportation energy use and costs?
- What are the missed opportunities?
- Sustainability-related R&D or capital investments ?

Results of the climate-related scenario analysis with respect to the focal questions

The 2DS scenario showed that Xerox's greatest transition risks and opportunities lay in competitors acting faster with new technologies or more appealing offerings (including sustainability services).

The 4DS scenario was used to determine highest physical risks. We used company data to map cost-intensive Xerox and supplier operations against assessments of sea level rise, extreme storms, extreme precipitation, river and coastal flooding, and extreme temperature, 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.

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 decision

makers will 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 for in wider strategic business decisions.

As an outcome of the Climate Scenario Analysis, “transition risk” (specifically, the reputational and operational risks associated with potentially not achieving Xerox’s science-based GHG target and net zero by 2040 goals) 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.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>Our products and services have been impacted by:</p> <ul style="list-style-type: none"> • current regulations, standards and voluntary certifications requiring our products to meet levels of energy efficiency including the EU Energy Related Products Directive, the US ENERGY STAR standard/eco-label, EPEAT and Blue Angel (policy and legal risk) • changes in consumer preferences toward energy efficient products (market and reputation risk) • opportunities to develop low emissions products and business continuity products <p>Consequently, one of the most important components of our immediate/short term (0-5 year) business strategy is to create value for our customers and shareholders by enhancing the sustainability benefits of our products and services and innovating business solutions. We offer more sustainable digital printing and document management solutions that can improve our customers’ environmental performance and mitigate climate change by providing alternative solutions to replace current energy intensive processes and behaviors. Our product design is governed by global regulations and Xerox Corporate EHS&S Policy, which states that Xerox will “Address climate change by reducing the carbon footprint of our operations, products, and services”</p> <p>For example:</p>

		<ul style="list-style-type: none"> • LCAs have demonstrated that paper is the largest lifecycle energy and CO2 impact of printing. This prompted us to decide to develop new products and services that help customers understand their paper consumption. • In 2017, Xerox launched 29 new ConnectKey-enabled products. This software enables information to be moved to/from the cloud. Cloud computing is an alternative to large data centers and is being recognized worldwide as less energy intensive. • In early 2019, Xerox decided to update its phase gate-based product delivery process to integrate sustainability goals into product design. As part of this process, Xerox mandated that ALL new eligible products achieve EPEAT Gold. This strategic decision ensures that the Xerox product line continues to improve energy efficiency, promote reuse / recycling and responsible end of life management. All EPEAT Gold products are supported by product life cycle assessments (LCAs). As examples, the new PrimeLink and AltaLink products that Xerox launched in 2019 and 2020 meet EPEAT Gold requirements in US, Canada and eleven EU countries.
Supply chain and/or value chain	Yes	<p>Our supply chain has been impacted by extreme weather such as storms and floods (physical climate related risk). We outsource a significant portion of our manufacturing operations to third parties. Some Xerox suppliers are in locations that have historically been impacted by severe weather. E.g. the Japanese tsunami in March 2011 resulted in business interruptions and additional costs to Xerox due to premium air-freight charges. The impact of this risk to our supply chain is considered low as we have a large and diverse supply chain and to date a small proportion of our production suppliers have been impacted by extreme weather.</p> <p>However, to manage and mitigate the impacts of this risk as part of our immediate/short term (0-5 year) business strategy Xerox has developed formal Business Resumption Plans for parts or subassemblies, so that in the event of a climate related natural disaster the disruption would be temporary while orders are moved to the alternate supplier. We also require that all 'critical' Technology suppliers maintain an acceptable business resumption plan and we audit the plans on a routine basis. Xerox Global Procurement works with our supply chain partners to identify alternative suppliers in the event of a supplier issue that causes a supply or services continuity issue.</p>

		<p>In 2020 we conducted a qualitative forward-looking climate scenario analysis. This analysis covered all Xerox key facilities, and critical supplier locations, and includes site-specific analysis against a range of potential climate-related acute and long-term physical risks as well as transition risks. This qualitative analysis will be used to screen and prioritize material risks to supply chain continuity, for further assessment by our CSR Council, ERM specialists and upper management. In this way the Climate Scenario Analysis will also serve as a tool for further educating the Board, Senior Management, and other decision makers to the 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 for in wider strategic business decisions.</p>
Investment in R&D	Yes	<p>Our investments in product R&D have been impacted by:</p> <ul style="list-style-type: none"> • current regulations, standards and voluntary certifications requiring our products meet certain levels of energy efficiency including the EU Energy Related Products Directive, the US ENERGY STAR standard/eco-label, EPEAT and Blue Angel (policy and legal risk); • changes in consumer preferences toward more energy efficient products (market and reputation risk); and • the opportunity to develop more low emissions products and business continuity products. <p>The need to improve the energy efficiency of our imaging equipment continues to be a high priority for Xerox. One of the most important components of our longer term (>10 year) strategy is to create value for our customers and our shareholders by enhancing the sustainability benefits of our products and innovating business solutions and technologies.</p> <p>We direct our R&D investments and innovation to align with our strategic growth opportunities in areas including: simplifying, automating and enabling business processes on the cloud via developing new products with flexible platforms to enable greater business process agility and resilience; and reducing the energy use and environmental impact of digital printing including cloud based printing; and cleantech and energy innovation programs.</p>
Operations	Yes	<p>Our operations have been impacted by physical climate related risks. For example,</p> <ul style="list-style-type: none"> • In 2012, 76 Xerox facilities were forced to close for a limited time and 102 customers in the US were impacted by

		<p>Superstorm Sandy</p> <ul style="list-style-type: none"> • In 2014, severe winter weather forced the closure of our American Logistics Center • In 2018, hurricanes Michael and Florence caused damage to some of our customers' equipment (which we were required to replace). • In 2020, western wildfires threatened our Wilsonville, Oregon manufacturing facility. While no facility damage occurred, smoke forced a two-day closure of the facility. <p>This risk is managed via a system known as the Business Continuity Assurance Process (BCAP) which includes business impact analyses (including physical climate related risk such as temperature extremes), self-assessment, periodic validations, and plan status reporting to Xerox management. Each site has a Business Resumption Plan which allows them to prepare for risks of climate changes at their site.</p> <p>Our operations are also impacted by opportunities to reduce operating costs and improve our reputation and competitive advantage through implementing a company-wide energy and GHG reduction program. Developing solutions that reduce GHG emissions and address stakeholder concerns are integrated into Xerox business strategy. One of the most important components of our immediate/short term (0-5 year) focus is to invest in technologies that reduce energy consumption in our own operations and to continue to make progress towards our GHG and energy reduction goals. We have an ongoing energy reduction program and monitor energy consumption against our voluntary energy reduction target.</p> <p>To support our strategic commitments and business strategy, we set targets and long-term goals to reduce energy use and GHG emissions, and accelerate targets as they are achieved:</p> <ul style="list-style-type: none"> • In 2018 we established a target of 25% reduction in energy use and GHG emissions by 2025 from a 2016 baseline • By 2019 we had already achieved approximately 75% of our goal so we set a more aggressive, corporate-wide science-based target aligned with a 1.5°C scenario. This new target is to reduce Scope 1 and 2 GHG emissions by 60% by 2030 from the same 2016 baseline, with an ultimate goal of net zero greenhouse gas emissions by 2040.
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		• We also set (and achieved) a goal for 20% renewable energy use by 2020
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C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Acquisitions and divestments	<p>Climate related risks and opportunities are factored into multiple elements of our annual financial planning process including:</p> <ul style="list-style-type: none"> • Revenue planning / forecasting; • Capital and operating cost planning and expenditure for each business area; and • Decisions regarding acquisitions and divestments. <p>For example: Our Net Zero roadmap is used as a guide when developing financial and operational plans. As part of improving energy efficiency of our sales fleet, our UK operations instituted a policy to procure hybrid or electric vehicles only.</p> <p>Should any of our facilities or key suppliers experience a disruption in production capacity or be unable to operate due to physical climate related risk (severe weather/natural disasters), damage to our facilities and/or impact to our workforce there would likely be increased production costs to Xerox. For example, in 2012, 76 Xerox facilities were forced to close for a limited time due to Hurricane Sandy. The associated additional Net Impact cost to Xerox was estimated at ~\$630K which included cost/damage to Xerox facilities (<\$20,000) and customer equipment replacement costs (\$210,000). Therefore, as a result of historical physical climate related impacts to both our direct operations and supply chain we review both our capital and operating cost planning and expenditure for each business area and where required, increase spending to reduce likelihood of future unexpected failures.</p> <p>Also decisions regarding acquisitions and divestments have also been impacted by the potential for physical climate related risk. When making business decisions regarding site expansions, relocations and acquisitions, information regarding geographic and physical climate change risks including hurricanes and tornados, flooding, water availability, etc. sourced from the questionnaire conducted by Corporate Real Estate is considered in the final decision and cost offer.</p>

C3.5

(C3.5) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

Identification of spending/revenue that is aligned with your organization’s climate transition	
Row 1	No, but we plan to in the next two years

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 4

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

1.5°C aligned

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

2016

Base year Scope 1 emissions covered by target (metric tons CO2e)

123,284

Base year Scope 2 emissions covered by target (metric tons CO2e)

112,627

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

235,911

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO₂e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO₂e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO₂e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO₂e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO₂e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO₂e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO₂e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO₂e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO₂e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

60

Total emissions in target year covered by target in all selected Scopes (metric tons CO₂e) [auto-calculated]

94,364.4

Scope 1 emissions in reporting year covered by target (metric tons CO₂e)

82,422

Scope 2 emissions in reporting year covered by target (metric tons CO₂e)

44,157

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

126,579

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

77.2409934255

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Having achieved the GHG target that we set in 2017 (Abs 3) five years early, in 2019 we set a new science-based target which is both more ambitious and reflective of the current organization. Our newly established target uses the same base year (2016) as we had previously used but increases the target to a 60% reduction of scope 1 and scope 2 market-based emissions by 2030 from a 2016 baseline. The methodology used to set our science-based target was the Absolute Emissions Contraction approach, a scientifically-informed method for companies to set GHG reduction targets necessary to limit global temperatures to a 1.5°C rise above preindustrial levels based on the SR15 special report issued by the IPCC in 2018. The IPCC SR15 estimates an overall carbon budget of 420 GtCO₂ for a 66% probability to limit warming to 1.5°C, and carbon budget of 580 GtCO₂ for a 50% probability of limiting warming to the same temperature. We recently resubmitted our commitment to the Science Based Target initiative (SBTi) for the following reasons:

- Xerox was listed under the “Software and services” sector for our original commitment. Under our current structure, we should be listed under the “Technology Hardware and Equipment” sector.
- Xerox has separated from Conduent (previously known as Xerox Services).
- The original commitment we submitted for year 2025 has already been achieved. We have a new, more aggressive commitment for 2030. SBTi has accepted our new commitment and has validated it.
- The 2021 scope 1 and 2 emissions were estimated using an updated methodology which required Xerox to re-baseline its 2016 emissions.

Plan for achieving target, and progress made to the end of the reporting year

Energy efficiency and reduction projects, renewable electricity sourcing.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Abs 5

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

Well-below 2°C aligned

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 1: Purchased goods and services

Category 2: Capital goods

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Category 4: Upstream transportation and distribution

Category 5: Waste generated in operations

Category 6: Business travel

Category 7: Employee commuting

Category 11: Use of sold products

Category 12: End-of-life treatment of sold products

Base year

2016

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

937,340

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

55,889

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

43,944

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

141,215

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

1,147

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

17,526

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO₂e)

78,361

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO₂e)

266,612

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO₂e)

2,112

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO₂e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO₂e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO₂e)

Base year total Scope 3 emissions covered by target (metric tons CO₂e)

1,544,146

Total base year emissions covered by target in all selected Scopes (metric tons CO₂e)

1,544,146

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO₂e)

100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO₂e)

100

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO₂e)

100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO₂e)

100

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO₂e)

100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO₂e)

100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO₂e)

100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO₂e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO₂e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO₂e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO₂e)

100

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO₂e)

100

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO₂e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO₂e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO₂e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO₂e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO₂e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

35

Total emissions in target year covered by target in all selected Scopes (metric tons CO₂e) [auto-calculated]

1,003,694.9

Scope 1 emissions in reporting year covered by target (metric tons CO₂e)

Scope 2 emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO₂e)

799,442

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO₂e)

21,756

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO₂e)

23,802

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO₂e)

32,702

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO₂e)

822

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO₂e)

1,706

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

30,245

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

107,920

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

2,506

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

1,020,901

Total emissions in reporting year covered by target in all selected scopes (metric tons CO₂e)

1,020,901

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

96.8163447165

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

In addition to setting new science-based targets for scope 1 and scope 2 emissions, we set an additional emissions reduction target for its scope 3 emissions.

Using the Absolute Emissions Contraction approach specified in the SBTi criteria, our goal is to reduce our scope 3 emissions by 35% by 2030 from a 2016 baseline in line with keeping global temperature well-below 2°C as defined by the SBTi GHG reduction scenarios.

From Xerox's preliminary scope 3 screening, this target includes emissions from both upstream, operations, and downstream emission sources. Our target includes emissions from purchased goods and services (C1), Capital goods (C2), Fuel and Energy Related Activities (C3), upstream transportation and distribution (C4), waste generated in operations (C5), Business Travel (C6), employee commuting (C7), use of sold products (C11), and End of life treatment of sold products (C12) per the GHG Protocol corporate value chain emissions categories. Combined, these categories constitute Xerox's scope 3 emissions.

Plan for achieving target, and progress made to the end of the reporting year

Supplier engagement, Product ecolabels to reduce resource and energy use,

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2017

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency
MWh

Target denominator (intensity targets only)

Base year

2016

Figure or percentage in base year

942,890

Target year

2025

Figure or percentage in target year

707,167

Figure or percentage in reporting year

615,389

% of target achieved relative to base year [auto-calculated]

138.9346818087

Target status in reporting year

Underway

Is this target part of an emissions target?

Abs3, Abs 4 and NZ1

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

In 2017 following the separation of the business into two independent, publicly-traded companies (on December 31, 2016) we set a new energy reduction target, which is both more ambitious and reflective of the current organization. We are now working on our new corporate-wide target to reduce energy consumption by 25% by 2025 (from a 2016 baseline).

Xerox is treating this goal as still underway until effects from post-COVID bounce-back are assessed. In 2022, an updated methodology was used to estimate energy associated with scopes 1 and 2 emissions. This caused a re-baseline for 2016 information.

Plan for achieving target, and progress made to the end of the reporting year

Xerox plans to reduce energy consumption by continuously evaluating and implementing energy efficiency projects, portfolio consolidation, and leverage innovations such as CareAR to mitigate vehicle travel for technical service.

List the actions which contributed most to achieving this target

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs3

Abs4

Target year for achieving net zero

2040

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Please explain target coverage and identify any exclusions

New Net Zero goal by 2040 covering emissions from Scopes 1, 2, & 3. This target is more ambitious than the current scientific consensus to reduce emissions to Net Zero by

2050. Our focus is to reduce emissions in operations and supply chain, then compensate for residual emissions using high quality market mechanisms such as credits for carbon neutralization.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

Xerox is continuously evaluating renewable and low carbon energy to procure for its operations. Additionally, Xerox is evaluating the use of high-quality carbon offsets to neutralize or offset emissions that can no longer be reduced for 2040.

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	10	331
To be implemented*	1	31
Implementation commenced*	1	23
Implemented*	10	261
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes

Process optimization

Estimated annual CO₂e savings (metric tonnes CO₂e)

11

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

6,691

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Rescheduled AHU-11-14 in B208. AHU-11 was in manual occupied operation and AHU-12-14 were operating from 4AM-11PM. Rescheduled all units to 4AM-7PM M-F.

Initiative category & Initiative type

Energy efficiency in buildings

Other, please specify

Process Optimization

Estimated annual CO₂e savings (metric tonnes CO₂e)

130

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

76,334

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Reducing run hours across the campus to reduce energy spend, reduce covid unoccupied flush & match actual space occupancy.

Initiative category & Initiative type

Energy efficiency in buildings

Other, please specify

Process Optimization

Estimated annual CO2e savings (metric tonnes CO2e)

0

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

8 steam unit heaters in hallway, all set to different setpoints ranging from 68-75. adjust these all to 68F.

Initiative category & Initiative type

Energy efficiency in production processes

Machine/equipment replacement

Estimated annual CO2e savings (metric tonnes CO2e)

36

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

22,069

Investment required (unit currency – as specified in C0.4)

4,000

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

There is a high-pressure instrument air valve that fails from time to time for various reasons. (Plant malfunctions and power issues) We have no indication for when this valve fails other than a flow meter. The flow meter is not a reliable point of information. This quote is to hard wire this the valve alarm and reset contacts. This causes more compressed air usage during unoccupied times in the plant. Increased energy consumption is what triggered all of this. We do not know it failed until it is too late, and we have wasted money. Approximately \$22k in annual energy savings based on trailing 12 month valve failures. I used the historical data for the IA airflow in Alerton to estimate total hours the valve was failed full open. The calculation compares the additional energy consumed by the ZH-800 running vs the ZR-5 or Elliot (weekday vs weekend) under normal operating conditions to meet the average IA consumption.

Initiative category & Initiative type

Energy efficiency in production processes
Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

33

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

19,784

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Reduced plant operational hours from 4AM-11PM to Monday 4:30AM-7 PM Extra half hour to pull the loop down over the weekend.
Tuesday-Friday 5AM-7 PM

Initiative category & Initiative type

Energy efficiency in production processes
Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

4

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

2,853

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

B209 RTU-1 was previously running 24/7. Reduced hours to run 7AM-5 PM M-F.

Initiative category & Initiative type

Energy efficiency in production processes
Process optimization

Estimated annual CO₂e savings (metric tonnes CO₂e)

0.5

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

282

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Reduced minimum pump speed on TCHWP-5 to 30% from 40%.

Initiative category & Initiative type

Energy efficiency in production processes

Process optimization

Estimated annual CO₂e savings (metric tonnes CO₂e)

6

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

3,368

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Adjusted setpoints for SCHWP-14. reduced speed down to 40% at most times

Initiative category & Initiative type

Energy efficiency in production processes
Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

17

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

11,496

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Adjusted chiller sequencing based on the current plant tonnage and chiller efficiency. CH-10, then CH-11, then CH-12.

Initiative category & Initiative type

Energy efficiency in production processes
Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

24

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

13,886

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Reducing OA down to an 8% position setpoint across campus based on ASHRAE 62.1 Requirements.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	Several financial avenues are used to drive investment in emission reduction activities: <ul style="list-style-type: none"> • Energy savings, which will result in emissions reductions, based on favorable project payback due to cost savings resulting from saving energy. • Rebates from state and federal sources, utility companies, etc. We look to capitalize on all available programs to assist funding these projects.
Other Goal setting and alignment	Corporate goals are set which drive emissions reductions. For example, the implemented emission reduction projects and initiatives helped achieve our goal of 25% reduction in GHG emissions by 2025 based on a 2016 baseline. Having achieved the GHG target that we set in 2017 five years early, in 2019 we set an even more ambitious science-based target of reducing GHG emissions by 60% by 2030 from our 2016 baseline.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Climate Bonds Taxonomy

Type of product(s) or service(s)

Other

Other, please specify

Imaging Equipment

Description of product(s) or service(s)

Since 1993, we have introduced over 500 copier, printer, fax and multifunction products that have ENERGY STAR status. In 2020, 100% of our newly launched eligible products achieved ENERGY STAR 3.0 requirements and the program will continue to raise the standard overtime with tougher requirements. Products that earn the ENERGY STAR label meet strict energy-efficiency specifications set by the U.S. EPA. These energy requirements serve as the foundation for other eco-labels, such as EPEAT. Our goal remains for 100% of newly launched eligible products to achieve this ecolabel.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify

GHG Protocol

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

kg CO₂e per year

Reference product/service or baseline scenario used

kg CO₂e emitted due to use of earlier model: Workcentre 7855

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO₂e per functional unit) compared to reference product/service or baseline scenario

16

Explain your calculation of avoided emissions, including any assumptions

The EPA has estimated ENERGY STAR imaging equipment (copiers, printers, scanners, all-in-one devices) meeting the latest requirements will use up to 35% less

electricity compared to standard models (source Imaging Equipment | ENERGY STAR) saving customers money and reducing their Scope 2 carbon footprint.

For example, in the Energy Star rated Xerox Altalink 8155MFD the combination of low melt Low Gloss Black toner and improved electronics result in typical energy consumption of approx. 40kWh per year, approximately a 50% lower use phase compared to a previous model. Assuming an average electricity emission factor for the US this represents savings of approximately 16kg CO₂e per year from using each newer model compared to the previous model. IPCC SAR100 year Global Warming Potentials have been used in the CO₂e calculations and the average electricity emission factor for the US is sourced from eGRID 2020 GHG Annual Total Output Emission Rates U.S. annual non-baseload CO₂e output emission rate. In 2022, approximately 18% of revenue is from sales of equipment with at least one Type 1 ecolabel, such as an Energy Star rating.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

18

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Climate Bonds Taxonomy

Type of product(s) or service(s)

Other

Other, please specify

Imaging Equipment

Description of product(s) or service(s)

For office products, Xerox uses the Electronic Products Environmental Assessment Tool (EPEAT) as the foundation of our Design for Environment program. A comprehensive environmental rating system, EPEAT identifies electronic equipment that meets specific criteria. It combines comprehensive criteria for design, production, energy use and recycling with ongoing independent verification of manufacturer claims.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Reference product/service or baseline scenario used

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO₂e per functional unit) compared to reference product/service or baseline scenario

Explain your calculation of avoided emissions, including any assumptions

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

18

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

No taxonomy used to classify product(s) or service(s) as low carbon

Type of product(s) or service(s)

Other

Other, please specify

Digital solution – Care AR

Description of product(s) or service(s)

In 2020, Xerox acquired Care AR, an augmented reality company designed to avoid vehicle dispatches for technical service visits by utilizing augmented reality to solve technical problems remotely. This service Adds a visual component to remote solve that is not otherwise present in a voice-only environment, enabling technical issues to be solved that may otherwise require a technician to visit a site.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify

GHG Protocol

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

Kg CO2e per solve

Reference product/service or baseline scenario used

Kg CO2e per technical service trip

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

12.5

Explain your calculation of avoided emissions, including any assumptions

Baseline emissions per functional unit were estimated based on total annual fuel consumed and site visits made over the same time-period by Xerox technical service representatives in North America. These attributes determined the average CO2 emissions generated per customer call. Each remote solve successfully completed by using CareAR service avoids this unit emission.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

Change(s) in methodology, boundary, and/or reporting year definition?	
Row 1	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO₂e)

123,284

Comment

Scope 2 (location-based)

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO₂e)

107,251

Comment

Scope 2 (market-based)

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO₂e)

112,627

Comment

Scope 3 category 1: Purchased goods and services

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO₂e)

937,340

Comment

Scope 3 category 2: Capital goods

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO₂e)

55,889

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO₂e)

43,944

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO2e)

141,215

Comment

Scope 3 category 5: Waste generated in operations

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO2e)

1,147

Comment

Scope 3 category 6: Business travel

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO2e)

17,526

Comment

Scope 3 category 7: Employee commuting

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO2e)

78,361

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not Relevant

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not Relevant

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not Relevant

Scope 3 category 11: Use of sold products

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO₂e)

266,612

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO₂e)

2,112

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not Relevant

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not Relevant

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not Relevant

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not Relevant

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not Relevant

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Climate Registry: General Reporting Protocol

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

US EPA Mandatory Greenhouse Gas Reporting Rule

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

82,422

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

53,644

Scope 2, market-based (if applicable)

44,157

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source of excluded emissions

Due to the small size of emissions and difficulties in data collection, the following 'de-minimis' sources are excluded from the inventory:

- Stationary combustion emissions from emergency generator fuel oil and diesel use
- Mobile emissions from LPG forklift truck use

Mobile emissions from onsite security, emergency, maintenance, mail vehicles and lawn care equipment used by Xerox.

Scope(s) or Scope 3 category(ies)

Scope 1

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Relevance of market-based Scope 2 emissions from this source

Relevance of Scope 3 emissions from this source

Date of completion of acquisition or merger

Estimated percentage of total Scope 1+2 emissions this excluded source represents

0

Estimated percentage of total Scope 3 emissions this excluded source represents

Explain why this source is excluded

In line with recognized carbon accounting guidance, the assessment of GHG emissions includes all identified sources anticipated to make a material contribution (more than 5%) to Xerox total GHG inventory. A number of small sources of minor Scope 1 emissions however, have been deemed to be immaterial / 'de minimis' and therefore excluded from our emissions inventory. For example, emissions from refrigerant HFCs used in manufacturing sites has been estimated using data available for a selection of sites and deemed to be 'de-minimis' (<0.6% of the total Scope 1 and 2 GHG emissions). Due to difficulties in data collection and the small size of the emissions this emission source is therefore excluded from the emissions inventory calculation.

Explain how you estimated the percentage of emissions this excluded source represents

Stationary combustion emissions estimated using 2016 data from Webster as worst case/proxy for other manufacturing sites. Webster is the biggest manufacturing site and represents the absolute worst case.

Mobile LPG use is captured for Europe. Most forklifts trucks are electrical
No data available although welding is performed very infrequently, emissions from combustion of welding gas is anticipated to be significantly lower than combustion from emergency generators for example (<0.3% of total emissions).

Fugitive emissions from fire extinguishers estimated using 2016 data from Webster as worst case / proxy for other sites. Webster is the biggest manufacturing site and represents the absolute worst case. Fire Suppression equipment inspected semi-annually to prevent leaks.

Other mobile source emissions estimated in 2022 using data for other emissions sources last collected in 2020 and compared with estimated emissions from Scope 1 inventory for 2021.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

799,442

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

33

Please explain

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

21,756

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

23,802

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

32,702

Emissions calculation methodology

Supplier-specific method

Hybrid method

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

822

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

1,706

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

30,245

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

We take an operational control based approach to reporting and report all locations where we are present as part of our Scope 1 and 2 footprint; therefore, we do not have any upstream assets that we lease as part of our Scope 3 footprint.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

This category includes emissions from transportation of sold products and the end consumer in vehicles not paid for by Xerox and from retail and storage. Xerox doesn't have point of sale locations – we ship direct to the customer therefore these emissions are included together with upstream transportation.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Not relevant – Xerox supplies finished electronic products, therefore no further processing of the product is required before consumer use.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

107,920

Emissions calculation methodology

Average product method

Methodology for direct use phase emissions, please specify

(Includes emissions from electricity use of devices by end users installed globally in the reporting year)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Includes emissions from electricity use of devices by end users installed globally in the reporting year. At a minimum, product models that had over 1,000 installs during the reporting year are included in the assessment. Device attributes are derived from their publicly available specification sheets. Device print time over an estimated lifetime of 5 years is calculated using recommended monthly duty cycle and device print speed. The device is assumed to be in sleep mode for non-print time (sleep time). Calculated print time is multiplied by active power and remaining time in is multiplied by sleep power to estimate total electricity use of devices. Total electricity is multiplied by average USA electricity emissions factors from EPA eGRID.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2,506

Emissions calculation methodology

Hybrid method

Average data method

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Xerox does not lease a significant amount of owned assets to 3rd parties. In accordance with the GHG Scope 3 Protocol, products/equipment sold under bundled lease arrangement (whereby customers pay for equipment over time rather than at the date of installation) would be reported under Scope 3 category 11 'use of sold products'.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Not relevant – Xerox is not a franchisor and does not operate any franchises.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Not relevant – This does not apply to Xerox business

Other (upstream)

Evaluation status

Please explain

Other (downstream)

Evaluation status

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000018

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

126,579

Metric denominator

unit total revenue

Metric denominator: Unit total

7,107,000,000

Scope 2 figure used

Market-based

% change from previous year

7.8

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption
Other emissions reduction activities
Change in output

Please explain

In Comparison with 2021 emissions, we saw a 6.9% reduction in Scope 1 and 2 GHG emissions (calculated using the market-based Scope 2 method) in 2022 compared to 2021, whilst revenue increased 1% over the same time period resulting in a 7.8% decrease in emissions intensity (MT CO₂e per \$)

Decreases were due to several energy reduction projects implemented across our facilities (as reported in C4.3b), change in production at some of our manufacturing facilities, consolidation in our real estate portfolio, reduction in carbon intensity of supplied electricity due to purchasing of substantial Renewable Energy Credits, and impacts from COVID19.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	78,463	IPCC Sixth Assessment Report (AR6 - 100 year)
CH4	43	IPCC Sixth Assessment Report (AR6 - 100 year)
N2O	251	IPCC Sixth Assessment Report (AR6 - 100 year)
HFCs	3,661	IPCC Sixth Assessment Report (AR6 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
United States of America	62,039
Canada	7,353
Other, please specify Rest of the World	12,848

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Business services (office based activities)	6,740
Manufacture or assembly of hardware/components	34,573
Distribution Center/Warehouse	568
Research Center	1,880
Mobile / Fleet	38,661

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
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United States of America	38,683	28,227
Canada	1,581	2,555
Other, please specify Rest of the World	13,379	13,375

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Business services (office based activities)	22,644	22,051
Manufacture or assembly of hardware/components	27,924	19,613
Distribution Center/Warehouse	1,381	570
Research Center	1,672	1,884
Mobile/Fleet	22	22

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	661	Decreased	0.5	Total Scope 1 and Scope 2 (market) emissions reduced by 661 tCO2e due the purchase of additional renewable electricity in 2022 compared to 2021 (25,000 MWh in RECs purchased in 2022 were purchased in the North America region. 574 MWh in renewable energy were purchased by our manufacturing plant in Wilsonville, OR. RECs were retired against our most GHG intensive facilities in the US. Our total Scope 1 and Scope 2 (market) emissions reported for 2021 were 136,008 tCO2e, therefore we arrived at 0.5% through $-661/136,008 = -0.5\%$ (i.e. a 0.5% decrease)
Other emissions reduction activities	261	Decreased	0.2	Total Scope 1 and Scope 2 (market) emissions reduced by approximately 261 tCO2e due to the continued implementation of various energy reduction projects across our worldwide operations including numerous optimization projects (see also Question 4.3b). Our total Scope 1 and Scope 2 (market) emissions reported for 2021 were 136,008 tCO2e, therefore we arrived at 0.2% through $-261/136,008 = -0.2\%$ (i.e. a 0.2% decrease).
Divestment				
Acquisitions				
Mergers				
Change in output	6,613	Decreased	4.9	Total Scope 1 and Scope 2 (market) emissions reduced by 6613 tCO2e as a result of a reduction in refrigerant and CO2 supply to our manufacturing facilities, organic consolidation of our global real-estate portfolio and reduction in mobile fleet activity.

				Our total Scope 1 and Scope 2 (market) emissions reported for 2021 were 136,008 tCO ₂ e, therefore we arrived at 4.9% through $-6613/136,008 = -4.9\%$ (i.e. a 4.9% decrease).
Change in methodology	1,894	Decreased	1.4	Total Scope 1 and Scope 2 (market) emissions reduced by 1894 tCO ₂ e due to the annual change in grid electricity emission factors from the previous year as low-carbon energy is added to global grid capacities. Our total Scope 1 and Scope 2 (market) emissions reported for 2021 were 136,008 tCO ₂ e, therefore we arrived at 1.4% through $-1894/136,008 = -1.4\%$ (i.e. a 4.9% decrease).
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	369,790	369,790
Consumption of purchased or acquired electricity		25,574	220,025	245,599
Total energy consumption		25,574	589,815	615,389

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No

Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

Not Applicable

Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

Not Applicable

Other renewable fuels (e.g. renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

Not Applicable

Coal

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

Not Applicable

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

Not Applicable

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

220,537

Comment

Natural Gas

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

149,253

Comment

Diesel, E85, Motor Gasoline

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

369,790

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption

United States of America

Sourcing method

Default delivered electricity from the grid (e.g. standard product offering by an energy supplier), supported by energy attribute certificates

Energy carrier

Electricity

Low-carbon technology type

Wind

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

574

Tracking instrument used

Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Wind energy purchased from PGE through the Green Future Enterprise at our manufacturing plant in Wilsonville, OR in 2022.

Country/area of low-carbon energy consumption

United States of America

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Other biomass

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

25,000

Tracking instrument used

US-REC

Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?

Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2009

Comment

Biomass Recs purchased in 2022 and retired against Xerox facilities in North America

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

United States of America

Consumption of purchased electricity (MWh)

187,264

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

187,264

Country/area

Canada

Consumption of purchased electricity (MWh)

17,016

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

17,016

Country/area

Other, please specify
Rest of World

Consumption of purchased electricity (MWh)

41,319

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

41,319

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Energy usage

Metric value

615,389

Metric numerator

Mwh Energy consumption

Metric denominator (intensity metric only)

N/A

% change from previous year

1.55

Direction of change

Decreased

Please explain

Xerox energy consumption decreased by 1.55% year over year due to a number of intentional factors, including site consolidation activities, operational improvements in energy efficiency due to improvements in lighting, cooling, air handling and process equipment upgrades. Energy use was also inadvertently reduced in 2022 due to ongoing COVID related impacts, including fewer people in the workplace and reduced production volumes. Xerox greenhouse gas emissions are highly correlated with energy use; focus on our science-based target to reduce our GHG Scope 1 and 2 emissions by 60% by 2030 from our 2016 baseline means that our focus will continue to be on reducing overall energy year-over-year basis.

Description

Waste

Metric value

100

Metric numerator

% Equip. waste to Remanufacture/Reuse/Recycle/EFW

Metric denominator (intensity metric only)

N/A

% change from previous year

0

Direction of change

No change

Please explain

Our goal is to attain an equipment/reuse rate of 100% by 2020 at facilities globally. Processes are in place to recover 100% of unwanted used equipment and route to remanufacturing/reuse/recycle/EFW.

Description

Waste

Metric value

96

Metric numerator

% Supply waste to Remanufacture/Reuse/Recycle/EFW

Metric denominator (intensity metric only)

N/A

% change from previous year

0

Direction of change

No change

Please explain

Our goal is 100% landfill avoidance of all waste at facilities globally. In 2022, we improved our performance by two percentage points, from 94% to 96%.

Description

Other, please specify
Products

Metric value

100

Metric numerator

% of products achieving EPEAT & ENERGY STAR cert

Metric denominator (intensity metric only)

N/A

% change from previous year

0

Direction of change

No change

Please explain

Our goal is for 100% of all newly launched eligible products to achieve EPEAT and ENERGY STAR certification.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 SGS Xerox Corporation Verification Statement 2022.2.pdf

Page/ section reference

Pages 1-4

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 SGS Xerox Corporation Verification Statement 2022.2.pdf

Page/ section reference

Pages 1-4

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 SGS Xerox Corporation Verification Statement 2022.2.pdf

Page/ section reference

Page 1-4

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Purchased goods and services

Scope 3: Capital goods

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Scope 3: Upstream transportation and distribution

Scope 3: Waste generated in operations

Scope 3: Business travel

Scope 3: Employee commuting

Scope 3: Use of sold products

Scope 3: End-of-life treatment of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 SGS Xerox Corporation Verification Statement 2022.2.pdf

Page/section reference

Pages 1-4

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2


(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
SC. Supply chain module	Product footprint verification	We have completed full cradle-to-grave peer-reviewed LCAs on multiple Xerox printer and multifunctional device configurations. The peer review was undertaken in accordance with ISO 14071:2014 LCA - Critical review processes and reviewer competencies: Additional requirements and guidelines to ISO 14044:2006 Permission to use the JEMAI (Japan Environmental Management Association for Industry) Carbon Footprint of Products (CFP) declaration and logo also requires 'limited level assurance' of our product LCA data by a CFP System Certification body registered with JEMAI.	Lifecycle Assessments (LCAs) are a means of technically evaluating the environmental footprint of a product's materials, manufacturing, distribution, use and end-of-life. We conduct full LCAs, in accordance with the appropriate ISO standards (ISO 14040, 14044, 14067) to determine where in the product lifecycle the largest environmental impacts arise and to compare products with a significant difference in technology. Full peer-reviewed and verified LCAs have been conducted on many of our printing devices. Many of these LCAs directly contributed to our products achieving the Electronic Products Environmental Assessment Tool® (EPEAT®) Gold certification for these configurations and provided valuable input to our design teams to deter/mine future opportunities for reductions in environmental impacts.

C8. Energy	Energy consumption	ISO 14064-3:2019	Underlying energy data for Xerox's GHG inventory has been verified to a limited level of assurance in accordance with ISO 14064-3:2019.  1
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 1SGS Xerox Corporation Verification Statement 2022.2.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

Other, please specify

Product Design Collaboration

% of suppliers by number

0.15

% total procurement spend (direct and indirect)

80

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

As part of the product eco-label evaluation and registration process we regularly communicate and collaborate with our key critical production suppliers to help determine future opportunities for reductions in the lifecycle GHG impacts of products such as the use of materials with low embodied carbon or improving energy efficiency through better design. Globally, we have approximately ~4,100 suppliers however ~83% are indirect /services suppliers and ~17% are production suppliers. 1% of our suppliers are 'critical' production suppliers who manufacture and assemble our products. We prioritize our engagement with a subset of our 'critical' production suppliers, which represent 80% of our spend. Lifecycle assessments of our products show that use and maintenance phase have a considerable impact in carbon emissions, thus Xerox's focus is on reducing emissions from our services related to these products.

Impact of engagement, including measures of success

Xerox has long collaborated with our key critical production suppliers to incorporate environmental considerations into product design. We measure success of the engagement based on the number of products registered to Energy Star, EPEAT, and other eco-labels or voluntary measures, with the threshold for success being to maintain launching 100% of new eligible office products with EPEAT Silver or Gold certification.

Each eco-label includes several categories of environmental attributes that span the lifecycle of electronic products including, for example, material selection and recycled content, energy conservation and end of life management. For instance, Xerox participates in a collaborative effort every year with our partner, Fuji Business Innovations, to identify environmental characteristics to improve and to set goals that are rolled into product requirements.

Successful supplier collaborations were achieved in 2022 resulted in launching 5 new printers with at least 10% post-consumer recycled plastic, with 2 of these printers containing over 20% post-consumer recycled plastic and achieving EPEAT gold for all 5 products.

Comment

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect GHG emissions data at least annually from suppliers

Collect targets information at least annually from suppliers

Other, please specify

Audited on-site, and assessed off-site through RBA self-assessment questionnaires (SAQs))

% of suppliers by number

97

% total procurement spend (direct and indirect)

99

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

All suppliers are subject to an initial risk assessment. However, suppliers flagged in the risk assessment (in addition to suppliers deemed critical to our supply chain) are required to complete detailed questionnaires. Based on the risk assessments and questionnaires, we annually select suppliers for compliance review or audit.

A total of 129 suppliers have been audited and assessed off-site through self-assessment questionnaires (SAQs), which represents 97% of total spend. Trained Xerox personnel conduct the audits on-site, however in 2020 COVID-19 impacted our ability to do in person audits. Yet, the on-site auditing has began to resume the normal process.

Both audits and compliance reviews follow the Responsible Business Alliance (RBA, formerly Electronic Industry Citizenship Coalition (EICC)) Audit format, which addresses labor practices, Health and Safety and environmental issues including minimizing energy consumption and tracking GHG emissions. In 2019, Xerox extended the CSR audit footprint into other geographic regions, such as Europe and the USA.

Impact of engagement, including measures of success

Xerox recognizes that the primary value of an onsite compliance assessment is not in the identification of issues at a site, but in the correction of those issues. We want to recognize those sites that demonstrate their commitment to climate change through verified closure of the issues identified in a site audit. We have set our net zero goal to 2040. Xerox holds a high standard for its suppliers as it relates to meeting this goal of lessening our impact on the environment. During the audit, we classify areas of non-conformance as "priority," "major," "minor" or "for review." We provide each supplier with a performance assessment and work with our suppliers to close gaps identified in the

on-site audits. Xerox reserves the right to audit and evaluate compliance to our supplier's contractual commitments and our policies. It is our expectation that all suppliers comply with the Responsible Business Alliance (RBA) Code of Conduct and commitment to climate change and corporate responsibility. The Validated Assessment Process (VAP) provides us with assurance in identifying risks and driving improvements and robust management systems for labor, ethics, health, safety, and environmental conditions in the supply chain. Transparency is the key to a successful audit.

As part of RBA participation, energy consumption and all relevant Scopes 1 and 2 GHG emissions are to be tracked, documented, and publicly reported against the GHG goal. This information is available to Xerox for use in evaluating supplier's climate targets and progress.

Non-compliance by a supplier with climate-related requirements will result in Xerox taking the appropriate actions to remedy the situation. For example, one of our suppliers established a procedure to manage energy consumption, but it did not establish annual targets on GHG reduction, so through the corrective action process we provided support for the suppliers to set up GHG objectives and targets and close the gap. We have initially measured success based on the performance levels of our suppliers against the code of conduct (e.g., Needs Improvement / Achieving / Maintain). Supplier performance has improved over time with more suppliers achieving higher performance levels from year to year. Success is measured by receiving at least 80% of our supplier's assessments with a designation of "achieving or maintaining".

Comment

In 2008, we became a member of the Responsible Business Alliance – RBA (formerly EICC) whose Code of Conduct sets industry standards on social, environmental and ethical issues in the electronics industry supply chain. We have adopted the RBA Code of Conduct as our Supplier Code of Conduct. We continually reinforce the importance of the Supplier Code of Conduct to our supplier base. We incorporate standards from the Supplier Code of Conduct in purchase agreements. We run a risk assessment and require suppliers to participate in the Xerox Compliance Program. Finally, we send an annual communication to our entire supplier base.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

We offer digital multifunction printers and energy-efficient solutions to our customers to anticipate and address their increased demand for more sustainable and energy efficient products. For example, approximately 50% less energy is used by one multifunction printer than the combined annual consumption of the individual products it replaces. Each new generation of Xerox products offers more functionality and uses less energy – saving our customers money and reducing their carbon footprint. We therefore, regularly provide information to the public and all (100%) our global customers about the energy and sustainability credentials of our products, including energy related certification schemes, partners and more via our website, corporate blogs, social media and collaterals.

Impact of engagement, including 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.

We are confident the messages are making an impact. Case studies showing how our products and services helped customers reduce the total number of devices used, increase the number of energy-efficient devices used and therefore reduce energy use are available on our website (<https://www.xerox.com/en-us/insights/type-case-study>). As an example, a major U.S. financial services company replaced 1,200 personal printers with 172 energy-efficient multifunction devices bringing significant sustainability gains, including energy/GHG savings and less toner and paper usage. Through our Print Smart program we also helped another company reduce its paper consumption by 6.3 million printed pages. The resulting environmental impacts included reductions more than 500,000 pounds of greenhouse gas emissions. Xerox is a charter partner of the International ENERGY STAR program and has introduced nearly 500 ENERGY STAR qualified products since 1994. The annual savings from our ENERGY STAR qualified equipment installed in our customer's locations is equivalent to lighting one million U.S. homes for a year.

Type of engagement & Details of engagement

Education/information sharing

Run an engagement campaign to education customers about your climate change performance and strategy

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

Xerox account managers regularly contact the EHS&S department requesting environmental sustainability presentations to share with current customers, new clients and potential new clients, especially for Managed Print Service clients. The presentations include the Xerox sustainability strategy, goals, targets, challenges, new developments, etc. related to climate change, GHG emissions, energy conservation and other sustainability topics. The presentations contain information such as:

- Comparison between Xerox materiality matrix and the customer's high priorities
- Environmental, Social, and Governance (ESG) matters (ranging from climate change and extreme weather events to workplace violence) and how Xerox integrates ESG into our ERM process
- Communication of Xerox GHG performance via CDP disclosure to specific customers upon request, and completion of customized sustainability questionnaires as requested
- Overview of Xerox services & products
- Collaboration opportunities

Impact of engagement, including measures of success

Most customer engagement results in a conversation between the Xerox account manager, the sales team and the customer representative to discuss in detail the information presented. This translates into revenue opportunities for Xerox the majority of the time, which we use to measure the success of the engagement. It also reinforces the customer loyalty to Xerox.

For example, in 2021, Xerox won 14 new business contracts in the private and public sector where Corporate Social Responsibility including climate related components factored into the winning decision of a total value of over \$37million annually.

Type of engagement & Details of engagement

Education/information sharing

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

Xerox account managers regularly contact the EHS&S department requesting environmental sustainability presentations to share with current customers and new or potential clients. The presentations include Xerox sustainability history highlighting accomplishments such as “power down” mode, Earth Smart print driver features, such as duplex (two-sided printing), n-up (multiple pages per sheet), proof print and toner saving modes), Print Awareness Tool, and Xerox ConnectKey™ technology, etc. highlighting innovation for sustainability benefits that help Xerox customers to address climate change impacts in their operations using our products, goods or services. The Gil Hatch Center, located at the Webster campus is a customer engagement center that showcases Xerox® digital technology, solutions and services portfolio.

Customers are invited to the center to learn about our products and technologies, as well as to participate in:

- Thought Leadership Workshops (events focused on a group of like customers or a specific market segment, focusing on the delivery of strategic messages along with a variety of presentations and technical demonstrations)
- Executive Customer Exchange (an event focused on a single account with an agenda designed to meet the requirements of that particular account); and
- Lab Days (an opportunity for the customer to bring their files and/or stock and have them run on a specific piece of equipment).

Impact of engagement, including measures of success

Most customer engagement results in a conversation between the Xerox account manager, the sales team and the customer representative to discuss in detail information about the new technology, products or services presented. This translates into revenue opportunities for Xerox the majority of the time, which we use to measure the success of the engagement. It also reinforces customer loyalty to Xerox and opens opportunities for collaboration. The Xerox Energy and Climate Change Specialist regularly prepares customized impact assessments upon request for current customers, and has prepared estimates for sales managers to use in contacts with prospective clients. These presentations enable client managers to have detailed sustainability discussions with their customers. For example, sustainability implications and other Xerox service and support advantages played into a University of Michigan decision to go entirely with Xerox machines. Xerox is also participating as a founding member in the Department for Environment, Food and Rural Affairs (Defra) new initiative bringing together businesses, NGOs and policymakers in a joint ambition to making the UK's information technology (IT) sector more sustainable. Through our Intelligent Workplace cloud-based Solution, Xerox achieved their customer requirement for a workflow and print environment that would help them achieve their ambitious Net Xerox Goal. As a result, Defra asked Xerox to join their Defra e-Sustainability Alliance (DeSA) to define procurement criteria in support of energy and GHG reduction. This coalition of organizations will be producing regular blogs for Defra, outlining best practice advice on

the ways in which IT firms of all sizes can minimize their environmental impacts and how non-IT businesses can use digital technologies to drive progress towards the Sustainable Development Goals (SDGs). In a first step towards this knowledge sharing, DeSA this week published a guide detailing how businesses can use IT to align their work with the SDGs and the UK Government's 25-Year Environment Plan. Entitled 'helping businesses create a greener, more sustainable future through ICT', the document is intended to support "anyone with an interest in the relationship between sustainability and IT", regardless of their employers' size or position in the sector's value chain.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Climate-related disclosure through a public platform

Description of this climate related requirement

In 2008, we became a member of the Responsible Business Alliance – RBA (formerly EICC) whose Code of Conduct sets industry standards on social, environmental and ethical issues in the electronics industry supply chain. We have adopted the RBA Code of Conduct as our Supplier Code of Conduct. We continually reinforce the importance of the Supplier Code of Conduct to our supplier base. We incorporate standards from the Supplier Code of Conduct in purchase agreements. We run a risk assessment and require suppliers to participate in the Xerox Compliance Program.

Participants are to establish a corporate-wide greenhouse gas reduction goal. Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked, documented, and publicly reported against the greenhouse gas reduction goal. Participants are to look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

99

Mechanisms for monitoring compliance with this climate-related requirement

Supplier self-assessment

Second-party verification

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

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Xerox website

 C12.3_Xerox website.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

Our Office of Global Government Affairs coordinates and oversees all policy-based interactions with governments and governmental organizations across the nation and around the world and is responsible for undertaking comprehensive annual reviews of our environmental partnerships to ensure alignment of Xerox's environmental priorities.

In addition, our Office of Global Government Affairs has the exclusive authority to express the Xerox position on matters of public policy, including climate change. By restricting such communications to the Office of Global Government Affairs, Xerox ensures that the company speaks with one voice on matters of climate related public policy.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers

ENERGY STAR® is the government-backed symbol for energy efficiency, providing simple, credible, and unbiased information that consumers and businesses rely on to make well-informed decisions. Thousands of industrial, commercial, utility, state, and local organizations—including nearly 40% of the Fortune 500®—partner with the U.S. Environmental Protection Agency (EPA) to deliver cost-saving energy efficiency solutions that protect the climate while improving air quality and protecting public health. Since 1992, ENERGY STAR and its partners have helped American families and businesses save 5 trillion kilowatt-hours of electricity, avoid more than \$500 billion in energy costs, and achieve 4 billion metric tons of greenhouse gas reductions. Over the lifetime of the program, every dollar EPA has spent on ENERGY STAR resulted in nearly \$350 in energy cost savings for American business and households. In 2020 alone, ENERGY STAR and its partners helped Americans save more than 520 billion kilowatt-hours of electricity and avoid \$42 billion in energy costs.

Category of policy, law, or regulation that may impact the climate

Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate

Energy efficiency requirements

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Xerox has engaged directly with the US Environmental Protection Agency (EPA) and responded to consultations regarding updates to its ENERGY STAR eco-label specification for the Imaging Equipment Standard. We engage on an “as needed” basis when these rules and standards come up for review. For instance, Xerox served as a technical advisor for the last several versions (3.1 & 3.2) of the Energy Star specification. In support of Version 3.1 which went into effect late 2020, we defined the requirements for remanufactured products for inclusion as a product category. For the current version of the standard (Version 3.2), Xerox tested several models and provided

data in support of the new Professional Equipment category released in December 2021.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

Actions regarding circular economy and low carbon design are one of the three key pillars of our roadmap to net zero by 2040, including for example:

- Increase energy efficient products
- Increase post consumer materials in products; and
- Expand takeback and remanufacturing

Therefore we support policies which enable the development of markets and/or provide incentives to manufacture low-carbon products that align with standards like ENERGY STAR .

Specify the policy, law, or regulation on which your organization is engaging with policy makers

In 2022, the US Securities and Exchange Commission introduced a proposed climate rule for financial reporting. This rule proposed additional reporting requirements around climate change risks, opportunities, targets, and metrics that would be mandatory.

Category of policy, law, or regulation that may impact the climate

Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate

Climate-related reporting
Transparency requirements

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with minor exceptions

Description of engagement with policy makers

Xerox engaged NY state and congressional legislators that represent areas of major Xerox operations. We shared the activities and initiatives that were already underway at Xerox to address climate change, showing that this was already part of our business.

Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation

We expressed our support for the proposed rule but noted that an adopted rule must be technically achievable.

Have you evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

This policy and others like it are central to achieving climate transition our climate transition plans. Requirements for reporting set by the government are critical so that we have a specific framework for external and self-evaluation. These evaluation can be leveraged to develop more specific strategies and refine metrics reported against the framework, showing progress that is relevant to our stakeholders.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify

Information Technology Industry Council (ITI)

Is your organization’s position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, and they have changed their position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position

“ITI strongly supports international cooperation and partnership on addressing climate change, and welcomed the United States’ re-entry into the Paris Agreement of United Nations Framework Convention on Climate Change and support the United Nations 2030 Agenda for Sustainable Development and its Sustainable Development Goals

(SDGs) as part of climate change solutions and social equity.” “To address industry’s climate footprint, ITI recommend that U.S. policies – both for government and industry – reflect mandatory targets that meet or exceed recommendations by the Intergovernmental Panel on Climate Change (IPCC). Further, ITI supports government investment in clean technologies, infrastructure, and programs.” “ITI announced its participation in the United Nations’ Race to Zero campaign as an Accelerator. As governments across the world work to implement the goals of COP26, ITI’s involvement in the Race to Zero campaign advances its commitment to continuing the call for climate leadership on a healthy, resilient, net-zero carbon recovery that prevents future threats, creates green jobs, and unlocks inclusive, sustainable growth.”

<https://www.itic.org/policy/environment-sustainability/climate-change>
<https://www.itic.org/news-events/news-releases/iti-joins-united-nations-race-to-zero-campaign>

ITI’s climate position aligns with Xerox’s climate position on emissions reduction, investment in innovative technology, and industry collaboration to mitigate climate issues. In 2022 Xerox engaged with ITI to provide input into ITI’s comments on the SEC’s proposed rules regarding climate-related disclosure.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization’s funding

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).


Publication

In mainstream reports

Status

Complete

Attach the document

 2023 10K.pdf

Page/Section reference

2022 Xerox Annual Report, Pages 8-9, 11, 22-23, 26 (of document)

Content elements

Governance
Risks & opportunities
Emission targets

Comment

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

 Xerox_CSR_Report.pdf

Page/Section reference

2022 Xerox Corporate Social Responsibility Report, Pages 6-9, 11-14, 23-26, 30, 33, 59, 63-64, 66-70 (of document)

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication

In voluntary communications

Status

Underway – previous year attached

Attach the document

 corporate-social-responsibility-progress-summary.pdf

Page/Section reference

2022 CSR Goals and Progress Summary, Pages 1-8

Content elements

Emissions figures
Emission targets
Other metrics

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

 Xerox_TCFD.pdf

Page/Section reference

2021 TCFD Report, Pages 1-7

Content elements

Governance
Strategy
Risks & opportunities

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

 xerox-2040-net-zero-roadmap.pdf

Page/Section reference

Xerox-2040 net zero roadmap pg 1

Content elements

Emission targets

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization’s role within each framework, initiative and/or commitment
Row 1	Business Ambition for 1.5C Race to Zero Campaign We Mean Business Other, please specify DOE Better Climate Challenge	<p>Our approach to sustainability has included partnerships to accelerate progress. In 2021, our targets for all three scopes received approval from the Science Based Targets Initiative (SBTi), validating that the goals we set align with actions necessary to limit the worst impacts of climate change. We have officially joined the UNFCCC’s Race to Zero and SBTi’s Business Ambition for 1.5°C campaigns, aligning our climate mitigation targets with the most ambitious aim of the Paris Agreement and what science dictates is necessary to reduce the destructive impacts of climate change on human society and nature: to limit global warming to 1.5°C.</p> <p>We are a member of We Mean Business, a global nonprofit coalition working with the world’s most influential businesses, to act on climate change. As a member, we established science-based GHG emission reduction targets.</p> <p>The U.S. Department of Energy (DOE) is challenging organizations to set ambitious, portfolio-wide GHG emission reduction goals. This new effort provides additional opportunities for peer exchange and technical assistance to meet the urgent call to mitigate the impacts of climate change. Through the Better Climate Challenge, organizations can partner with DOE to reduce portfolio-wide GHG emissions (scope 1 & 2) by at least 50% within 10 years.</p>

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	
Row 1	No, and we do not plan to have both within the next two years

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	
Row 1	No, and we do not plan to do so within the next 2 years

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No and we don't plan to within the next two years

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No and we don't plan to within the next two years

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

Not assessed

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments


C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	

C15.7

(C15.7) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Other, please specify Materiality Assessment	2022 CSR Report Pg 52,70  1

 1Xerox_CSR_Report.pdf

C16. Signoff

C-FI

(C-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.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

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