



Gender Pay Gap Report for 2017

Foreword

By Hervé Tessler, President, International Operations, Xerox



Research by McKinsey has shown that gender-diverse companies outperform their less-diverse competition, because they are more innovative and productive, and better reflect the markets they serve.

As a member of the Xerox family I've witnessed the benefits of diversity first-hand, so this doesn't surprise me. I've seen how diversity fuels innovation, providing an environment that is more collaborative, dynamic, and conducive to creativity. Diversity lends competence and intelligence to our organisation, and drives us to achieve solutions once thought impossible.

From its very founding, Xerox has recognised that strength lies in diversity, and we have taken active measures to make it an essential part of our company culture and recruitment policies.

In this report, prepared for our UK businesses as required under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, you'll see some of what we're doing to support gender

inclusion and equality. But I also want to take this opportunity to remind all of us that, as we pursue diversity and inclusion, it's vital for us to go beyond gender — and indeed, beyond gender, race and sexual orientation.

True diversity encompasses every aspect of what makes each of us unique, including our attitudes, belief systems and viewpoints. All of these matter, and we owe it to ourselves and to our world to ensure that, as employers and employees, we work to create ever more diverse and inclusive workplaces.

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Culture and Commitment

In 2009, when Ursula Burns became CEO of Xerox, she not only became the first black woman to lead a Fortune 500 company, but also the first woman to succeed another woman (Anne Mulcahy) as head of a Fortune 500 company.

Both Ursula and Anne were home-grown talent rising through the ranks to CEO. In 2017, 32% of Xerox employees globally are female, and 32% of our executives are female — a reflection of our commitment to gender diversity and inclusion at the highest level. But we recognise that there is still a lot of work to do. As with other technology companies, women are under-represented in Xerox, particularly in technical service roles, as well as at senior level. And there is still a gender pay gap to close.

We are confident that our long-standing focus on female hiring, promotions and equal pay — together with regular monitoring, analysis and action — will continue to deliver ongoing improvements in gender equality at Xerox. In this report, we outline our key approaches to doing so.

Although this report is specific to our UK companies, as a global organisation Xerox pursues gender equality globally. Targets and local action plans may be specific to the requirements of different parts of our business, but they reflect the diversity and inclusion ambitions set globally and endorsed at the highest level in Xerox.



A Long History of Inclusiveness

Since the 1960s, Xerox has encouraged the creation of independent groups of employees (caucuses) that play an important role in promoting inclusive diversity in the company. Seven caucuses currently exist to address the concerns and meet the needs of our employees, representing groups as diverse as Asians; lesbian, gay, bi-sexual and transgender (LGBT); and military veterans.

One of them is The Women's Alliance (TWA), which works to ensure that women are represented, recognised and valued at all levels in Xerox. It runs regular events and a mentor programme, all aimed at helping women employed by Xerox to develop themselves professionally and socially. As well as having just launched a chapter of TWA in the UK, Xerox UK has since 2015 been a member of everywoman, which gives all our employees, male and female, access to online personal development tools.

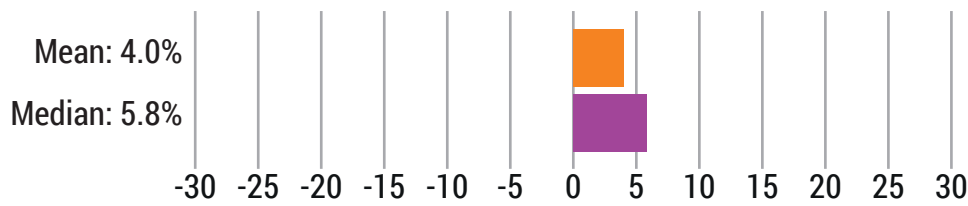
The Numbers

Two Xerox companies operate in the UK: Xerox (UK) Limited is the local operating company, and Xerox Limited employs UK-based headquarters staff.

Xerox (UK)

1,543 employees

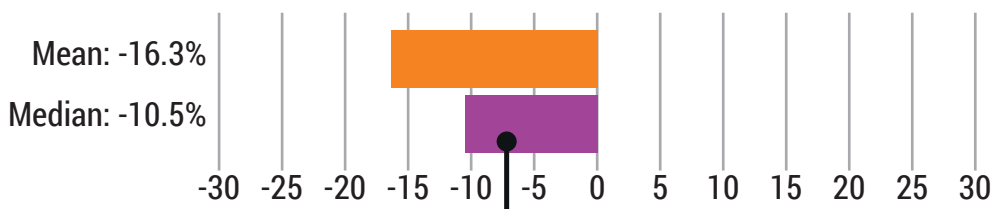
Gender Pay Gap



Proportion of Men and Women Receiving Bonuses



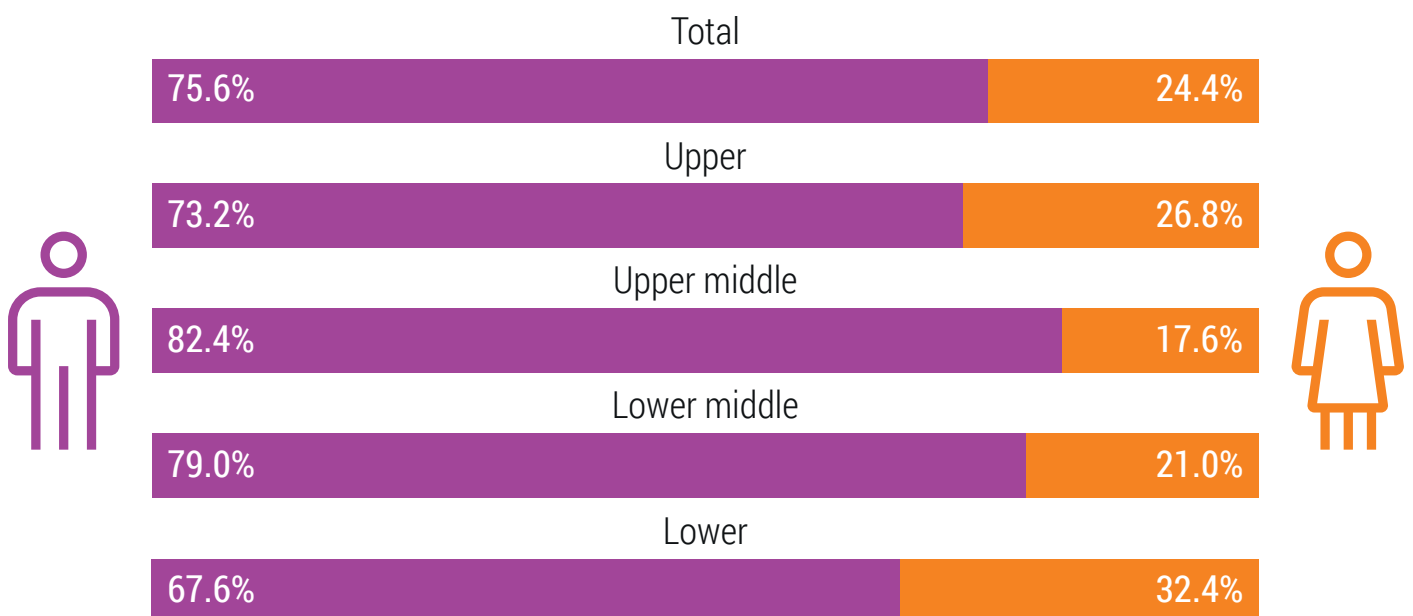
Gender Bonus Gap



A negative value means women on average receive more in bonuses than men.



Employees by Quartile



Xerox (UK) Nears Parity

Xerox (UK) employs more than 1,500 people, of whom a quarter are women.

With this as our baseline, we see (figures on page 4) that while a higher percentage of women are in lower-paid entry-level roles, women are better represented in the highest salaried roles. Our ongoing challenge, which we continue to tackle in our recruitment and promotion of graduates and apprentices, is to recruit more women into mid-quartile professional and technical roles.

The Xerox (UK) numbers also reveal that, even in a male-dominated organisation, near gender pay parity is achievable. These results indicate that our ongoing commitment to diversity, inclusion and equality is something we act on, not just talk about.

For bonus pay in Xerox (UK), the gap shows that women are paid on average more than men. This is mainly a result of the lower bonuses paid to the largely male technical service community, compared with other

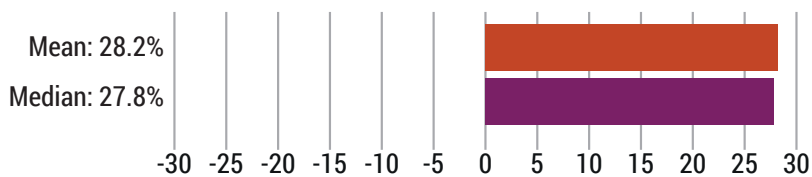
bonus-eligible roles that have a higher proportion of women.

In Xerox Limited there's a more balanced representation of female employees at most levels of the organisation. The larger pay gap reveals the impact of under-representation of females within the most senior roles, and requires more action (see the next section) to ensure that we have the necessary talent to promote from within this group.

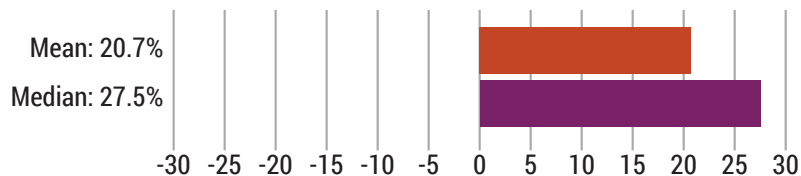
Xerox Ltd

827 employees

Gender Pay Gap



Gender Bonus Gap



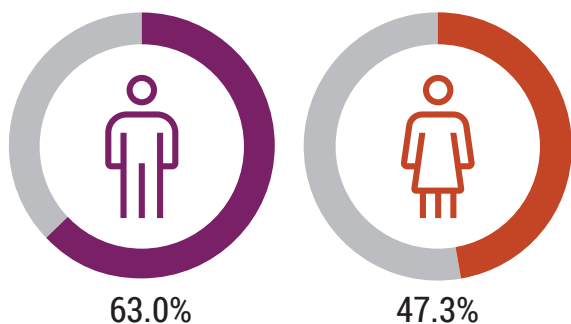
Gender Pay Gap Doesn't Mean Unequal Pay

In the UK today, women earn on average 18% less than men: this is the UK gender pay gap.

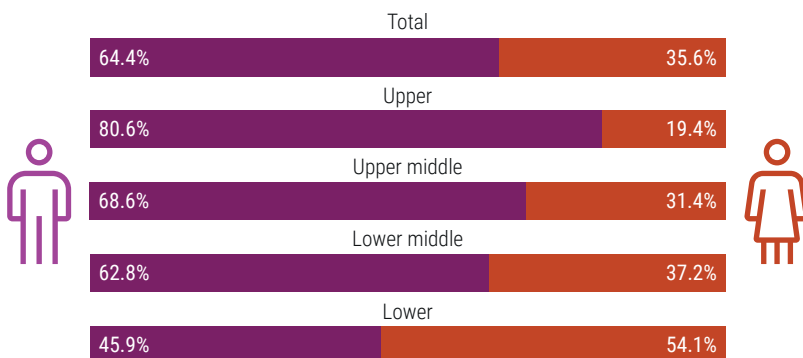
It should not be confused with the law relating to equal pay, which states that men and women should not be paid differently for the same or similar work.

The gender pay gap is a measure of the difference between the average hourly earnings of men and women, expressed as a percentage of men's earnings. The mean gap of 4% for Xerox (UK) means that, on average, women in Xerox (UK) are paid 96p for every £1 earned by a man. In companies where equal pay is the policy and the practice, the gender gap is usually a reflection of the under-representation of women in senior roles.

Proportion of Men and Women Receiving Bonuses



Employees by Quartile



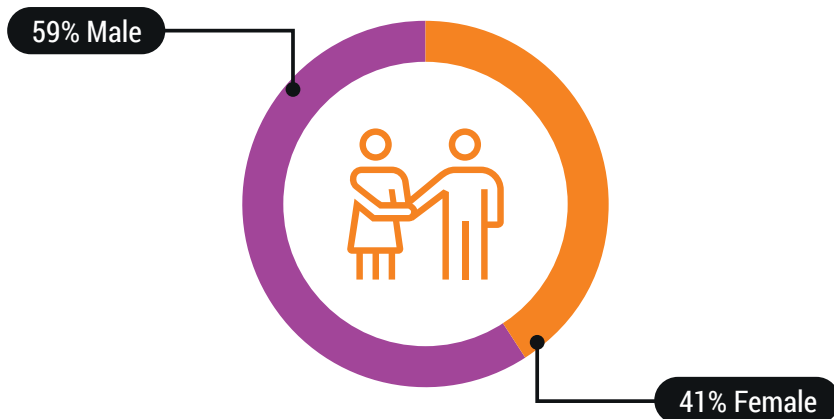
Working to Close the Gap

While this is the first Xerox gender pay gap report, it does not mark the start of our efforts to address gender-related challenges in the company. We have long viewed diversity as a competitive advantage, and the Xerox Executive Diversity Council meets regularly each year to review our practices and make recommendations to the executive team.

2017 Xerox (UK) Graduate Programme



2017 Xerox (UK) hiring (Includes a rise in % women across every single pay category)



ATTRACTING AND RECRUITING WOMEN

Xerox has a formal Balanced Workforce (BWF) strategy, which sets annual goals for hiring within each Xerox company and tracks performance throughout the year. We back this up with training for both HR and business managers on conscious and unconscious biases in recruitment and promotion.

We offer competitive pay and benefits, many geared to supporting a work/life balance. These include childcare vouchers, flexible working, and enhanced maternity and paternity leave.

We use software to reinforce a recruitment language strategy designed to attract female applicants, and proactively search for female candidates for every senior leadership appointment. Since August 2015 we have employed the Wilson Rule, which requires that women be among the final pool of qualified candidates for open management and senior-level positions.

These efforts have seen the proportion of women hired by Xerox (UK) rise well above the current level of female representation (24%) in the company, with 52% of our current graduate programme intake being women, and the overall rate of female hiring rising to 41% in 2017. This includes a rise in female representation across every single pay category.

RETAINING AND PROMOTING WOMEN

Throughout Xerox we have flexible working policies to help both female and male employees balance work and life responsibilities, especially childcare. Because of our family-friendly policies, most women return to work at Xerox after their maternity leave.

Our organisational talent planning (OTP) process consciously focuses on helping women to develop their careers. Existing policies and practices include:

- An initiative to fast-track female members of our graduate programme to a leadership role within 10 years.
- Raising awareness of the gender pay gap among both HR and managers with direct reports, and training them on conscious and unconscious biases in decisions about development opportunities, salary increases and promotions.
- Actively promoting everywoman resources to UK employees, especially at junior and mid-level, to help them challenge gender stereotypes and pursue their own development and advancement.
- Employing the Wilson Rule to promote from within as well as hire from outside.

NEW IN 2018

Additionally we will:

- Set specific goals for female representation and create a cross-sectional working party to drive and monitor progress.
- Review our family-friendly and part-time working policies, improve them wherever possible, and promote them more actively.
- Further cascade training on unconscious gender biases across the workplace.
- Challenge our management to embrace the Xerox commitment to gender balance, for example by promoting different leadership styles in their teams and encouraging women to take the lead on high-profile projects — then supporting them to succeed.

All of the above link to an initiative already underway to strengthen our company culture of working together, driving accountability and results, and ensuring the long-term success of the business.



COMMENT FROM ANDREW MORRISON, MANAGING DIRECTOR, XEROX (UK)

I'm proud of the work that we've done, and continue to do, to build a more inclusive culture and a gender-balanced workforce in Xerox (UK). It's important we reflect not only our client and partner base, but also the wider society.

Our business is evolving and changing and becoming more diverse. The early signs from our entry-level programmes are very

positive: both our industrial placement scheme (for university undergraduates) and our graduate scheme are much more balanced. We know there's still a lot to do to increase female representation in technical, mid-level and senior roles, but we're up for the challenge. As we build our talent pipeline we will achieve a more balanced workforce and reduce the gender pay gap.

I look forward to reporting on our progress.

Perspectives from Our People

Lisa Tucker

HEAD OF DELIVERY OPERATIONS SUPPORT



At 16, Lisa's plans for A levels and university were put on hold when she was offered a great job straight out of school. After two years she moved to Xerox — and is still here 30 years later. Her daughter is now on the Xerox graduate programme.

"I was very lucky coming to Xerox. They paid for me to pursue a graduate HR qualification, even while I was having and raising my children. Back in the mid-90s, flexible working was still unusual; Xerox let me choose exactly how I wanted to balance my work and home life.

A number of Xerox talent programmes have broadened my knowledge and encouraged me towards a leadership role. Today I manage a team of around 25, and I try to be as supportive of them as my managers have been with me throughout my career at Xerox.

I'm also on a steering group that aims to broaden female representation — particularly in management-level positions — through access to a women's network. This will provide access to learning, development and networking opportunities, especially with female role models."

Katie Pugh

CLIENT SERVICE DELIVERY MANAGER



Katie spent a year at Xerox during her BSc in Management Sciences, then as a new graduate briefly worked again with the company during the 2012 Olympic Games¹. Seven months later, Xerox contacted Katie about a permanent job as a Service Delivery Executive.

"A lot of my friends are already on their third company, whereas I've had five years of continual development at Xerox. I've been mentored by men and women who support me 100%. I've sat

down with senior executives to learn about their experiences and discuss my own career. I've been nurtured through talent programmes, and at 28 I'm already managing a small team and have a strategic role on a major account.

What I love about Xerox is this: there is no glass ceiling, and anyone who wants to be CEO knows that one day they could do so. There is plenty of opportunity to progress throughout the company, with support every step of the way."

Rosie Curtis

MARKETING AND OPERATIONS EXECUTIVE



Rosie is on the Xerox graduate programme, having first encountered the company during a year-long industrial placement for her Marketing, Design and Communications degree.

"I had such a positive student experience here that I was keen to come back. Most of my uni friends didn't go back to their placement companies, whereas many of my fellow graduates at Xerox were here as students, like me. I think that says a lot about the environment here.

I definitely feel I'm being well invested in. I have milestones that are a mix of job skills and personal development goals. I have a very supportive manager, and a mentor who actively pushes me to think about my career and my future plans within the company. As graduates we get to meet with senior executives, which is fantastic both for learning and networking. Also, unlike many graduate schemes, this is a full-time position that remains my job when I leave the graduate programme."

¹Xerox provided print services to the London Olympics, managing almost 4,500 print devices at Olympic venues with the help of a large temporary workforce.

Jenny Winch

MANAGER: COMMERCIAL CONTRACTS (UK AND IRELAND)



When Jenny joined Xerox in 2005, her experience quickly marked her out as a candidate for the Xerox UK management development programme.

"Before Xerox I worked for a number of international organisations, moving every few years to expose myself to new challenges, experiences and knowledge. At Xerox, I've been supported to take on new challenges and experiences — domestic and international — right here.

I've come to my current role via Internal Controls, Strategic Planning and Communications (Product Marketing), the Strategic Bid Centre, and Global

Accounts. At all times I've been fortunate to have a network of senior managers who have taken an interest in my career and have actively recommended me to colleagues when there are opportunities that match my own goals.

Xerox has a number of diversity initiatives but recognises that there is still more to do to increase the number of women in senior management. As a manager myself, I work hard to promote a culture of inclusion and to promote the development resources and sources of help available to my team."



Shaping the Future

By Lisa Oliver, Vice President, International Operations HR, Xerox

As I write this, we've just celebrated International Women's Day 2018 in Xerox. We do so because we believe in promoting diversity, inclusion and equality through actions, not just words.

During an event to mark the day we promoted the work of everywoman, an online personal development platform available to all UK employees, male and female. And we launched The Women's Network — the UK chapter of The Women's Alliance, one of the seven caucus groups that work to promote openness, inclusion and opportunity for all within Xerox.

The Women's Network will work on behalf of all UK employees to influence top-down policy and action, to achieve greater gender balance within Xerox.

Our future will be shaped partly by initiatives such as these, and partly through our global organisational talent planning (OTP) strategy — our bias-free approach to attract and progress female talent. We are well on the way to developing a robust female talent pipeline through methods such as mentorship, coaching, and graduate opportunities.