Our organisation

This section covers our organisation’s noble purpose, structure, business performance and how we embed sustainability and engage with our stakeholders.

Top material issues addressed in the ‘our organisation’ section:
- transforming business model (page 10)
- retaining leadership position (page 12).

Our people

This section covers our employee engagement, building capability, diversity, staffing levels, remuneration and recognition, health and safety and community engagement.

Top material issues addressed in the ‘our people’ section:
- improving employee engagement (page 18)
- culture of respect, anti-bullying and diversity (page 21)
- ensuring health, wellbeing and safety (page 22)
- contributing to social change (page 23).

Our impact

This section covers our environmental strategy and our impacts across carbon, waste, paper and water use.*

Supply chain

This section covers how we manage our supply chain, from our parent company’s ethical procurement program to managing carbon emissions with logistics suppliers and responsible procurement and paper sourcing in Australia.

Top material issue addressed in the ‘supply chain’ section:
- procuring sustainability, responsibly and ethically (page 30).

Development

This section covers the development and innovation of our equipment and solutions and how we apply these technologies to optimise customer document and business processes.

Top material issue addressed in the ‘development’ section:
- responding to digitisation through innovation (page 36).

Customers

This section covers our approach to becoming a truly customer-centric organisation, our customers’ satisfaction levels and how we provide customer support.

Top material issues addressed in the ‘customers’ section:
- enabling customers to become more sustainable (page 41)
- becoming customer-centric (page 40).

End-of-life

This section covers how we remanufacture and recycle customer equipment at end-of-life.

* Water use is not addressed in the concise report as it is not a material issue. For detail on water use performance, see our full report online: www.fxasustainability.com.au/2013/ourimpact
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The newly refurbished offices at the Fuji Xerox Australia Head Office. Image by Ronald Kim, Contracts Administrator, Fuji Xerox Australia, North Ryde.
About this report

Our sustainability report covers the Fuji Xerox Australia financial year ending 31 March 2013. This is our ninth annual sustainability report, with our first produced in 2005.

Sustainability assurance

Our report complies with GRI 3.1 level B+ requirements and has been independently assured by Net Balance. A moderate level of assurance against the AA1000 Accountability Principles (2008) and a moderate level of assurance on specified sustainability performance information has been undertaken.

This year we chose to have our environmental data (see the ‘our impact’ chapter of this report) assured against the ASAE3000 standard which provides further audit rigour to quantitative data. The assurance statement is provided by Net Balance in the appendices of our full report online.

Fiscal integrity

Ernst and Young conducts our annual financial audits. The financial statements for each of the companies comprising the Fuji Xerox Group in Australia have been placed on public record, having been filed with the Australian Securities and Investment Commission. Each company’s audit report is free from qualification.

Report boundary

This report covers the Fuji Xerox Australia operating company which includes:

- Fuji Xerox Australia Pty Ltd and its sister company Fuji Xerox Finance Ltd. The financial figures in this report reflect the statutory accounts for both entities, adjusted where applicable for inter-company transfers.
- Upstream Print Solutions Australia Pty Ltd (Upstream), which was acquired by Fuji Xerox Australia in 10/11 and is managed as a wholly owned subsidiary. This is the first year of integrating Upstream into our report and we have indicated where Upstream figures are included.
- A regional product distribution hub and a regional support centre which Fuji Xerox Australia operates on behalf of Fuji Xerox Co Ltd. While these operations include employees of both Fuji Xerox Co Ltd and Fuji Xerox Australia, they effectively report to Fuji Xerox Australia, are accommodated in our premises, contribute to our business results and therefore are considered within the boundary of this report.
- We have no joint ventures. Twenty-three of our 24 locations are leased, our national warehouse is owned by us and all 24 locations are within the scope of this report.

This report excludes Fuji Xerox Printers, a separate Fuji Xerox Asia Pacific Pte Ltd entity focused on the desktop printer market across Asia Pacific. The report also excludes Fuji Xerox Document Management Solutions Pty Ltd, a 2012 acquisition by Fuji Xerox Asia Pacific Pte Ltd.

Our report also excludes the environmental footprint of the managed services we provide on customer sites. We recognise that the outsourcing of business processes such as print, design, mail and office services to us involves an obligation to manage processes responsibly, which we are addressing by applying environmental management and measurement practices to the appropriate operational frameworks.

While the scope of this report is heavily focused on our operations in Australia, we have also touched on our broader impacts. These extend through an international supply chain, which includes the manufacture of our equipment in Japan, China, Korea, Singapore, Europe and North America; the sourcing of our paper from various global suppliers; and the international logistics associated with our product transport.

Fuji Xerox Co Ltd also produces a sustainability report that incorporates the sustainability performance of other Fuji Xerox affiliates. See: www.fujixerox.com/eng/company/sr/2013

Significant changes

This year we focused on improving the user experience of our Sustainability Report. We led a participatory workshop with employees playing the role of stakeholder proxies so that we could better understand our readers’ needs. This led us to design a more user friendly, concise print document focused on our top ten material issues.

Our full GRI B+ report is available online for those who wish to access more detailed information.

In line with a directive from Fuji Xerox Co Ltd, financial information disclosed in our 2013 sustainability report is limited to that which is publicly available. This is reflected in the ‘business performance’ section and the ‘end-of-life’ section where greater financial information was disclosed in previous years.

Acknowledgements

Our sustainability team would like to thank all who contributed to the production of this report — contributors, photographers, designers, editors and many others who supported and guided the project. This report would not be possible without their support and input.

Your feedback is greatly appreciated

We invite our readers to share comments, suggestions and thoughts on this report by participating in a brief online survey. Social media integration in our online report makes it easy for you to share our report with others and to provide us with feedback.

To provide feedback, please visit: www.fxasustainability.com.au/2013/survey

Amanda Keogh, Head of Sustainability, Asia Pacific and Australia
Amanda.Keogh@aus.fujixerox.com
Photo competition

A number of our talented employees’ photos from our annual photo competition are showcased throughout the report (see image captions for acknowledgements). We would like to especially recognise Rajdeep Singh Matharu, whose winning entry features on the cover of our 2013 report. Thank you to all who participated.

About the cover

The cover image was taken by Rajdeep Singh Matharu, Java Application Engineer, Fuji Xerox Australia, North Ryde. This year the brief was to capture an image that reflects Fuji Xerox Australia’s noble purpose — ‘liberating people to work smarter (so they can focus on what really matters)’.

“A relaxed mind is a focused mind and Fuji Xerox Australia brings this ideology to practice every day by providing employees with a flexible working environment to focus on things that matter, especially our customers.”

Rajdeep Singh Matharu, Java Application Engineer, Fuji Xerox Australia, North Ryde

Print production

We have undertaken a limited print run of our 2013 concise report, using our latest technology, the iGen150. The paper stock used is our new Fuji Xerox Digital Coated Recycled Carbon Neutral FSC paper.
Fuji Xerox Australia can be proud of its achievements in 12/13. We achieved a modest 0.2 percent revenue growth, maintained our premier position for revenue and market share, while further strengthening our market leadership. We worked hard to contain costs and although this carried some pain for the company, we sought to minimise the effects on our client base.

Our commitment to sustainability is as strong as ever. We strive to maintain our environmental leadership credentials and contribute to our customers’ sustainability outcomes, while creating paths to improve our contribution to society.

Our strategic focus is to optimise our business model, innovate to meet our customer needs, and transform to meet the emerging market requirements. We strive to maintain our environmental leadership credentials and contribute to our customers’ sustainability outcomes, while creating paths to improve our contribution to society.

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Our strategic focus is to optimise our business model, innovate to meet our customer needs, and transform to meet the emerging market requirements.

In 12/13, we reviewed our key areas of focus and settled on three priority strategic levers:

1. customer centricity
2. business viability
3. organisation alignment.

These levers align with market demand, influence our investments, play to our strengths, and when executed extraordinarily well, will deliver exceptional value to our customers, parent company, partners and our employees.

The market is changing quickly, so we must adapt and be nimble. The trend to digitisation is accelerating, which means we need to maximise our returns from the traditional business model, while investing appropriately to ensure we remain relevant to our customer base via our business process outsourcing offerings and an emphasis on co-design innovation. As part of our evolution we have redesigned our sales coverage model, combining our traditional and services sales force.

Supporting these developments has been our work on establishing a customer-centred culture. Initial work was completed in 12/13 to create a guiding framework for customer centricity. We have appointed a team to implement our customer centricity intent, and they are making solid progress towards achieving our initial goals.
It is fair to say these challenging times have affected our people. We know employee engagement is critical to the growth of our organisation and that employee experience has a direct impact on customer experience. Two key ways we are trying to make our people’s lives better is through our focus on wellbeing and diversity, reflected in a lost time injury frequency rate of 5.05 and the introduction of 12 week paid parental leave.

Of course, to be customer-centred we must also create the right environment for our employees. It is fair to say these challenging times have affected our people, and we saw evidence of this in a four percentage point decline in our 12/13 engagement score, to 57 percent. While the result was disappointing, we were delighted that 82 percent of our people chose to participate in the survey, as it gives us a very solid base of knowledge about their concerns and needs. We are working hard to address them in 13/14.

We know employee engagement is critical to the growth of our organisation. Employee experience has a direct impact on customer experience. The higher the employee engagement, the better the customer experience. In order to meet our strategic objectives and truly become customer-centric, it is vital we focus on improving our employees’ experiences.

Two key ways we are trying to make our people’s lives better is through our focus on wellbeing and diversity. I am pleased with the progress we have made on health and safety initiatives, reflected in a lost time injury frequency rate of 5.05 and a broad improvement in employee awareness for our health and safety program.

The 12/13 year also saw us engage and support our Upstream business in their risk management initiatives. Our health and safety systems and supporting documentation was provided to Upstream. They now have regular safety committee meetings, structured systems in place, and provide health and safety information to Fuji Xerox Australia as part of our regular internal reporting processes.

With regard to diversity, our goal is to attract, develop and retain talented individuals who bring to Fuji Xerox Australia different experiences, knowledge, ideas, perspectives and leadership styles. Although we recognise we are at the early stages of maturity in our diversity journey, it is integral in harnessing the full potential of our employees. Steps we have taken in 12/13 include the introduction of 12 week paid parental leave and a successful pilot of flexible work policy and practices.

In the area of customer sustainability we have an opportunity to reduce a much broader environmental footprint than just our own. This is reflected in our offerings to market that are designed to optimise communication and business processes and increase print efficiency, taking both unnecessary cost and environmental waste out of the equation. Customers like Norton Rose are reaping the benefits with monthly print volumes declining 20 percent after implementation of a cost management system.

With regard to environmental performance, Fuji Xerox Australia has undergone a significant real estate transformation during the 12/13 period which led to an 11 percent reduction in carbon emissions. We have used our carbon fund to invest in energy efficient lighting upgrades and sustainable design to ensure refurbished sites have high environmental performance as well as being inspiring places to work. The refurbishments also had a positive impact on our waste and recycling results, leading to a 50 percent reduction in waste to landfill compared with the same period last year.

We know our business must be good for society at large and support the communities in which we operate. The expansion of our network of community champions across the business from 19 to 28 people in 12/13 will mean more effective delivery of our activities.

Fuji Xerox Australia has undergone a significant real estate transformation during the 12/13 period which led to an 11 percent reduction in scope 1 and 2 carbon emissions.

These volunteers play a vital role in promoting our community initiatives, engaging our employees in participating and in managing the delivery at a local level. Overall employee participation in volunteering events remains strong: in 12/13 our people committed 1,835 hours of their time to ABCN mentoring programs, and 1,514 hours to United Way volunteering events.

While this is a notable effort, we are keen to ensure it has a meaningful impact. We will undertake a review of our community program with the aim to have a refreshed strategy and plan in place by 14/15. We will work to establish greater alignment to our core business and how we leverage our people, products, services and solutions to create even greater value from our community program.

Finally, an issue that will receive overdue attention in 13/14 is in the area of procurement. A review of our risk management process last year revealed the importance of robust supply chain management. We understand this must extend to managing the ethical, environmental and social dimensions of supplier practice. We are establishing some procurement fundamentals and managing our exposure to high risks in the supply chain, with the appointment of a national procurement manager being made in June 2013.

Overall, our commitment to sustainable growth remains undiminished. At a time when many of our traditional competitors are struggling to adapt to the changing market conditions, we are convinced our focus on customers and transforming our business will deliver great results to all our stakeholders. We relish the challenge.

Nick Kugenthiran, Managing Director
### Sustainability timeline of achievements:

A legacy of environmental stewardship spanning 44 years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td>Xerox introduces its first product capable of double-siding.</td>
</tr>
<tr>
<td>1972</td>
<td>Fuji Xerox establishes Pollution Prevention Committee.</td>
</tr>
<tr>
<td>1982</td>
<td>Xerox introduces ‘power down’ (sleep) mode.</td>
</tr>
<tr>
<td>1989</td>
<td>Fuji Xerox Australia begins selling a product from Europe containing recycled parts.</td>
</tr>
<tr>
<td>1990</td>
<td>Fuji Xerox begins recycling parts and consumables in Japan.</td>
</tr>
<tr>
<td>1991</td>
<td>Fuji Xerox begins collecting and recycling toner cartridges in Japan and recycled paper is introduced in Australia.</td>
</tr>
<tr>
<td>1993</td>
<td>Fuji Xerox Australia begins recycling parts and consumables.</td>
</tr>
<tr>
<td>1996</td>
<td>Fuji Xerox incorporates recycled parts in the manufacture of new products.</td>
</tr>
<tr>
<td>1997</td>
<td>All major Fuji Xerox manufacturing sites achieve ISO 14001 certification.</td>
</tr>
<tr>
<td>1998</td>
<td>Fuji Xerox wins the ‘Minister’s Award for Climate Change Leadership’ from the Japanese Environmental Agency.</td>
</tr>
<tr>
<td>2002</td>
<td>The Eco Manufacturing Centre opens in Thailand with the capacity to disassemble and recycle 30K machines and 500K cartridges per year.</td>
</tr>
<tr>
<td>2003</td>
<td>The Eco Manufacturing Centre wins ‘Australian Institute of Engineering Excellence Award’.</td>
</tr>
<tr>
<td>2004</td>
<td>Fuji Xerox Australia commences working with the Australian Information Industry Association to push industry and government for the establishment of an e-waste recycling regime for Australia.</td>
</tr>
</tbody>
</table>
2005
• Fuji Xerox Australia commences shipping end-of-life equipment, parts and consumables to the Integrated Recycling Centre in Thailand for 99 percent resource recovery.
• Fuji Xerox Australia publishes its first Sustainability Report.

2007
Fuji Xerox wins industry first ‘Eco Products Award’ at the Minister of Economy, Trade and Industry EcoProducts Awards in Japan.

2008
• Fuji Xerox wins an ‘Eco Efficiency Award’ for promotion of eco-efficient products and practices at the 19th Energy Conservation Center Awards in Japan.
• Fuji Xerox Australia receives commendation from Association of Chartered Certified Accountants for 2007 Sustainability Report in Australia.
• The Fuji Xerox Integrated Recycling Centre is opened in China with the capacity to disassemble and recycle 15K machines and 500K cartridges per year.
• Fuji Xerox Australia establishes industry first dealer sustainability program.

2009
• Fuji Xerox establishes new carbon emissions reduction targets (30 percent reduction against 2005 levels across the product lifecycle by 2020).
• Fuji Xerox Australia brings FSC and PEFC certified papers to market and is appointed to FSC Australia board.
• All Fuji Xerox Australia office devices are Good Environmental Choice Australia certified and compliant to Energy Star 2009 standards.

2010
• Fuji Xerox is recognised for an 11th consecutive ‘Energy Conservation Award’ at the 20th Energy Conservation Centre Awards in Japan.
• Fuji Xerox Australia is ‘highly commended’ at the Green Globe Awards.
• Fuji Xerox Australia wins ‘Leading in Sustainability’ Banksia Award.

2011
• Fuji Xerox Australia wins ‘FSC Responsible Procurement Award’.
• Fuji Xerox Australia establishes Sustainability Advisory Board.
• Fuji Xerox Australia’s Eco Manufacturing Centre relocates to a purpose-built, sustainable facility in Rosehill and registers for Green Star certification.

2012
• Fuji Xerox Australia launches FSC carbon neutral paper.

2013
• Fuji Xerox receives Good Environmental Choice Australia (GECA) certification for entire office A3 multifunction devices range.
• Fuji Xerox Australia receives the Chairman’s Prize for ‘Excellence in Energy Efficiency and Conservation’ from the Energy Conservation Centre in Japan.
• Buyers Laboratory Inc. (BLI), awarded the ApeosPort-IV C3375 and DocuCentre-IV C2265 multifunction models for their outstanding energy efficiency.
Our organisation

This section covers our noble purpose, organisation structure, business performance and how we embed sustainability and engage with our stakeholders.

Fuji Xerox Australia is part of a world leading enterprise for business process and document management services.

With a noble purpose to ‘liberate people to work smarter (so that they can focus on what really matters)’, Fuji Xerox Australia helps its clients to deliver the right information to the right people in the right format. This is achieved through the implementation of efficient business processes and effective communication.

Strategy development

Since 10/11 Fuji Xerox Australia has been progressively aligning all our divisions towards a single vision and purpose. An overarching imperative informs our strategy; we need to optimise the current business to drive short term financial performance, while transforming it to build a long term sustainable organisation. We have identified three strategic levers to achieve this, and there are key initiatives under each which will bring them to fruition:

1. customer centricity
   a. voice of customer
   b. customer review processes and systems
   c. customer-centric culture

2. business viability
   a. governance at multiple levels
   b. business model optimisation
   c. sales incentives alignment

3. organisational alignment
   a. integrated business planning
   b. continuous improvement framework
   c. business process optimisation.

Material issue: transforming our business model

We are transforming our business model from a commodity provider of technology to a services and solutions provider. This is in response to current trends such as increasing digitisation and market penetration of mobile devices, which have a direct impact on our traditional business model.

Noble purpose
Liberating people to work smarter (so they can focus on what really matters).

Values
Customer first, teamwork, continuous improvement, ethics and integrity.

Goal
Delivering customer centred solutions in a sustainable way, through optimisation and innovation.

Behaviours
Accountability, collaboration and execution focus.

Customer centricity
Thinking like our customers in order to meet their needs whilst being easy and enjoyable to do business with.

Business viability
Sustainability through innovation and optimisation, whilst balancing risk.

Alignment
Creation of a world-class organisation, structured to ensure excellent delivery and the ultimate customer experience.
In 12/13 lean design teams were established with a dedicated sponsor from the executive leadership team to work on each lever. Work is well progressed on driving a customer-centric culture across the organisation, with initial planning underway for the others. In 12/13 we undertook several initiatives to address the achievement of each lean design team’s goals. These included:

- a single strategic planning approach, aligning a number of divisional strategies to the broader business strategy to ensure clarity on deliverables and initiatives
- the implementation of one direct sales organisation, and the establishment of a dedicated team to work with large enterprise accounts
- commencement of the first stage of Project Shakespeare that will see modules of Oracle’s E-Business Suite being implemented over the next 18 months.

In 13/14 we will appoint a strategy execution officer to oversee this work and build on initial communication of this strategy so that all our people understand how they contribute to these strategic levers.

**Sustainability and strategy**

Our managing director is committed to building a sustainable Fuji Xerox Australia and has ultimate responsibility for our sustainability performance. There is clear leadership recognition that we are accountable to stakeholders for not only business results but also for our social contribution and environmental impact.

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### Material issue: retaining market leadership

Our ability as a business to quickly respond and adapt to changing business and technological environments is critical to retaining our market leadership position, including our environmental sustainability leadership. It requires the development of change leadership skills and a strong focus on strategy execution.

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### Our commitments to our key stakeholders

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Commitment</th>
<th>Top ten material issues</th>
<th>Issue addressed in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuji Xerox Co Ltd (parent company)</td>
<td>Conduct our business with strong governance whilst delivering profitable results for the short and long term.</td>
<td>Transforming business model.</td>
<td>‘Our organisation’ section, page 10.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retaining leadership position.</td>
<td>‘Our organisation’ section, page 12.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Responding to digitisation through innovation.</td>
<td>‘Development’ section, page 36.</td>
</tr>
<tr>
<td>Customers</td>
<td>Create value that meets customer needs, deliver on our promises and offer sustainable solutions.</td>
<td>Enabling customers to become more sustainable.</td>
<td>‘Customers’ section, page 41.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Becoming customer-centric.</td>
<td>‘Customers’ section, page 40.</td>
</tr>
<tr>
<td>Employees</td>
<td>Provide opportunities for professional growth and personal fulfilment in a safe, respectful working environment.</td>
<td>Culture of respect, anti-bullying and diversity.</td>
<td>‘Our people’ section, page 21.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improving employee engagement.</td>
<td>‘Our people’ section, page 18.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ensuring health, wellbeing and safety.</td>
<td>‘Our people’ section, page 22.</td>
</tr>
<tr>
<td>Partners/suppliers</td>
<td>Create conditions for mutual success and make it easy to work with us.</td>
<td>Procuring sustainably, responsibly and ethically.</td>
<td>‘Supply chain’ section, page 30.</td>
</tr>
<tr>
<td>Peers</td>
<td>Act as role models for sustainability and drive thought leadership on sustainability issues that impact our sector.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community/future generations</td>
<td>Create a sustainable world for current and future generations and contribute to the disadvantaged in local communities.</td>
<td>Contributing to social change.</td>
<td>‘Our people’ section, page 23.</td>
</tr>
<tr>
<td>Government/NGOs</td>
<td>Address emerging sustainability issues and comment on policy that impacts our business.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Like many organisations, embedding sustainability in how we plan, manage and measure our business remains a key challenge and requires continual refinement. Our goal is to integrate the voice of stakeholders in what we call the strategic rhythm of the business.

In 12/13 we took steps towards this by workshopping the final prioritisation step of our materiality process with a diverse selection of employees from across the business. This allowed our people to better understand how material issues are identified and the nature of the issues themselves. It also created appetite for the rich qualitative insights from our materiality process to be shared more broadly.

This work will be carried forward in 13/14:

- our stakeholder materiality matrix will be refined alongside the corporate risk register, and both will form part of our annual planning process
- a framework will be developed to assist the management and measurement of our material issues across the business
- voice of stakeholder will be shared with members of our leadership and management team.

**Stakeholder engagement**

In terms of how well we listen and respond to our stakeholders’ concerns we are still developing the formal mechanisms that will capture all relevant views. This is illustrated in our stakeholder engagement framework.

In 12/13 we took steps to remedy a long-standing shortcoming in our engagement framework — the absence of suppliers’ voice. We enhanced our materiality process by adding six in-depth interviews with a cross-section of suppliers. These insights will be shared with our national procurement manager in 13/14.

We also identified an opportunity to improve the level of stakeholder representation on our sustainability advisory board. In 13/14 the board will be reviewed and reconstituted, with meetings scheduled to coincide with the annual planning process.
Our organisation

<table>
<thead>
<tr>
<th>Stakeholder engagement mechanisms</th>
<th>Inform Providing stakeholders with balanced, objective information.</th>
<th>Consult Obtaining stakeholder feedback.</th>
<th>Involve Working directly with stakeholders to ensure concerns are understood.</th>
<th>Collaborate Partnering with stakeholders in the development of solutions.</th>
<th>Empower Placing decision-making in the hands of stakeholders.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Year Co Ltd</td>
<td>Sustainability reporting; biannual environmental reporting.</td>
<td>Annual CSR survey.</td>
<td>Regional CSR committee.</td>
<td>Regional CSR workshops.</td>
<td>Corporate environmental target setting; product and solutions innovation.</td>
</tr>
<tr>
<td>Employees</td>
<td>Corporate communications; sustainability reporting and e-newsletter; environmental training; induction process; health and safety resources and training.</td>
<td>Employee engagement survey; health and safety committees.</td>
<td>Employee engagement focus groups.</td>
<td>Employee engagement working group; environmental coordinators annual workshop; community champion workshops.</td>
<td>Inclusivity steering committee.</td>
</tr>
<tr>
<td>Customers</td>
<td>Sustainability reporting and e-newsletters; environmental brochures; web developments.</td>
<td>Customer surveys; sustainability presentations; win/loss reviews; bids and tenders.</td>
<td>Social media (live chat); customer round tables.</td>
<td>Product and solutions innovations, e.g. sustainability on site service centre.</td>
<td></td>
</tr>
<tr>
<td>Dealers</td>
<td>Sustainability reporting; dealer sustainability program.</td>
<td>Dealer satisfaction survey.</td>
<td>Dealer conference; dealer sustainability webinars.</td>
<td>Dealer sustainability workshop.</td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>Sustainability reporting and e-newsletter; sustainability code for suppliers.</td>
<td></td>
<td>Strategic procurement events.</td>
<td>Strategic supplier quarterly reviews.</td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td>Sustainability reporting.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>E-waste reporting via ANZRP; Sustainability reporting; Equal Opportunity for Women reporting; policy feedback.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community</td>
<td>Sustainability reporting; United Way and ABCN channels.</td>
<td>United Way and ABCN partnership reports.</td>
<td>United Way and ABCN annual review meetings; United Way roundtable meetings; ABCN operational taskforce meetings.</td>
<td>Shared value programs; community champion workshops; United Way and ABCN partnerships; income coalition.</td>
<td></td>
</tr>
<tr>
<td>Environmental</td>
<td>Sustainability reporting.</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Materiality process

Fuji Xerox Australia’s materiality process is informed by the AA1000 and GRI principles on report quality. The materiality process and issues identified are presented below. This process helps inform key content for our 2013 sustainability report and ongoing business planning.

Five-part materiality test

- **Direct financial impacts**
  - $

- **Policy-related performance**
  - Used social research software to analyse stakeholder inputs. A qualitative methodology was to ensure the context of and relationship between sustainability issues is captured.

- **Organisational peer-based norms**
  - Produced a material issues register based on:
    - Frequency with which an issue was referenced by the various stakeholder sources.
    - Spread of interest in any given issue across the stakeholder sources.
    - Classification of each issue as either material, of high stakeholder interest, of high interest to Fuji Xerox Australia or none of these.

- **Stakeholder behaviour and concerns**
  - Conducted a formal sense-check of the draft results to:
    - Test and challenge the results.
    - Ensure issues make sense in the context of the organisation.
    - Enable relevant/appropriate labelling of issues.

- **Societal norms**
  - We worked with a cross section of our employee base to:
    - Review, challenge and validate the draft results.
    - Help prioritise Fuji Xerox Australia’s issues according to their impact on stakeholders.
    - Participate in a value chain mapping exercise.

Material issues matrix

- **Advocating product stewardship/producer responsibility**
  - High

- **Working with and influencing government**
  - High

- **Communicating effectively on sustainability**
  - High

- **Contributing to social change**
  - High

- **Enabling customers to become more sustainable**
  - High

- **Becoming customer-centric**
  - High

- **Responding to digitisation through innovation**
  - High

- **Transforming our business model**
  - High

- **Retaining our leadership position**
  - High

- **Protecting a culture of respect, anti-bullying and diversity**
  - High

- **Improving employee engagement**
  - High

- **Ensuring health, wellbeing and safety**
  - High

- **Procuring sustainably, responsibly and ethically**
  - High

- **Governance/managing change through leadership**
  - High

- **Optimising organisational alignment**
  - High

- **Improving execution/communication of business strategy**
  - High

- **Ensuring business viability**
  - High

- **Supporting employee development**
  - High

- **Attracting and retaining the right talent**
  - High

- **Reducing carbon emissions**
  - High
Project Shakespeare: laying the foundations for our evolving business

Project Shakespeare was initiated in 2011 to define our business model in terms of our key processes, applications and technology systems and optimise them to support our future business needs.

This is important work which will provide our organisation with a flexible platform to meet dynamic market needs in an efficient and productive way. It will improve the quality of our business information, increasing transparency and enhancing decision making across the enterprise.

The project has also instituted a governance framework to ensure that future changes to our business model are incorporated into our people, process and technology as appropriate in a planned and aligned manner.

The Shakespeare project consists of three Acts:

Act 1 was to define our 'to be' state by mapping business processes across four dimensions:

- planning and managing the business
- sales
- fulfilment and support
- billing and reporting.

Some 2,500 process activities were identified, leading the business to reflect on how we should evolve, both to improve our customers’ experience and to build scalability, efficiency and effectiveness into the business. In parallel we developed our 'to be state' enterprise architecture, integrating business process, information, applications and technology.

Project Shakespeare is important work which will provide our organisation with a flexible platform to meet dynamic market needs in an efficient and productive way. It will improve the quality of our business information, increasing transparency and enhancing decision making across the enterprise.

Act 2 has focused on aligning our plans to invest in new systems with regional Fuji Xerox Co Ltd initiatives, while positioning Australian best practice to contribute to the broader region as needed.

Act 3 is focused on the deployment of new systems. Our first release, due later this year, will include implementation of improved master data processes in key areas aligned with the following core finance functions:

- collections
- payables
- cash management
- general ledger
- fixed assets.

Our deployment is based on a regional Oracle Enterprise Resource Planning application. This first release will provide the foundation for subsequent deployment in 14/15 of a far broader footprint addressing areas such as orders, billing, project accounting, inventory, service, and support and business intelligence/analytics.

Business performance

We aim to optimise our current business, maximise return on current technology solutions, invest in new services and go to market, whilst delivering sustainable financial returns.

Market conditions remain consistent with the prior year, characterised by industry commoditisation of traditional technology, along with consolidation of the commercial printer industry. In addressing these challenges, we continue to optimise and innovate our existing business, while focusing on transforming our future business.

In soft market and economic conditions, Fuji Xerox Australia achieved consolidated revenues of $1 billion in 12/13, in line with 11/12. The group’s total asset position remained steady at $1.5 billion. The balance sheet remains robust, characterised by low gearing, and ensures our ability to access funds to grow our business despite current economic uncertainty. For further financial information reported by our parent company see:

Fuji Xerox Co Ltd financial performance: www.fujixerox.com/eng/company/profile/finance

Fuji Xerox Co Ltd follows the FUJIFILM Holdings Corporation direction on financial information disclosures and discloses only the items that are publicly available in accordance with Japanese regulations.

Fuji Xerox Co Ltd Sustainability Report 2013: www.fujixerox.com/eng/company/sr/2013


FUJIFILM Holdings Corporation financial information and investor relations: www.fujfilmholdings.com/en/investors/performance_and_finance

In soft market and economic conditions, Fuji Xerox Australia achieved consolidated revenues of $1 billion in 12/13, in line with 11/12.
Risk management

Formalising an improved risk management culture remains a priority in the business. We have a firm understanding of our most critical business risks and the relationships between them. We also understand the underpinning importance of governance in providing the organisational rigour for effective risk management.

While progress was made in 12/13 towards prioritising and allocating executive accountabilities for our key risks, there is now a need for more focused activity to ensure the foundational work is progressed and embedded. In 13/14 we plan to establish the policies, procedures, capabilities and governance mechanisms that will enable effective risk management. We recognise the role of leadership throughout this work in instilling a risk management culture and providing an effective mandate for this work to be undertaken.
Our people

This section covers employee engagement, building capability, diversity, staffing levels, remuneration and recognition, health and safety and community engagement.

We aim to deliver a customer-centric culture through high performance, best in class talent and inspirational leadership, while creating and sustaining a great place to work.

Employee engagement

We have seen some great progress on our people-related fronts while the business has strived to grow and expand in a mature market environment. The changes undertaken to transform our business to remain profitable, and respond to the market shift to digitisation, were reflected in the overall decrease in our employee engagement score to 57 percent. We did, however, see employee engagement in a number of divisions increase year-on-year. Supply Chain, Business Services and Human Resources divisions experienced increases in engagement, as did our Upstream business.

Analysis of the engagement survey results indicate that our senior leaders are highly engaged, while groups reporting to them are not as engaged. Addressing this gap will help to ensure a consistent employee experience. Many of the challenges identified stem from lack of collaboration and effective communication across the company, between levels of management, divisions and sites. This continues to be a focus for improvement.

This also reinforces the importance of our efforts to build manager and leadership capability. A particular area of focus is encouraging high performance standards and consequence management. We refer to this as ACE behaviours in our Fuji Xerox Australia strategy — Accountability, Collaboration and Execution.

For the year ahead we will focus on:

• building business capability and performance
• talent identification and development
• leadership growth and change management.

These focus areas are aligned with our three strategic levers of business viability, customer centricity and organisational alignment.

Material issue: improving employee engagement

We are focused on improving levels of employee engagement across our business. Increasing employee engagement will make a significant contribution to the achievement of our broader business strategy.

We need to continue our focus on providing a consistent employee experience for all our people, no matter what type of work they do.
Employees meet at the lounge area, Fuji Xerox Australia, North Ryde.

- Percentage of employees who participated in ABCN mentoring and coaching programs: 10%
- Percentage of employees who participated in United Way volunteering activities: 13%
- Community investment in 12/13: $470,000
- Hours volunteered to support our communities: 3,349
- Employees across Australia: 2,197
- Proportion of female employees: 30%
- Lost time injury frequency rate (LTIFR): 5.05

Images (clockwise from top left): ‘Teamwork’ by Mangesh Ambetkak, Usability Analyst, Fuji Xerox Australia, epicenter™; ‘Empowering employees to reach out to customers’ by Rajdeep Matharu, Java Application Engineer, Fuji Xerox Australia, North Ryde; Eco Manufacturing Centre; Karen Dearlove, Receptionist for our Adelaide office, volunteers her time for an ABCN program.
Learning and development programs

Our development program is underpinned by our strong belief that the most effective form of learning is through hands-on experience, coaching and feedback. Formal learning as represented in the diagram is a small, albeit essential component of the learning experience.

<table>
<thead>
<tr>
<th>People leaders</th>
<th>All employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leading people through change (2 days)</strong></td>
<td><strong>Project Management Fundamentals</strong></td>
</tr>
<tr>
<td>This program aims to build agility and adaptability in people leaders by building their understanding of what they need to know, do and be throughout the change process.</td>
<td>This course provides comprehensive coverage of project management.</td>
</tr>
<tr>
<td>Pilot successfully completed with a cohort of 20 participants in 12/13.</td>
<td>8 programs with 107 participants in 12/13.</td>
</tr>
<tr>
<td><strong>Manager’s program (2 days)</strong></td>
<td><strong>Project Management Fundamentals Certificate IV</strong></td>
</tr>
<tr>
<td>This program gives managers an insight into the role they play in shaping the organisational culture and outlines their responsibilities as managers of people.</td>
<td>This course builds on ‘Project Management Fundamentals’ to provide a deeper understanding of project management.</td>
</tr>
<tr>
<td>4 programs with 61 participants in 12/13.</td>
<td>1 program of 2 two-day workshops with 14 participants in 12/13.</td>
</tr>
<tr>
<td><strong>Coaching for performance (2 days)</strong></td>
<td><strong>Persuasive Presentations program</strong></td>
</tr>
<tr>
<td>This program gives people leaders the skills to coach their staff to help them achieve their potential.</td>
<td>This program focuses on delivering relevant and effective communication.</td>
</tr>
<tr>
<td>3 programs run with 36 participants in 12/13.</td>
<td>1 program with 8 participants last year.</td>
</tr>
<tr>
<td><strong>Front-line Management — Certificate IV in Business</strong></td>
<td><strong>Development planning sessions</strong></td>
</tr>
<tr>
<td>This program gives managers the knowledge and skills to achieve better performance at the operational level.</td>
<td>These sessions give managers and employees the skills to have an effective development conversation and create robust individual development plans centred around our capability framework.</td>
</tr>
<tr>
<td>1 program run over 10 months with 17 participants in 12/13.</td>
<td>10 sessions with up to 20 participants in 12/13.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>E-learning</th>
<th>Technical capability development (manager-led)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Associate development program</strong></td>
<td></td>
</tr>
<tr>
<td>8 sessions with up to 20 participants in 12/13.</td>
<td></td>
</tr>
<tr>
<td><strong>Sales academy (sales training)</strong></td>
<td></td>
</tr>
<tr>
<td>3 programs run with 36 participants in 12/13.</td>
<td></td>
</tr>
</tbody>
</table>
MEGT is a national, not-for-profit organisation specialising in employment, education and training, apprenticeships and traineeships. Fuji Xerox Australia has been a MEGT host employer for over 15 years, supporting over 100 MEGT trainees nationally through our Customer Support Organisation.

Throughout their time in the program, our trainees build their capability through formal education while leveraging the knowledge and practical experience of our field engineers or other specialists within the business.

Some trainees are currently placed as engineers, office solutions trainers, education specialists and strategic accounts technical specialists.

This award recognises employers for their dedication to skills development and the investment they make in employees through workplace training. A great testament to our efforts to become an employer of choice.

Diversity

We recognise that diversity makes good business sense. Our goal is to attract, develop and retain talented individuals who bring with them different experiences, knowledge, ideas, perspectives and leadership styles. This requires us to have a culture of inclusion where all individuals feel respected, are treated fairly, supported through different life events and have an opportunity to excel in their chosen careers.

While our engagement score around diversity increased from 80 to 81 percent, the key challenge we face is gender diversity within Fuji Xerox Australia, in particular women in middle and senior leadership roles within the organisation. This is an area for focus in 13/14.

Respect

Fuji Xerox Australia is committed to creating a safe, harmonious environment for our employees where we live by our values and feel respected. To support this we created our Respect program – an online course which identifies employee responsibilities and informs appropriate ways to deal with situations that may arise. The Respect program was rolled out in 11/12 to all existing employees and forms part of the induction process for new employees.

Material issue: culture of respect, anti-discrimination, anti-bullying and diversity

This is about providing a work environment that fosters and protects a culture of respect, anti-discrimination, anti-bullying and diversity. In particular, we are focused on improving our performance in the area of gender diversity.
Our people

Remuneration

Fuji Xerox Australia aims to maintain a competitive remuneration approach to assist in attracting and retaining the people we need to manage and grow our business. Our remuneration approach factors in business performance, market conditions, role specific and job family trends.

Following the submission of the Equal Opportunity in the Workplace (now known as WGEA) report it was decided to undertake a gender pay equity audit, and this was completed in December 2012.

The report identifies that men in Fuji Xerox Australia receive higher salaries than their female colleagues for all but two job categories (senior managers and administration); this is especially noteworthy at the manager level. On face value the data suggests there is a difference as the bulk of our working population at the higher pay scale is still dominated by men.

The following recommendations have been made to address the issues identified:

- review our recruitment practices and implement strategies to attract new female talent
- ensure that there are more women progressing into the senior ranks within the business — we need to identify our female talent, be proactive in their development and monitor their progression
- implementation of flexibility policy and education for managers on how to make it work effectively and the opportunity it provides
- continue to provide access to training and career development to ensure equality of opportunity
- conduct functional salary reviews, as well as, or in conjunction with, the divisional salary review process
- review the salaries of individuals who have 10 percent lower salaries than their colleagues in the same role (looking at the external job match to determine same role).

Health and safety

Fuji Xerox Australia’s commitment to health and safety continues to be a priority for the business. Our strategy is to build a robust safety culture, growing awareness and understanding of our safety strategy. This will embed the right behaviours across the business, which will be reinforced by leadership endorsement and regular safety reviews in relevant forums.

Our strong focus on continuous improvement of our health and safety program is reflected in our 12/13 lost time injury frequency rate (LTIFR) of 5.05. This is also reflected in our employee engagement survey result with a four percent improvement in satisfaction with safety and wellbeing to 82 percent. For the first time, health and safety has rated as one of the top four sustain drivers, indicating our employees’ desire to see the focus continue.

We are working on a number of campaigns in 13/14 which will involve every division across the business so they have an understanding of risk including; fatigue and how to better manage work/life balance requirements; good ergonomic set-up and improved manual handling initiatives; safe driving for everyone, being responsible and planning the route and being alert whilst driving; and the roll-out of a revamped behavioural safety program called BeSAFE to address behavioural risk in the workplace.

Helping small business focus on safety

In 12/13 Fuji Xerox Australia participated in the WorkCover NSW mentoring program, an initiative to support small business by appointing a large organisation to assist them manage their health and safety responsibilities.

After an audit of our health and safety practices by WorkCover NSW, Fuji Xerox Australia’s health and safety team were partnered with Scouts Australia NSW and Millennium Carpentry Services to provide advice and assistance to address their work health and safety challenges and to suggest innovative solutions to everyday problems.

The support received from the likes of Fuji Xerox Australia is seen by WorkCover NSW as essential to improving work health and safety across the state.

More than 330 businesses have taken part in the program since it commenced with 95 percent of last year’s mentees implementing work health and safety improvements after participating in the program.

Material issue: ensuring health, wellbeing and safety

This material issue is about providing a work environment that fosters health, wellbeing and safety, where our employees, visitors and contractors believe in and work towards an injury-free workplace and intolerance of unsafe behaviours and practices.
Community engagement

Fuji Xerox Australia believes that our business should be good for society at large and support the communities in which we operate. While we have an extensive community program in place with great engagement from our employees, we want to gain a better sense of the impact we are having and how we can influence real outcomes to address societal challenges. It was decided in 12/13 to review our community program with the aim to have a refreshed strategy and plan in place by 14/15.

While Fuji Xerox Australia’s contribution to communities and society has included traditional community engagement and investment, our aim is to go well beyond this to develop innovative, multi-stakeholder partnerships, creating solutions to help address social challenges through a focus on education for disadvantaged youth.

Material issue: contributing to social change

This is about creating shared value, and involves creating economic value in a way that also creates value for society by addressing its needs and challenges. It is about our contribution to society and goes beyond our community engagement activities to encompass the development of innovative, multi-stakeholder partnerships that leverage our core business offerings, strengths and skills in the development of solutions that address social challenges.

Our national community partnerships

United Way Australia

We have a long-standing relationship with United Way. Our partnership goes well beyond employees’ participation in volunteering activities and workplace giving, with strategic support provided by our managing director and other senior management representatives in New South Wales, Victoria and Queensland.

In 12/13 this senior leadership strategic counsel extended to United Way’s newly formed Income Coalition. The Income Coalition was set up in New South Wales to build on existing school relationships. The mandate for the coalition is to provide leadership and advice and to mobilise resources with a view to achieving the vision for all young adults to make a successful transition from high school to work life within disadvantaged areas of Sydney.

In addition to students’ educational achievements, the Income Coalition identified wider initiatives that influence successful student transitions from school. These include areas such as personal aspiration and wellbeing, connections to workplaces, and support of the wider school community.

We have a long-standing relationship with United Way. Our partnership goes well beyond employees’ participation in volunteering activities and workplace giving, with strategic support provided by our managing director and other senior management representatives in New South Wales, Victoria and Queensland.

Partners for Impact

In 12/13 Sarah Wilbalen, Executive General Manager, Human Resources and Marketing for our Upstream business, engaged in a United Way leadership learning and development initiative, Partners for Impact. This saw Sarah taking on a mentoring role with Jane Artup, State Manager for the Beacon Foundation in New South Wales.

Sarah and her colleagues shared tools and processes with Jane to help her identify the Beacon state team’s strengths and also offered specialist recruitment skills and expertise to support Jane in the recruitment process.

Sarah was keen to apply her learning from her own transition from a well-resourced organisation like Fuji Xerox Australia to a smaller organisation like Upstream to support Beacon.

“Sarah asks cut-through questions to pull out the employee traits and she is spot on with her assessment — she has a bit of a gift.”

Jane Artup, State Manager NSW, Beacon Foundation
Higher educational achievement increases the financial advantage of young people

Among those aged 15 years and over, poverty rates decline sharply as educational qualifications increase. Of young people leaving school in the 15 to 19 year age group, 29 percent were not fully engaged in education and/or employment. This is six times higher than the general population when compared to the current unemployment rate of 5.5 percent.

Research indicates that those who complete schooling to year 12 have a greater chance of gaining well paid and meaningful employment and better social and health outcomes throughout life.

Australian Business and Community Network

We also have a national partnership with the Australian Business and Community Network (ABCN), providing our employees with opportunities to take on mentoring and coaching roles with students in areas of high need. A number of our senior leaders across the country have also established partnerships with school principals through ABCN’s Partners in Learning program to share experiences, solve problems and explore leadership challenges together.

In 12/13 Fuji Xerox Australia helped introduce sustainability education into community partnerships in collaboration with ABCN. The aim of a pilot program undertaken was to engage both employees and students in the benefits of embedding a sustainability focus in how we approach our business objectives.

After a successful pilot with Fuji Xerox Australia mentors and students from Tempe High School, this sustainability program has remained an option for schools and businesses to take up with ABCN.

“We are extremely grateful to Mr Brooks and ABCN for nomination of our son in this program. The program has made a huge impact on our son in many ways. His self esteem and confidence have stood out most. The thing that we are excited about is his increased initiative towards his school work.”

Parent whose child participated in the ABCN Transitions program
Transitioning to work pilot

In 12/13 we developed a pilot shared value program in collaboration with one of our major national logistics partners DB Schenker, South Sydney High and the Beacon Foundation.

The aim of the program is to support not only students to find pathways to learning and earning, but to also support the logistics industry to attract and develop talent to sustain the industry. The pilot program kicked off in March 2013 with a logistics industry speed careering day for year 10 students which generated a great deal of interest in what the logistics industry may offer in the way of career paths.

The remaining activities for the pilot are being rolled out in 13/14, and based on the success of the pilot, with a view to becoming scalable and extended to a broader industry group and other schools across the country.

Potential long term value from a successful program model:

- Disengaged students engage in further education.
- More students engage in tertiary studies and employment.
- Grow potential talent pool for logistics industry.
- Employees develop their leadership skills through community engagement.
- Brand reputation enhancement for involved organisations.
- Reducing early drop out rates from education as well as unemployment.
- Enhanced community support network for young people.
- Teacher’s learning and development enhanced from program involvement.
- Reducing early drop out rates from education as well as unemployment.
- Enhanced community support network for young people.
- Teacher’s learning and development enhanced from program involvement.

Learn more

A summary of our sustainability performance against key objectives is provided in the appendices of this report (see pages 51–53). For further information on our people, view the full GRI B+ sustainability report online at: www.fxasustainability.com.au/2013/ourpeople

The Upstream Foundation

The Upstream Foundation, is a registered, non-profit foundation which provides Upstream and Fuji Xerox Australia employees another opportunity to get involved in community projects, as well as actively raising funds through events to distribute to various beneficiaries.

The Upstream Challenge is an annual event that started in 2005. There have been over 3,700 people participate in the event. That’s over 185,000kms walked and at a guess, hundreds of blisters!

The event has raised over $1,260,000 and with the Upstream Group covering all costs associated with the event, 100 percent of funds raised are passed on to the beneficiaries (including FareShare, Disability Sport and Recreation, and the Isabella and Marcus Fund).
Fuji Xerox Australia has a legacy of environmental stewardship spanning 20 years. Our achievements have foundations in a long history of environmental leadership from Fuji Xerox Co Ltd, whose environmental initiatives stretch back to the 1960s. We have a continuous improvement focus on managing our carbon, waste, print and water use.

In 12/13 Fuji Xerox Co Ltd undertook a comprehensive review of how each affiliate should calculate their carbon reduction and waste to landfill targets to take into consideration their unique operating environments.

A target based on reducing carbon emissions per headcount has been determined and will come into local effect in 13/14. Guidance on waste targets is still being defined. In preparation we will undertake three elements of waste management in 13/14:

- conduct internal audits to assess compliance with local waste regulations
- submit the audit results in October each year
- implement corrective actions raised from the audit.

Environmental management

Fuji Xerox Australia manages its environmental sustainability performance through the Corporate Affairs division. Our environmental policy, in which the precautionary principle is inherent, can be downloaded at: bit.ly/NVV4XM

There is an environmental management system in place at 17 of our 24 sites and they are ISO 14001 certified.

During the 12/13 period we closed three warehouses in Sydney, Melbourne and Brisbane, with some of the smaller warehousing functions being relocated to our two district stores. The district stores are used by our service engineers for replenishment of parts and consumables. These district stores will undergo environmental reviews in the 13/14 period and subsequently come under the ISO 14001 certification.

We are also building the capability of our Upstream Print Solutions (Upstream) business to manage the environmental impacts of their five sites. The Upstream business provides Fuji Xerox Australia with energy and waste data; however, their sites are not currently ISO 14001 certified.

Fuji Xerox Australia underwent some significant changes in 12/13 which have driven environmental performance improvements. Our carbon and waste reductions are notable, mainly due to outsourcing our Supplies division warehousing to improve cost efficiencies. Due to the nature of this change, the carbon and waste impacts associated with the storage and handling of our Supplies division products have shifted to the direct control of our outsource warehouse partner, DB Schenker (DBS). This has led to an increased focus on supplier engagement in our environmental management program.

DBS fast tracked a project to ensure all its Australian facilities were ISO 14001 accredited, a clear demonstration of the impact that proactive supplier engagement can have. We plan to expand the positive collaboration throughout our supply chain on sustainability, with key local and overseas suppliers such as DBS and UPM Kymmene in 13/14.
Scope 1 emissions (direct)
Scope 1 emissions are all direct GHG emissions, including diesel fuel from generators and service fleet, petrol and LPG from service fleet, natural gas, and refrigerants emissions from air conditioning units.

Scope 2 emissions (indirect)
Scope 2 emissions are indirect GHG emissions from consumption of purchased electricity, heat or steam. For our business this includes purchased electricity.

Scope 3 emissions (indirect)
Scope 3 emissions are other indirect emissions, including purchased materials and fuels, third party logistics related activities in vehicles not owned or controlled by Fuji Xerox, electricity-related activities (e.g. transmission and distribution losses) not covered in Scope 2, and outsourced activities such as air travel and waste disposal.

Image: ‘The journey’ by Duane Cunnington, Senior Account Manager, Fuji Xerox Business Centre, Cairns.
Our Own Best Customer project: improving our print environment

In 12/13 our Own Best Customer project saw the refresh of our national office and production print environments to ensure they reflect the best of our own products, solutions and service offerings. This was not only to improve efficiencies in our office environments; we wanted our employees to experience what we deliver to our customers.

Carbon and energy savings from improving our print environment:

Energy use associated with paper production, use and disposal
\[ \downarrow 22\% \]
\[ \text{or } 216,813\text{kg CO}_2 \]

Energy use associated with equipment and consumables production, use and disposal
\[ \downarrow 36\% \]
\[ \text{or } 135,230\text{kg CO}_2 \]

The equivalent of approximately 90 fewer cars on the road for 1 year

Solid waste savings from improving our print environment:

Using 60% duplexing, solid waste from paper production
\[ \downarrow 23\% \]
\[ \text{or } 23,273\text{kg} \]

Solid waste from retired equipment, empty consumables and associated packaging
\[ \downarrow 30\% \]
\[ \text{or } 6,095\text{kg} \]

The equivalent of approximately 6 fewer garbage truck payloads of waste in 1 year

Overall, 167 devices were rationalised to approximately 109 and our Image Gateway for ApeosPort (IGA) business process solution installed. A snapshot from our head office at North Ryde demonstrated the positive environmental savings achieved from the exercise (below).
Print management

For the 12/13 year Fuji Xerox Australia improved its print management while consumption remained steady at 74 tonnes. The majority of the business is now using the best of our sustainable paper product offerings.

Waste management

The business achieved a 50 percent reduction in landfill volumes since 11/12 and recycling volumes parallel this result with a 33 percent reduction. Our site consolidation strategy in 12/13 reduced two large warehouse sites to smaller district stores. This has had a positive impact on our waste and recycling results.

Additional improvement measures include better waste and recycling systems, increased employee engagement in waste and recycling programs, improved monitoring and reporting, and warehouse outsourcing projects.

We had two major waste management focuses in 12/13:

- achieving more accurate reporting
- site clean ups in preparation for relocations or refurbishments.

Our Eco Manufacturing Centre team has led by example with an impressive 86 percent reduction since 11/12. This is directly attributable to the enthusiasm of employees and the dedication of the management team in implementing best practice waste and recycling systems.

Our Supply Chain team has also achieved a significant 45 percent reduction in waste sent to landfill. The result has been attributed to the green team closely monitoring environmental performance and implementing agreed actions through regular meetings.

Our Eco Manufacturing Centre team has led by example with an **impressive 86 percent reduction since 11/12.** This is directly attributable to the enthusiasm of employees and the dedication of the management team.

Carbon management

Fuji Xerox Australia underwent a significant real estate transformation during the 12/13 period which led to an 11 percent reduction in scope 1 and 2 emissions.

The facilities team drew on our carbon fund to invest in energy efficient lighting upgrades and sustainable design to ensure our newly refurbished sites have high environmental performance as well as being inspiring places to work.

Fuji Xerox Australia underwent a significant real estate transformation during the 12/13 period which led to an **11 percent reduction in scope 1 and 2 emissions.**

Learn more

A summary of our sustainability performance against key objectives is provided in the appendices of this report (see pages 54–56). For further information on our impact, view the full GRI B+ sustainability report online at: [www.fxasustainability.com.au/2013/ourimpact](http://www.fxasustainability.com.au/2013/ourimpact)
Supply chain

This section covers how we manage our supply chain, from our parent company’s ethical procurement program to managing carbon emissions with logistics suppliers and responsible procurement and paper sourcing in Australia.

The Fuji Xerox Australia approach to sustainable supply chain management is informed by the principles of the UN Global Compact, to which Fuji Xerox Co Ltd is a signatory. Our goal is to share our sustainability standards with our suppliers and work with them to improve social, environmental and governance outcomes.

Our commitment to, and practices regarding sustainable supply chain management, are for our benefit as well as that of our suppliers and other stakeholders. This issue is one of increasing importance and interest to various stakeholders, particularly in the context of outsourcing activity.

Our direction is to:

- work through Xerox Ltd and Fuji Xerox Co Ltd to assure integrity of our product supply chain
- work with high-risk suppliers to provide low-carbon products and services — employee travel, paper and logistics have been identified, with the latter two addressed below
- share our sustainability standards with our indirect sales network.*

While we rely on Xerox Ltd and Fuji Xerox Co Ltd to assure integrity of our product supply chain, in Australia we are responsible for managing our paper supply chain, international inbound, outbound and domestic logistics, along with procurement of all other business goods and services required locally. We have a mature approach to relationship management with our logistics and paper suppliers, with specific sustainability standards and targets. For all other procurement activity a general sustainable code of conduct is integrated into our procurement framework and compliance is confirmed with suppliers during significant procurement events.

In 13/14 a national procurement manager will be appointed to bring greater focus to this area. An initial review will be conducted leading to recommendations that will improve the rigour of our procurement policies, processes and procedures going forward.

Carbon and logistics

Our Australian supply chain operations team works closely with our sales and marketing teams to forecast and procure inventory from multiple overseas origins. This inventory supports the equipment, consumable and spare parts requirements of our diverse customer base throughout Australia.
Paper products warehoused at DB Schenker.

- 72% from China
- 1% from Korea
- 5% from the US
- 7% from Europe
- 13% from Japan
- 1% from Thailand
- 1% from Singapore
- 1% from Korea
- 1% from Malaysia

5% of products were air freighted to Australia in 12/13
95% of products were shipped to Australia in 12/13
Project Refresh: building value for our people, planet and profitability

As our business faces shrinking product margins and high handling costs in our supply chain operations, Project Refresh was established with the aim to reduce costs and production cycle times, create a safer workplace and to minimise double handling.

Stage one of Project Refresh looked at optimising the workshop processes at our national warehouse. Our technical services and warehouse management teams explored what might support the business to reduce waste and improve efficiencies through shipping, storage and handling of products.

The first win was a packaging innovation, halving the amount of cardboard packaging for our multifunction device side trays. The idea was presented to the Fuji Xerox Asia Pacific operations logistics team and Fuji Xerox Co Ltd’s packaging team, leading to some outstanding results (below).

When procuring inventory from overseas, Fuji Xerox Australia’s target is to maximise the volumes transported by sea, being the most efficient and environmentally friendly form of transport. However circumstances within the supply chain mean that air freight will always be a component in the transport mix.

Other benefits from this initiative include:
- reduction in warehousing requirements by 113 square metres (approximate value $19,620 per annum)
- reduced handling time and potential mitigation of associated manual handling injuries
- productivity gains through improved workflows, cleaner workspaces and generally a calmer work environment.

Project Refresh was a co-designed concept, with our workshop employees having the opportunity to provide input to the final result. We feel this collaborative approach was the difference between a temporary band-aid treatment and the innovative and sustainable outcome we achieved. We hope to replicate this as a continuous improvement process across Fuji Xerox Australia.

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Australia, managed from a national distribution hub in Sydney and supported by regional distribution centres in all major capital cities.

Our national distribution network and partnerships with specialised carriers ensures the timely delivery of over 31,000 machines and related consumables and spares annually.

When procuring inventory from overseas, Fuji Xerox Australia’s target is to maximise the volumes transported by sea, being the most efficient and environmentally friendly form of transport. However circumstances within the supply chain mean that air freight will always be a component in the transport mix.

Following the adverse impact on our supply chain from events such as the Japan East earthquake and the floods in Thailand, which drove significant increases in our air freight, it is pleasing to see that our air and sea freight split in 12/13 has dropped to a five percent/95 percent split versus a 20 percent/80 percent split in 11/12.
Responsible paper sourcing
Our goal is to ensure our papers are derived from paper mills with sustainably managed fibre sources and manufacturing processes that reduce environmental and social impacts.

With a lot of debate in the market over what sustainable papers are and the value of the various certifications and eco-labelling, we also support our customers in their decision making on responsible paper procurement.

To remain a credible advisor to our customers we will continue to focus on the provision of resources and information designed to help our employees and customers understand some fundamentals of paper and the environment.

Assessment of compliance with standards
We assess compliance with our standards annually and work with non-government organisations to identify and escalate key issues of stakeholder concern. If areas of non-compliance are found, our approach is to work with progressive suppliers to ensure standards are met.

However, if adequate progress is not made in a specified timeframe, the supplier relationship will cease. Compliance is also assessed prior to any paper mill being considered for supply. Regular checks are made to confirm ongoing compliance.

Our goal is to ensure our papers are derived from paper mills with sustainably managed fibre sources and manufacturing processes that reduce environmental and social impacts.

Bringing certified paper to market
In 12/13 our sales of FSC and PEFC certified papers, carbon neutral papers and recycled paper increased to 99 percent of our total paper sales by volume compared to 67 percent in the prior year.

FSC carbon neutral paper
Following increasing demand in 12/13 for our FSC mixed source carbon neutral office paper, we are expanding our FSC carbon neutral paper range in 13/14 to include both digital and recycled stocks. This offering supports our customers in lowering their scope 3 carbon footprint, while also ensuring we work with our suppliers on emissions management plans that achieve actual reductions.

Our carbon neutral paper suppliers undergo a rigorous and independently verified lifecycle analysis adhering to the ISO 14044 standard. We quantify the energy used throughout the lifecycle of the paper, equate that to carbon using standard conversion factors and purchase carbon offsets for that amount. The offsets are certified under the Verified Carbon Standard.

Following increasing demand in 12/13 for our FSC mixed source carbon neutral office paper, we are expanding our FSC carbon neutral paper range in 13/14 to include both digital and recycled stocks.
The carbon offsets Fuji Xerox Australia purchases currently support three projects in developing nations.

Efficient cook stoves in Cambodia
The majority of Cambodians rely on wood to provide domestic energy. This dependence places enormous strain on Cambodia’s deciduous forests. The project delivers cooks stoves that are at least 22 percent more efficient than previous cooking and heating methods and are now in nearly 50 percent of urban households. Each stove removes approximately 0.4 tonnes of carbon per year and saves the user approximately $45 per stove in fuel wood costs per year.

Fuji Xerox Australia’s contribution has resulted in the installation of 10,330 cook stoves and savings of approximately $450,000 in fuel wood costs for the stove recipients.

For more information, visit:
bit.ly/170eGki

Sustainable energy from rice husks in India
About 15 percent of the world’s population lives in India. At current growth rates, India is expected to become one of the most populous countries in the world by 2030. Hundreds of millions of people live in the most basic conditions. Energy is the backbone of economic growth, making the fight against poverty in India inextricably intertwined with access to energy.

The project has delivered $362,614 into the local communities in return for waste rice husks. Farmers receive $40 per tonne for sales to the project, which has produced a total of 14,411 MWh of clean electricity, enough to power approximately 2,193 average Australian homes.

Fuel switching project in Brazil
Rio Negro Ceramic, a ceramic industry that produces products such as bricks and tiles, burned native wood from the Amazon rainforest without sustainable forest management to feed its kilns. An estimated 30,000m³ of native wood was used annually for the generation of thermal energy.

Since implementation of the project, unsustainable fuel sources are being replaced with wood residues from construction and wood-processing industries, as well as bamboo, elephant grass and other fruit residues from the area. This is indirectly reducing Brazil’s deforestation rates, the country’s main source of greenhouse gas emissions. Within the first three years of the project’s operation, an estimated 450,000 trees have been saved. The project activity also reduces methane emissions from the avoided decay of these biomasses going to landfill.

Fuji Xerox Australia’s contribution has resulted in the installation of 10,330 cook stoves and savings of approximately $450,000 in fuel wood costs for the stove recipients.

Sustainable energy from rice husks in India:
14,411 MWh

Efficient cook stoves installed in Cambodia:
10,330

Number of trees saved by the fuel switching project in Brazil:
450,000
Advancing ethical procurement

Fuji Xerox Australia sponsored the Total Environment Centre’s Green Capital Paper Wars events held in Sydney and Melbourne in May 2012. The goal was to educate those seeking to make environmentally preferable purchasing decisions — on printer paper and other products.

Amanda Keogh, Head of Sustainability for Fuji Xerox Asia Pacific and Australia participated in a panel discussion along with Stephen Reardon, Research Manager from ECO-Buy, Luke Chamberlain, Victorian Campaign Manager from The Wilderness Society and Gordon Renouf, Chairman of Good Environmental Choice Australia.

“Suppliers have a role to play as a trusted advisor. Fuji Xerox Australia shares what it knows about paper and sustainability so that customers can make informed choices.”

Amanda Keogh, Head of Sustainability, Fuji Xerox Asia Pacific and Australia

Learn more

A summary of our sustainability performance against key objectives is provided in the appendices of this report (see pages 57–58). For further information on our supply chain, view the full GRI B+ sustainability report online at:

Development

This section covers the development and innovation of our equipment and solutions, and how we apply these technologies to optimise customer document and business processes.

The Xerox and Fuji Xerox family has a history of successful investment and commitment to innovation. Chester Carlson’s invention of xerography almost 75 years ago was a notable milestone in the development of the modern information age.

Fuji Xerox Australia fosters a culture of innovation as part of our business transformation strategy. We recognise the changing dynamics of our marketplace, the demand for agile technology and communication and the changing needs of the device-dependent customer. Our research explores the future of communication in day-to-day activities, the impact of mobility on how we share information and what happens to document workflows when our customers no longer operate in a static office environment.

The year in review has been one of considerable achievement, helping us retain a strong market position and build a culture of innovation into the way we work. Some initiatives to support this include:

- the release of key workflow optimisation solutions
- advances in the mobile functionality of our local print management solution
- recognition of Fuji Xerox devices in internationally recognised environmental award programs
- insight from our commercialisation and incubation team
- regional recognition of our Business Analysis and Consulting Services (BACS) team for an innovation and development project submission.

Material issue: responding to digitisation through innovation

We are focused on responding to current trends which have a direct impact on our business model, such as increasing digitisation and market penetration of mobile devices. This goes beyond product development and innovation, to address how we will transform our business model with the support of our parent company, Fuji Xerox Co Ltd.

Design for environment

Fuji Xerox develops products, solutions and services with a human-centred design approach from the standpoints of usability, harmony with the environment (through the full product lifecycle), and benefit to our customers.

We have been well recognised for our achievement in product design for the environment and end-of-life product stewardship.

Our focus on design for the environment continues as a multi-faceted approach:

- our manufacturing operations are run in accordance with industry leading social and environmental standards
- our equipment features environmentally responsible product design from energy efficient enhancements to modular design that enables end-of-life disassembly for reuse, remanufacture and recycling
- our document software and digital technologies help reduce paper waste
- our services enable clients to improve the efficiency of document intensive business processes and optimise their equipment infrastructure to save costs and cut carbon emissions.
epicenter™ redesign

Fuji Xerox has three epicenter™ innovation centres. They are located in Sydney, Shanghai and Singapore and focus on collaborative discovery with our customers and industry.

In 2006, the epicenter was established to contribute to the growing evolution and development of the graphic communications and printing markets, which it has done extremely well over the years.

The growing and different demands of the office solutions market drove the refurbishment of our epicenter. Fuji Xerox Australia’s study on document workflow pain points also uncovered that the epicenter needed to demonstrate how our practical solutions address these challenges, providing further impetus to design a state-of-the-art demonstration space, reflecting the rapidly changing needs of our customers.

In July 2012 our new business solutions laboratory at the epicenter was opened and the response has been overwhelmingly positive.

“The epicenter absolutely supports our ability to sell solutions.”
Fuji Xerox Australia dealer principal
Recognition for sustainable design in 12/13

Good Environmental Choice Australia certification of our entire office A3 multifunction devices range

Fuji Xerox Australia was the first print industry vendor to have products certified by Good Environmental Choice Australia (GECA).

“Fuji Xerox Australia takes environmental issues seriously and has an extensive history in supporting sustainability initiatives for its products. A company of this size certifying its products with GECA helps many other Australian businesses achieve their own sustainability goals more easily. By recognising the importance of independent third party accreditation, it also strengthens sustainability standards more broadly and helps combat green washing.”
Rupert Posner, CEO of Good Environmental Choice Australia

New EPEAT standard for imaging equipment

The Institute of Electrical and Electronics Engineers (IEEE) published a new standard for Imaging Equipment (IEEE 1680.2-2012) in October 2012. The standard was adopted as part of the Electronic Product Environmental Assessment Tool (EPEAT) in January 2013.

While the Australian Government has selected EPEAT Silver as the minimum environmental standard to be applied to ICT equipment, it recognises the presence of other established regional and international eco-labels that meet the ISO standards relevant to the ICT industry, and can be considered at least equivalent to EPEAT. This includes GECA as an independently certified (IC) eco-labelling programs member of the GEN.

Buyers Laboratory Winter Pick Awards for outstanding energy efficiency

Buyers Laboratory Inc. (BLI), the leading independent multifunction product testing lab, awarded two of our multifunction models for their outstanding energy efficiency.

The ApeosPort-IV C3375 and DocuCentre-IV C2265 consume significantly less energy than their respective competitive groups.

Solutions innovation

Document workflow solutions and applications continue to form an integral part of the Fuji Xerox Australia value proposition. With rapidly evolving software platforms and customer technology drivers, it requires faster speed to market with relevant solutions that address current trends such as workplace mobility and big data.

Mobile for Enterprise application

To support our customers’ increasingly mobile workforce, we developed our Mobile for Enterprise application which runs on supported iOS and Android devices. It works in conjunction with the Fuji Xerox Image Gateway for Apeos platform to provide print, scan and upload features. Documents are printed by swiping your phone across a Fuji Xerox
multifunction device reader or by taking a picture of a QR code on the User Interface. The application will be launched in early 13/14.

My Prints
In 12/13, Fuji Xerox Australia took My Prints to market, a lightweight, scalable and easily deployable cost management system. It helps our customers eliminate waste by encouraging users and departments to be more accountable for their print usage. Easily configurable, My Prints offers the flexibility to suit multiple environments and platforms of varying size and scale.

Solution Builder
In recognition of the market shift towards digitisation, Fuji Xerox Co Ltd and Fuji Xerox New Zealand jointly developed a solution builder to help customers transition to a digital environment with minimal impact on their existing systems and business processes. The platform enables Fuji Xerox multi-function devices to integrate directly with organisational systems and processes, be it a document management system or a customer relationship management solution.

Key benefits include efficiency improvements from easy to navigate document management processes and a reduced rate of manual error and paper based processes. This enables a greater capacity for information sharing across organisations.

Learn more
A summary of our sustainability performance against key objectives is provided in the appendices of this report (see page 59). For further information on development, view the full GRI B+ sustainability report online at: www.fxasustainability.com.au/2013/development
Customers

Our approach to becoming a truly customer-centric organisation, our customers’ satisfaction levels and how we provide customer support.

As our marketplace is changing rapidly with the trend to digitisation, we are focused on adapting and becoming more nimble, delivering more solutions and services to meet our customers’ evolving needs.

Our work on establishing a customer-centred culture has supported these developments. In 12/13 we created a new position of Chief Customer Officer. This role is tasked with implementing a program to transform our organisation into a truly customer-centric one.

We have established our customer experience principles and reviewed the customer experience we provide in one of our core processes. In 13/14 we will establish resources, budget and initiatives to commence implementation of the recommendations resulting from this review.

The review undertaken in 12/13 focused on a core process that has traditionally been a key customer satisfaction driver, ‘Order to Install’. This is the process by which our customer equipment orders are fulfilled so that equipment can be installed at the customer location. The review identified a number of areas where we could improve the experience of our customers. In parallel our Lean Design team worked with external consultants to establish our customer centricity principles, by which we govern the program. Continuous improvement workshops focused on improving the customer experience have also been conducted with key business units.

In 13/14 we plan to progressively review all our customer touch points to improve the experience we provide our customers. This is a whole of organisation program where we align our teams in support of our goal to provide an exceptional customer experience. We will use the Net Promoter Score (NPS) as a basis for a new measurement process that will enable us to gauge the impact of the changes we make on the experience of our customers.

We will also overhaul our traditional customer satisfaction process with a view to establishing a contemporary Voice of Customer (VoC) approach that aligns with the program principles. This transition from customer satisfaction to NPS based VoC will be undertaken progressively over the next two years with the aim of establishing a consistent approach across all divisions.

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**Material issue: becoming customer-centric**

Becoming customer-centric is about the need to not just think about our customers, but like our customers so that we can design a better customer experience. This issue is closely linked with how we retain our market leadership position and improving our ability to adapt quickly to market trends like digitisation.

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**Our customer centricity principle:** I consistently think like my customers in order to meet their needs and be easy to do business with and enjoyable to do business with.
Customer sustainability
Fuji Xerox Australia recently piloted a sustainable value chain mapping exercise involving a cross section of our people from different divisions across the business. The key objective of this exercise was to map the causes and impacts (these could be both positive and negative) on customer sustainability from across our value chain. The goal was to identify where we are best placed to influence and respond to customer sustainability objectives.

Sales sustainability capability development
A fundamental consideration in helping our customers improve their sustainability is enabling our sales people to engage in valuable sustainability conversations with their customers. Without greater understanding and awareness of the customers’ objectives, it can be difficult to navigate and tailor what is most relevant.

In 12/13 we developed a capability development program which is being rolled out in 13/14.

Sustainability on Site for customers
This is a program being rolled out with our Global Services division to define and implement best practice service centre environmental management at our customer sites. The objectives include:
1. building the capability of our service centre employees to confidently answer sustainability questions from customers
2. engaging the service centre team in understanding the environmental impacts of a service centre and encourage continuous improvement strategies
3. providing our customers with robust sustainable service options
4. integrating sustainable practices into the service centre operational manual.

We have incorporated the program criteria into the Global Services delivery methodology to ensure a consistent approach to operational delivery. A detailed communications plan and rollout will be undertaken in 13/14 with a view to have all customer site centres certified at the emerging level by the end of 13/14.

Material issue: enabling customers to become more sustainable
Is about our commitment to helping customers to become more environmentally sustainable through the resource efficiencies that our products and services bring. In a difficult economic climate, the energy and print efficiency of our solutions is also linked to cost savings.

Profit Accelerator® Sustainability Guide
Our ProfitAccelerator® Sustainability Guide was launched in 12/13 to help our Graphic Communication customers understand the financial benefits of adopting sustainable business practices and to provide guidance that can have a positive impact on the performance of their business.

The guide provides step-by-step recommendations, supported by case studies on companies that have taken this approach and an extensive list of self-help tools, resources and government support available.

Environmental reporting
To address the needs of large organisations, our managed print services offering was bolstered in 12/13 with a streamlined approach to operational reporting. Environmental reporting is now a standard component in one of our biggest education customer’s managed print service. We deliver monthly reporting with estimated energy use of Fuji Xerox devices, volumes of print, paper and waste information to schools across NSW.

Fuji Xerox Australia’s Sustainability on Site program levels

<table>
<thead>
<tr>
<th>Energy</th>
<th>Waste</th>
<th>Green print</th>
<th>Procurement</th>
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<tbody>
<tr>
<td>Level 1</td>
<td>Emerging (starting)</td>
<td>Measurement programs and reporting</td>
<td>Level 2</td>
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</table>
A year of renewal for Cornish College

It’s not very often that an institution gets an opportunity to reinvent itself, but that is what happened to Cornish College in Melbourne late last year, as it passed from the auspices of St Leonard’s College to the Uniting Church.

The campus at the Patterson River site, called the Cornish Campus, opened in 1987, and since then has built on the original vision of its founder, Mr Richard B Cornish, to create a campus where young people can learn to live and work more sustainably.

Cornish College Principal, Mr Kerry Bolger, has been a driving force in the ‘reinvention’ of Cornish College, and is confident the changes to the school will only enhance its academic achievements.

Cornish College contracted Fuji Xerox Australia to install a fleet of multifunction devices, along with software solutions to streamline their operations and management. To learn more about this project from Kerry Bolger, Cornish College Principal, visit: bit.ly/13FagRj

“We were very interested in Fuji Xerox Australia’s philosophy on sustainability. We are endeavouring to do business with companies that think in a like-minded way. That’s very important to us. I was aware of Fuji Xerox Australia’s reputation, and they have proved their case.”

Kerry Bolger, Cornish College Principal
A solid case for sustainable print — Norton Rose in Australia

Norton Rose in Australia is one of the largest international legal practices in Australia with offices in Sydney, Melbourne, Brisbane, Perth and Canberra. Its range of legal expertise is vast, ranging from finance to energy, infrastructure, mining and commodities, transport, technology, pharmaceuticals and more.

Norton Rose engaged Fuji Xerox Australia to replace the firm’s ageing printer fleet and install new software to improve its document tracking capabilities. As part of its sustainability commitments, the firm wanted to reduce its overall print volumes to reduce its carbon footprint and cut the associated costs of printing.

At the same time, the firm’s print hardware needed replacement in all five offices, and its fleet service requirements needed upgrading. It was decided that to deliver the best possible outcomes, a full print management service was the preferred option.

To improve its billing regimen, which relied on Billback software, the firm also sought to upgrade the service desk’s print, copy and fax tracking capabilities and install a security system based on staff identity cards.

Norton Rose in Australia went to tender to find a complete printing solution that met all those prerequisites.

Fuji Xerox Australia installed a total of 60 multifunction devices throughout the five offices. These consisted of ApeosPort-IV C5570 and ApeosPort-IV C4430 multifunction devices. The devices were embedded with Equitrac Pro software, which could track all copying, faxing and scan-to-email activities, providing advanced integration with Norton Rose’s practice management systems, and full cost recovery.

“We moved away from a print room environment for colour to a floor environment which made it accessible to all. To improve efficiencies, we also took the decision to introduce a swipe card ‘Follow-You’ print authorisation system which enabled quality account management and reporting.”

Benefits from the new print infrastructure included:

- improved reliability and performance with device consolidation
- streamlining efficiencies
- reduced print volumes
- saving time and resources with onsite personnel and a managed print service
- alignment to sustainability objectives.

We have reduced our print volumes from 2.2 million impressions to about 1.75 million impressions per month. There’s no wasted print with the Follow-You print system.”

Andrew Kets, National Service Desk Manager, Norton Rose in Australia
Customer satisfaction

We are overhauling our current customer satisfaction review process to move from a lag based review to a relationship feedback approach that implements improvements based on our customers’ feedback. We will leverage a solution that has been successfully deployed in Upstream over the past three years and has delivered significant business improvement.

To view our full customer satisfaction results by division, visit our full report online: www.fxasustainability.com.au/2013/customers

Fuji Xerox Australia customer profiles

<table>
<thead>
<tr>
<th>Office Solutions Business</th>
<th>Graphic Communications Business</th>
<th>Supplies</th>
<th>Global Services</th>
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<tbody>
<tr>
<td>Small businesses to large corporations purchase printers, workflow solutions and multifunction devices from our Office Solutions Business. All of the above may be purchased as a managed print service.</td>
<td>Graphic arts and production environments purchase commercial printing systems and services from our Graphic Communications Business.</td>
<td>Small businesses to large corporations purchase a wide range of products for digital printing, preparation and finishing of documents.</td>
<td>Large corporations use our Communications and/or Business Process Outsourcing services. Lines of service include: Document Management: Creative, Print, Mail and Office Services (print infrastructure management). Business Process Services (BPS): finance and administrative.</td>
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</table>

Measurement of customer satisfaction

Six monthly feedback reviews conducted by account manager invitation to customer contacts. New net promoter score rating and verbatim feedback on positive and negative experiences. Close the loop process to respond to feedback.

Customer support

The goal of our Customer Support Organisation (CSO) is to achieve operational excellence in service solutions and to build a flexible, knowledgeable and adaptable organisation. This remains critical as we strive to be a leading provider of document management solutions and services.

We continue our work on improving our remote support capabilities, while also undertaking a number of new initiatives over the coming year. Collectively, these aim to deliver more value to our customers, streamline processes, and better manage costs, while minimising our impact on the environment.

Lifecycle analysis of customer support

The increasing reliability of parts and components has resulted in an improvement in carbon emissions generated as a result of spares management, with a steady decline year-on-year since 09/10 and a 17 percent reduction from 11/12. We identified toner related operations to be the highest carbon generator, with levels increasing, albeit at a decreasing rate over the past four years. A key driver is the growth of colourisation in the market, with colour devices requiring four toner cartridges as opposed to the one cartridge required in monochrome machines. To address this carbon increase, we have implemented a toner optimisation project which will continue in 13/14, aiming to reduce our carbon footprint while improving the levels of customer service we deliver.

Support for software and solutions

To ensure effective customer support, minimise our environmental impact, and maximise uptime, we aim to increase the percentage of resolutions achieved remotely. In 12/13, the total proportion of resolutions occurring over the phone or online was 56 percent, representing over 175,000 customer support issues resolved.
With the growing need to support software solutions, our focus will continue to be on building our capability and infrastructure to resolve issues remotely, in line with standard software support industry-wide. This not only avoids carbon emissions related to dispatching a field engineer, it can reduce customer resolution times from hours to minutes. By maximising remote resolutions, we also increase the availability of our field teams to meet targeted resolution times for issues that do require on-site support.

To drive CSO’s capability to support our software products, we have engaged a solutions innovation manager. As a business group which has traditionally been focused on supporting hardware, the introduction of a solutions innovation manager is to provide direction and assist in the implementation of required processes that will help build new capability needed to better support software and solutions.

**Up skilling of field support**

We have continued to provide our engineers with IT and networking skills, and now have over 30 percent of our engineer workforce fully trained. These engineers have been able to provide support for hardware installations, improving installation services availability during peak times. We have also established new post-sales support specialist roles, dedicated to providing technical knowledge and expertise during implementation and post-sales activities e.g. network analysis, operating system management and optimising machine functionality.

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**Customer support resolutions**

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<th>11/12</th>
<th>12/13</th>
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<tr>
<td><strong>Online self-help</strong></td>
<td>35</td>
<td>33</td>
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<tr>
<td><strong>Customer Service Centre</strong></td>
<td>17</td>
<td>15</td>
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<tr>
<td><strong>Telephonic support</strong></td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td><strong>On-site</strong></td>
<td>42</td>
<td>44</td>
</tr>
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</table>

**12/13 target = 35%**

**12/13 target = 16%**

**12/13 target = 7%**

**12/13 target = 42%**
End-of-life

This section covers how we remanufacture and recycle our customers’ equipment at end-of-life.

At Fuji Xerox Australia, product stewardship, ensuring that the waste streams generated throughout the full lifecycle of our equipment are minimised and handled in an environmentally responsible manner, is a driving principle for our business.

Historically, our stewardship efforts have been focused on the work completed by our Eco Manufacturing Centre — the remanufacturing of parts and sorting of components for recycling. In light of improvements to parts reliability and the declining cost savings generated by our Eco Manufacturing operation, we are looking for new opportunities beyond our traditional remanufacturing activities. Some initiatives include:

- Establishing relationships with partners such as Close the Loop and Sims Recycling Service. With the decision to focus on local recycling instead of utilising our recycling plant in Thailand, these Australian partnerships have proven critical in minimising our waste to landfill.
- Expanding the lifecycle analysis completed last year to include other aspects of our customer support operation. This will provide detailed information on our carbon emission performance and highlight opportunities for improvement.
- Improving our reporting capabilities for customers and providing them with environmental reporting options. This will further enable our customers to manage and reduce their carbon footprint and quantities of waste to landfill.
- Improving our consumables processes to minimise wasted toner in customer devices; a significant issue recently identified.
- Driving industry-wide change as a signatory to the industry body, Australia and New Zealand Recycling Platform (ANZRP) and with representation on the ANZRP board.

Optimising end-of-life product return

While the sustainability outcomes achieved through our Eco Manufacturing Centre remanufacturing and recycling endeavours are mature and robust, we are eager to achieve more, including:

- Further establishing our recycling channels and associated reporting with a view to delivering a lower cost, higher quality process.
- Investigating opportunities to reduce the significant carbon footprint and cost associated with logistics. This includes optimising shipping movements to reduce double handling, especially with items that can be remanufactured, many of which are currently sorted in one city and remanufactured in another.
- Looking into decentralised recycling as a means of mitigating transport costs and resulting emissions. Through our dealer network and refurbishment operation we want to ensure end-of-life machines enter into our mainstream recycling system.

These initiatives will bring us closer than ever to our goal of zero landfill from our products.
Materials utilisation of used products

In the year under review the total mass of end-of-life products gathered from our customers remained steady, with a 1 percent decrease. This result demonstrates the stability and maturing of our return collection program.

- **Parts and assemblies remanufactured in Australia**
  Failed parts and assemblies removed from equipment during service and remanufactured at our Eco Manufacturing Centre decreased from 8 percent to 5.7 percent reflecting reductions in output from local remanufacture.

- **Materials recycled in Australia**
  Materials recycled in Australia increased from 70 percent to 94.1 percent.
  No material in the 12/13 year was sent to the Fuji Xerox regional recycling plant in Thailand, instead being diverted to our Australian recyclers.

- **Materials sent to landfill in Australia**
  Materials that cannot be recycled or remanufactured decreased from 3 percent to 0.2 percent, reflecting the success of our efforts towards zero landfill.

- **Equipment recycled in Thailand**
  Under our Basel permit end-of-life devices were previously sent to the Fuji Xerox Integrated Recycling Centre.

- **Assets recovered in Australia**
  Toner cartridges and bottles were previously cleaned and refilled at our Eco Manufacturing Centre.

- **Parts and cartridges remanufactured or recycled in Thailand**
  Under our Basel permit end-of-life parts and cartridges were previously sent to the Fuji Xerox Integrated Recycling Centre.

Note: in line with a directive from Fuji Xerox Co Ltd we are only reporting percentages of material utilisation, versus tonnes and percentages as previously reported.

*From 12/13, the following activities were no longer undertaken:
- Equipment recycled in Thailand
- Assets recovered in Australia
- Parts and cartridges remanufactured or recycled in Thailand

14.3
3.6
28.5
20.1
0.2
23.6
23.4
2.9
12.4
34.1
2.8
30.6
3.7
14.3
2.9
3.6
20.1
11/12
12/13*

*From 12/13, the following activities were no longer undertaken:
Eco Manufacturing Centre helps to create ‘the most powerful arm ever invented’

Save Our Sons and the Duchenne Foundation created the first petition-signing bionic arm which was built to raise funds for clinical trials that could end Duchenne Muscular Dystrophy (DMD), a crippling condition affecting one in 3,500 Australian children, weakening their muscles, and eventually leaving their entire body paralysed. Most children with DMD do not live past their late teens.

Our Eco Manufacturing Centre team provided their technical expertise, along with recycled parts and materials, to construct the paper feed component of this specially designed robotic arm.

The arm was built to write the names of those who make a donation or sign the petition and you can watch a live, streamed video of the arm writing your name on the petition that will be sent to government.

“Innovation is a key focus for us at the Eco Manufacturing Centre and we couldn’t resist the opportunity to be involved in such a unique, innovative project that was also for a great cause.

“The fact that we were able to reuse parts from an old Fuji Xerox printer and give it another life really demonstrates our core values and what Eco Manufacturing is all about, whilst supporting the community with a worthwhile initiative.

“We really hope our contribution can help motivate people to check out the website and put their support behind this cause too!” said Rhys Huett, Eco Manufacturing Operations Manager.

Campaign organisers from the Save our Sons and Duchenne Foundation are looking to raise $1.75 million in donations and are petitioning the government to match the amount for a total of $3.5 million.

For more information, visit: www.themostpowerfularm.com
Leading industry product stewardship

We signed on to the Australia and New Zealand Recycling Platform (ANZRP), a joint industry body born out of the AIIA, to fulfil the obligations required by the Product Stewardship Act 2011 and associated regulations.

As an approved arrangement, ANZRP is required to provide the public with free access to collection points around the country, as well as accept any television or piece of IT equipment regardless of brand or age. It does this through its TechCollect service.

In the first year of the scheme the industry-wide collection target set was 30 percent of liable tonnage. This will ramp up to 80 percent by 2021. Fuji Xerox Australia’s own target for the year has been met and more than doubled, through our business-to-business collection program.

Learn more

A summary of our sustainability performance against key objectives is provided in the appendices of this report (see page 61). For further information on end-of-life, view the full GRI B+ sustainability report online at: www.fxasustainability.com.au/2013/end-of-life
## Performance snapshot

Through our materiality process we found the following issues take precedence to manage and to embed sustainability management, measurement and reporting across the organisation.

### Our organisation

#### Business performance

<table>
<thead>
<tr>
<th><strong>12/13 objectives</strong></th>
<th><strong>How did we do?</strong></th>
<th><strong>13/14 objectives</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>9.4 percent growth in total revenue across Fuji Xerox Australia over prior years.</td>
<td>✗ Achieved a modest 0.2 percent growth in revenue in a contracting market.</td>
<td>Grow revenue by 8 percent, delivering a return on sales of 12 percent.</td>
</tr>
</tbody>
</table>

**Direction**

Optimise our current business, maximise return on current technology solutions, invest in new services and go to market, while delivering sustainable financial returns.

### Our organisation

#### Quality management

<table>
<thead>
<tr>
<th><strong>12/13 objectives</strong></th>
<th><strong>How did we do?</strong></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Embed and continuously improve our quality management system by building management awareness.</td>
<td>✗ In place of a holistic awareness approach we have focused on improving process performance and effectiveness.</td>
<td>• Review and consolidate current policy and process documentation to into one set of organisational policies and end-to-end processes that are centrally authorised, controlled and stored.</td>
</tr>
<tr>
<td>Leverage the synergies between the quality management system and the continuous improvement and risk frameworks.</td>
<td>✗ While we identified synergies between our approach to quality and risk, the risk framework was not sufficiently developed to leverage any immediate opportunities.</td>
<td>• Implement new Voice of Customer (VOC) system; align and review feedback with other VOC programs being undertaken.</td>
</tr>
<tr>
<td>Assist the business with process review.</td>
<td>✗ While improvements were made with Supply Chain Operations, Human Resources and Information Services, and Eco Manufacturing, process reviews are still necessary in the sales operation.</td>
<td>• Ensure findings from the audit of our quality management system are addressed in the risk framework.</td>
</tr>
<tr>
<td>Close identified gaps in procurement, customer satisfaction and management review processes.</td>
<td>✗ Measures to close some gaps have slipped into the first half of 13/14 due to changes in programs and resourcing.</td>
<td></td>
</tr>
</tbody>
</table>
## Our organisation

### Risk management

#### 12/13 objectives
- Create and implement an improved deal governance structure across the sales process.
- Improve the process to create business cases, including robust commercials.
- Creation of a post implementation review process to ensure expected return on investment, and to mitigate where necessary if expected goals are not reached.

#### How did we do?
- Some work was undertaken to consolidate our deal governance process and pricing procedures.
- We have improved our financial templates, tools for evaluating projects and potential product and service launches. More work needs to be done to refine the tools and their adoption by the business.
- We plan to develop the framework for post implementation review in 13/14 and pilot it through the project management office.

#### 13/14 objectives
- Finalise our new risk policy and risk management procedure.
- Establish a risk management committee.
- Review the top corporate risks identified in previous profiling exercise and bring them into our formal planning and review processes.
- Identify appropriate risk champions across the business that will assist in improving risk management capability.

### Our people

#### Strategy

#### 12/13 objectives
- Target improvement in overall engagement to 65 percent.
- Develop objectives and key milestones for diversity and inclusivity steering committee.
- Continue our focus on improving management capability through formal and informal interventions.
- Refine and update employee value proposition to align internal and external brands.
- Implement recruitment transformation objectives.
- Review and improve the on-boarding process for new hires and internal appointments.

#### How did we do?
- Decrease in engagement to 57 percent
- Diversity and inclusivity steering committee established. Overall plan being developed for 13/14.
- Leading people through change program developed and launched.
- Focus groups held and preliminary statements developed.
- Recruitment transformation project underway with key requirements and scoping completed.
- On boarding project slowed down due to competing priorities; however a Manager’s Essentials booklet was developed and distributed to aid our managers.

#### 13/14 objectives
- Continue focus on manager capability improvement with launch of manager’s essentials guide.
- Implement our centralised recruitment function including our employee value proposition.
- Target improvement in overall employee engagement to 63 percent.
- Revise diversity reporting in line with the Workplace Gender Equality Agency requirements for 13/14.
**Performance snapshot**

### Health and safety

#### Our people

#### 12/13 objectives

- Improve safety culture through transparent reporting of hazards and near-miss incidents, increased site audits and functional risk profile reviews. In 12/13 we are targeting a 10 percent increase in reporting of hazards and incidents that could lead to injuries.

- Our Lost Time Injury Frequency Rate (LTIFR) target was <6.0.

- Support improved management reporting capabilities and return to work injury management program through investment in a new online case management system.

- Implement all core elements of our health and safety system across our subsidiary company, Upstream.

- Improve safe work practice outcomes for our employees working on Global Services customer sites and contractors working on our sites.

- With the harmonisation legislation released 1 January 2012, the safety team is revising our health and safety management system to meet this change.

#### How did we do?

- Increase of 18 percent in reporting of hazards and incidents year-over-year and 100 percent since we established this focus in 10/11.

- Our LTIFR for 12/13 was 5.05. More information on improvements to our safety culture and processes shared in the report body.

- We have not established an online system due to resource constraints. There are plans to improve the case management system with a streamlined market product in the future. In the interim our current in-house system is meeting the business needs.

- We have engaged and are working with Upstream on its risk management initiatives. All Fuji Xerox Australia health and safety systems and supporting documentation have been provided to Upstream and it has implemented regular safety committee meetings, systems and reporting.

- All Global Service customer sites received an inspection by our health and safety team. Appropriate controls to reduce any identified risks have been implemented. A guideline for the fit-out stage of Global Services customer sites has been developed.

- Our health and safety management system has been fully revised to align with the legislative requirements.

#### 13/14 objectives

- Roll out modular health and safety training with initial focus on addressing and improving outcomes in manual handling, fatigue management and ergonomics.

- Support operational effectiveness and review incident and injury management with a view to improving our case management system.

- Agree an incident and injuries problem solving methodology and provide toolset training and specific safety expertise where needed across the business.
### Our people
#### Community engagement

<table>
<thead>
<tr>
<th>12/13 objectives</th>
<th>How did we do?</th>
<th>13/14 objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot shared value programs where the specific industry and business skills of our people can be of greatest benefit:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. A service technician’s education program for year 10 students.</td>
<td>✓ Our NSW Customer Support Operations team ran three Business Blackboards (creating links between curriculum and career opportunities) in partnership with Beacon Foundation at South Sydney High, James Meehan High and Eagle Vale High in 12/13. This initiative has stalled in 13/14 due to resourcing challenges.</td>
<td>• Complete a review of our current community program.</td>
</tr>
<tr>
<td>b. A supply chain logistics program to develop skills, employment and mentoring opportunities for disadvantaged young people.</td>
<td>✓ The logistics industry program was developed and kicked off in March 2012 for completion in 13/14.</td>
<td>• Establish refreshed community strategy for the business and three-year plan for implementation.</td>
</tr>
<tr>
<td>Pilot a sustainability education program in collaboration with the Australian Business and Community Network (ABCN) and the Australian Sustainable Schools Initiative (AuSSI).</td>
<td>✓ Pilot completed successfully with the program remaining an option for schools and corporations to take up through the ABCN relationship.</td>
<td>• Improve our community program intranet resource and internal communication to support greater employee awareness, understanding and engagement in Fuji Xerox Australia’s community initiatives.</td>
</tr>
<tr>
<td>Increase leadership and management engagement in our community programs and with our national partners, exploring links between capability development for our employees and social leadership programs.</td>
<td>✓ We have extended our leadership team’s engagement with both United Way and ABCN partnerships in 12/13 providing mutually beneficial learning and development for our people and the community organisations we engage with.</td>
<td></td>
</tr>
<tr>
<td>Measure and increase economic benefit from our community engagement program.</td>
<td>✓ We are currently undertaking a review of our community program with an aim to better measure the impact of our long term involvement in targeted community initiatives.</td>
<td></td>
</tr>
<tr>
<td><strong>12/13 objectives</strong></td>
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</tr>
<tr>
<td>Undertake a comprehensive assessment of employee engagement in sustainability.</td>
<td>The decision was made to focus on a review of our community engagement program as a first step in this project. In 13/14 we will undertake a review of our environmental management systems (EMS), including updating the online induction module.</td>
<td></td>
</tr>
<tr>
<td>Review whether the green team approach is positively impacting employee engagement.</td>
<td>The green team approach has been very successful at sites with regular environmental management meetings. This includes our epicenter™, our Eco Manufacturing Centre, our national warehouse, head office and Western Australian sites.</td>
<td></td>
</tr>
<tr>
<td>Work with Supply Chain Operations to develop a carbon logistics strategy.</td>
<td>A strong focus on supply chain optimisation in 12/13 resulted in cost and carbon reductions.</td>
<td></td>
</tr>
<tr>
<td>Work with Global Services division to embed sustainability in operational delivery framework for onsite customer service centres.</td>
<td>A pilot Sustainability on Site project has been undertaken at five sites during 12/13, with each site successfully attaining Level 1 — Emerging on Sustainability. For more detail, see the ‘customers’ chapter, ‘supporting our customers to become more sustainable’.</td>
<td></td>
</tr>
<tr>
<td>Develop a strategy to build capability across various business divisions with initial focus on sales and marketing audiences.</td>
<td>A sales capability development plan was built and is being rolled out in 13/14. For more detail, see the ‘customers’ chapter, ‘supporting our customers to become more sustainable’. Marketing sustainability training was also provided to our dealer sustainability champions to share with their teams.</td>
<td></td>
</tr>
</tbody>
</table>
### Our impact
**Carbon management**

**Direction**
- Improve cost and carbon efficiency of business operations.
- Work with key suppliers to provide low-carbon products and services (see Supply Chain section).
- Provide customers with low-carbon solutions and enable cost and carbon efficiency (see Development section).

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Explore how to integrate carbon as a criterion in capital expenditure approvals.</td>
<td>✔ We have embedded carbon criteria in the capital decision making process so that projects with high carbon risk or opportunity are flagged for further evaluation.</td>
<td>• Interpret significance of corporate targets and requirements for our parent company’s eConnect measurement system.</td>
</tr>
<tr>
<td>Achieve 5 percent reduction in scope 1 and 2 emissions in 12/13 on 11/12 levels.</td>
<td>✔ We achieved an 11 percent reduction for 12/13.</td>
<td>• Continue to identify scope 1 and 2 carbon investments for Carbon Fund support.</td>
</tr>
<tr>
<td>Supply Chain Operations warehousing and logistics partners to work towards industry best practice in carbon per square metre and unit delivered.</td>
<td>✔ We modelled the carbon cost impact of outsourcing warehouse activities and confirmed efficiencies. Further work regarding the impact of carbon pricing on logistics will continue in 13/14.</td>
<td>• Undertake NABERS ratings comparison and assess material variances for all Fuji Xerox Australia office facilities, and where possible, warehouses.</td>
</tr>
<tr>
<td>Implement and monitor emissions management plan with largest paper supplier, UPM Kymmene. Further detail will be contained in the print management section.</td>
<td>✔ We have engaged directly with UPM Kymmene regarding an emissions management plan as part of NCOS certification for our Performer + FSC paper products.</td>
<td>• Work with our Information Services division to advocate sustainability benefits of video conferencing, increasing adoption by users.</td>
</tr>
<tr>
<td>✔ Implement and monitor emissions management plan with largest paper supplier, UPM Kymmene. Further detail will be contained in the print management section.</td>
<td>✔ We have engaged directly with UPM Kymmene regarding an emissions management plan as part of NCOS certification for our Performer + FSC paper products.</td>
<td>• Liaise with Customer Service to achieve best practice vehicle emission performance for replacement service fleet vehicles.</td>
</tr>
</tbody>
</table>

### Our impact
**Waste management**

**Direction**
- Work with our parent company to implement revised waste to landfill strategy and paper recycling initiative.
- Continue to identify problem waste streams and develop strategies to address these.

<table>
<thead>
<tr>
<th>12/13 objectives</th>
<th>How did we do?</th>
<th>13/14 objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop new waste management procedure encompassing relocations and site clean-ups.</td>
<td>✔ New waste management procedure established.</td>
<td>• Undertake waste auditing program at our large sites to increase recycling rates and improve data reporting and employee engagement.</td>
</tr>
<tr>
<td>Review waste audit frequency and focus at Supply Chain operations and Eco Manufacturing Centre and develop strategies to improve diversion areas.</td>
<td>✔ Due to reporting issues with our national waste contractor we have focused primarily on sourcing accurate data for our landfill waste streams.</td>
<td>• Set up multi-stakeholder project to improve procurement and waste management impacts of our Supplies division.</td>
</tr>
<tr>
<td>✔ Review waste audit frequency and focus at Supply Chain operations and Eco Manufacturing Centre and develop strategies to improve diversion areas.</td>
<td>✔ Due to reporting issues with our national waste contractor we have focused primarily on sourcing accurate data for our landfill waste streams.</td>
<td>• Develop central resource for waste and recycling communications such as posters and email templates to ensure all sites have easy access to engaging communications material.</td>
</tr>
<tr>
<td>✔ Review waste audit frequency and focus at Supply Chain operations and Eco Manufacturing Centre and develop strategies to improve diversion areas.</td>
<td>✔ Due to reporting issues with our national waste contractor we have focused primarily on sourcing accurate data for our landfill waste streams.</td>
<td>• Implement new waste target per directive from our parent company.</td>
</tr>
</tbody>
</table>
### Our impact

#### Paper use

**Direction**

Deploy Fuji Xerox print technology and solutions to achieve best practice print efficiency.

<table>
<thead>
<tr>
<th>12/13 objectives</th>
<th>How did we do?</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Own Best Customer (OBC) project implemented at all sites over 12/13 and 13/14.</td>
<td>✔ Information Services (IS) have successfully rolled out OBC to all Fuji Xerox Australia sites.</td>
<td>• Establish quarterly reporting objective with our Supplies division on the paper types being used within Fuji Xerox Australia sites.</td>
</tr>
<tr>
<td>Achieve 15 percent reduction in print subsequent to My Prints functionality being implemented.</td>
<td>✗ My Prints was implemented in 12/13 as part of our OBC project, however performance measurement will be established in 13/14.</td>
<td>• Communicate the results of OBC back to the business to inform improved printing behaviour.</td>
</tr>
<tr>
<td>Change paper use accounting in line with My Print technology.</td>
<td>✔ This will be addressed in 13/14 through OBC project.</td>
<td></td>
</tr>
<tr>
<td>Eliminate the use of non-certified virgin papers.</td>
<td>❌ Due to anomalies in the measurement methodology we are shifting our focus to volume reductions managed through OBC project.</td>
<td></td>
</tr>
</tbody>
</table>

#### Water management

**Direction**

Upgrade facilities where possible and improve water use estimate with real data.

<table>
<thead>
<tr>
<th>12/13 objectives</th>
<th>How did we do?</th>
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</thead>
<tbody>
<tr>
<td>Meter water consumption at the Eco Manufacturing Centre.</td>
<td>✔ Metering has been installed to measure water use from mains service and rainwater systems. We expect to have accurate figures for 13/14.</td>
<td>• Improve monitoring of potable water use at Eco Manufacturing Centre and National Warehouse.</td>
</tr>
<tr>
<td>Ensure all sites have basic water efficiency measures installed such as flow regulators in all bathroom fittings.</td>
<td>✔ The majority of our sites have basic water efficiency measures installed. These changes have not occurred at sites Fuji Xerox Australia expects to vacate.</td>
<td>• Increase use of harvested rainwater at applicable sites and provide a measure in the 13/14 report.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Include leaking taps, toilets and pipes in generic site inspection procedure.</td>
</tr>
</tbody>
</table>
Supply chain
Ethical procurement

12/13 objectives
Recruit a National Procurement Manager
Establish relationships with some of our key suppliers and strengthen those already established to align our quality systems.
Integrate a wider assessment of procedural and sustainability risk assessment with suppliers in areas of quality, sustainability and workplace health and safety.

Direction
Ensure environmental, social and governance standards are applied through the corporate procurement framework.

How did we do?
The recruitment process has taken longer than planned and will be completed in the first half of 13/14.
Some improvements with key suppliers in our supply chain and customer valet services were achieved.
Direct assessment has been undertaken with our top three supply chain partners.

13/14 objectives
• An initial review of procurement will be conducted in 13/14 leading to recommendations that will improve the rigour of our procurement policies, processes and procedures.
• Inform the new corporate procurement strategy to ensure our external compliance requirements and our customers’ requirements are met by our suppliers.

Supply chain
Responsible paper sourcing

12/13 objectives
Target of 85 percent of paper supplies sold in 12/13 to be FSC / PEFC certified, recycled or carbon neutral stocks.
Review use of local and regional sourcing policy with paper suppliers.
Continue to secure 100 percent paper supplier compliance with minimum standards and drive supplier improvements.

Direction
• Source both recycled and virgin paper from certified sources.
• Assess paper suppliers’ sustainability credentials and establish a path for continuous improvement.
• Develop resources and implement communication strategies so we can act as a trusted advisor to clients on responsible paper sourcing.

How did we do?
Achieved 99 percent of papers sold in 12/13 were FSC/PEFC certified, recycled or carbon neutral stocks.
Worked with regional steering committee for paper procurement to adopt elements of local sourcing policy in revised regional policy.
Of the 16 mills, one mill did not fully comply with our local policy. As they do not intend to renew their ISO 9001 and ISO 14001 certifications we will transition from this supplier in 13/14.

13/14 objectives
• 100 percent of paper supplies sold to be FSC / PEFC certified, recycled or carbon neutral stocks.
• Adopt NCOS standard for leading paper ranges in the corporate market.
• Extend FSC certified carbon neutral paper range to include digital and recycled stocks.
• Work with UPM to establish a collaborative process for continuous improvement in supplier standards where opportunities are identified.
### Supply chain

#### Managing carbon with logistics suppliers

**Direction**

Create cost and carbon efficiencies in our logistics supply chain while delivering on customer expectations.

<table>
<thead>
<tr>
<th>12/13 objectives</th>
<th>How did we do?</th>
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</thead>
<tbody>
<tr>
<td>Complete implementation of the environmental intelligence system for logistics.</td>
<td>✗ Implementation of the environmental intelligence system for logistics has been delayed and will be revisited with the appointment of a lead logistics provider (domestic transport project) and with consideration of Fuji Xerox Co Ltd's eConnect environmental management system implementation in 13/14.</td>
<td>• In conjunction with Fuji Xerox Co Ltd and Fuji Xerox Asia Pacific Pte Ltd, apply the Fuji Xerox Logistics Corporate Social Responsibility (CSR) program for tier one suppliers.</td>
</tr>
<tr>
<td>Implement national footprint and storage requirements plan, migrating to efficient facilities sized and located appropriately for our business.</td>
<td>✗ Implementation of the national storage and requirements plan (Network Optimisation Project) will be completed in 13/14. Five warehouses were replaced by the outsource services of our logistics provider, DB Schenker, with inventory now held in facilities certified to ISO: 9001 and ISO: 14000 and appropriately sized and located to meet the evolving needs of our business.</td>
<td>• Implementation of internal dashboards for inventory planners, benchmarking the air freight / sea freight ordering split, improving visibility and reporting of import shipments</td>
</tr>
<tr>
<td>Improve space utilisation through better data management.</td>
<td>✓ A focus on component-level data has enabled improved space utilisation throughout our warehousing and storage facilities and has contributed significantly to the success of the network optimisation project.</td>
<td>• Implementation of the LLP model and associated data control tower, allowing improved visibility of vehicle utilisation and access to the most fuel efficient delivery vehicles</td>
</tr>
<tr>
<td>Improve transport cost and emission outcomes through implementation of a domestic distribution requirements strategy.</td>
<td>✗ The implementation of a domestic distribution requirements strategy in the form of a lead logistics provider (LLP) model has been approved by our executive leadership team, with discovery and due diligence being undertaken in the first half of 13/14.</td>
<td>• Improving emissions reporting to more accurately reflect actual emissions and the impact of initiatives undertaken</td>
</tr>
</tbody>
</table>
### Development

**Product, service and solutions innovation**

**Direction**

Bring insightful, responsible and innovative applications, functionalities and solutions to our customers, ensuring that we recognise and respond efficiently to emerging client needs and market trends.

<table>
<thead>
<tr>
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</table>
| None stated for 12/13. | N/A | • Continue to develop our Image Gateway for Apeos platform, delivering new modules to address our customers’ growing needs.  
• Work collaboratively with our research teams around the world to foster innovative concepts.  
• Introduce a sustainability innovation role to the business in 13/14 to ensure customer sustainability insights and needs are embedded into the development of products and services. |

### Customers

**Customer experience**

**Direction**

Our aim is to transform our organisation into a customer-centric one.

<table>
<thead>
<tr>
<th>12/13 objectives</th>
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</thead>
</table>
| Commission a consultant report on overall customer experience strategy. | ✔️ A set of customer experience principles were established and tested in a pilot project with recommendations guiding development of our strategy. | • Implement Think Like a Customer workshops.  
• Implement new approach to Voice of Customer.  
• Implement new continuous improvement approach.  
• Implement our Sustainability on Site program into all Global Services customer sites. |
| Commence implementation through targeted prototyping within discrete markets. | ✔️ Pilot undertaken with core process. Approach will be continued across full customer life cycle as part of our customer centricity program. | |
# Performance snapshot

## Customers

### Customer satisfaction

<table>
<thead>
<tr>
<th>12/13 objectives</th>
<th>How did we do?</th>
<th>13/14 objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieve overall Office customer satisfaction index of 95 percent, including 50 percent very satisfied.</td>
<td>✔ Achieved overall Office customer satisfaction index of 95 percent including 46 percent very satisfied.</td>
<td>• Achieve 70 percent loyalty in competitive benchmarking survey.</td>
</tr>
<tr>
<td>Achieve 70 percent loyalty in competitive benchmarking survey.</td>
<td>✗ Achieved 67 percent loyalty in the annual competitive benchmarking study; while short of our objective, the Fuji Xerox brand was again in the leading position.</td>
<td>• Customer satisfaction meeting review — all state offices to evolve the intent, purpose and approach of these meetings to reflect voice of customer and improve customer experience.</td>
</tr>
<tr>
<td>Achieve 40 percent net promoter score in Office survey.</td>
<td>✔ Achieved 41 percent net promoter score.</td>
<td>• Complaints and compliments — implement a new system for management of customer complaints and compliments to provide enhanced and real time reporting to the business.</td>
</tr>
<tr>
<td>Implement a quality practice framework to facilitate structured continuous improvement initiatives across Global Services, to deliver exceptional customer satisfaction and client retention greater than 97 percent.</td>
<td>✔ Over the past 12 months we implemented a quality practice framework called the Global Services Delivery Model (GSDM). Throughout the year we maintained a client retention rate of 97 percent and overall satisfaction levels across the major surveyed parts of the business continue to be very high (95 percent and above).</td>
<td>• Implement new survey process to collect and react to our customer feedback. Program being rolled out across all divisions, to create a new net promoter score benchmark for the business.</td>
</tr>
</tbody>
</table>
### Customers Customer support

**Direction**
- Lead operational excellence in service solutions and build a flexible, knowledgeable and adaptable organisation.
- Deliver a streamlined experience for our customers while being an innovative partner of choice for support across Fuji Xerox Australia.

<table>
<thead>
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</thead>
<tbody>
<tr>
<td>Increase remote resolutions to 59 percent.</td>
<td>✔ Achieved 59.5 percent of all resolutions being resolved remotely.*</td>
<td>• Achieve 57 percent of issues resolutions remotely.**</td>
</tr>
<tr>
<td>Kilograms of carbon per onsite resolution not to exceed 54.0.</td>
<td>✔ Achieved 51.5 kilograms of carbon per onsite resolution.</td>
<td>• Achieve reduced carbon emissions levels per resolution based on carbon cost of labour resources.</td>
</tr>
<tr>
<td>Kilograms of carbon per remote resolution not to exceed 8.4.</td>
<td>✖ Achieved 8.9 kilograms of carbon per remote resolution.</td>
<td>• Continue to develop and improve consumables management and toner waste minimisation strategies.</td>
</tr>
<tr>
<td>Implementation of a strategy to reduce toner wastage.</td>
<td>✔ A strategy has been implemented to streamline the management of Fuji Xerox consumables including toner. Within scope, are improvements to ordering channels, delivery approaches, monitoring tools and management processes.</td>
<td>• Capture 60 percent of Fuji Xerox devices under one of our management services.</td>
</tr>
</tbody>
</table>

*During the year, the 2012 eSupport target was adjusted to 56 percent in order to account for changes in the Fuji Xerox Print Company (FXPC) call management processes i.e. technical issues relating to FXPC products will now be handled in our Kuala Lumpur Customer Support Centre rather than our Sydney centre. This target was met, as was the original target of 59 percent (reported above).** The 2013/14 target has been set at 57 percent (taking into account the adjustment due to the FXPC call management changes. This is a 1 percent increase on the 2012/13 result.

### End-of-life Our approach to end-of-life resource recovery

**Direction**
Optimise business and environmental outcomes from end-of-life resource recovery.

<table>
<thead>
<tr>
<th>12/13 objectives</th>
<th>How did we do?</th>
<th>13/14 objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieve net savings of $3.6 million.</td>
<td>✖ Savings were impacted due to the foreign exchange rate of the Australian dollar.†</td>
<td>• Maintain a positive net saving equal to that achieved in 12/13.</td>
</tr>
<tr>
<td>Planned remanufacture of 180,000 parts.</td>
<td>✖ Over two-thirds of the planned remanufacture of parts was achieved; however due to the exchange rate of the Australian dollar, a number of programs were not deemed financially viable.†</td>
<td>• Maintain the current quantity of parts remanufactured.</td>
</tr>
<tr>
<td>Continue developing local recycling solution in response to the Product Stewardship Regulations.</td>
<td>✔ Local recycling solution has been operating well with a forecast of over achievement of liable tonnage in the order of 1,000 tonnes.</td>
<td>• Continue developing and optimising the local recycling solution, taking account of the Product Stewardship Regulations.</td>
</tr>
<tr>
<td>Secure Green Star certification of 5 Star Green Star — Office Interior v1.1 rating and a 4 Star Green Star — Industrial Design v1 rating for our Rosehill Eco Manufacturing facility.</td>
<td>✔ Office Interior rating is not yet finalised and the decision to seek Industrial Design certification is under review.</td>
<td>• Secure Green Star certification of 5 Star Green Star — Office Interior v1.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Establish a new environmental reporting service available to customers, measuring consumable returns.</td>
</tr>
</tbody>
</table>

† Detailed end-of-life results will no longer be published in the annual Fuji Xerox Australia sustainability report, as has been mandated by Fuji Xerox Co Ltd. Although not published, these figures will continue to be submitted to our assurance provider for verification.
About Fuji Xerox Australia

Fuji Xerox Australia is a world leading enterprise for business and document management services. Through its broad portfolio of document technology, services, software and supplies, Fuji Xerox Australia provides essential back office support that clears the way for customers to focus on their core business. With awards from the United Nations and the Banksia Environmental Foundation, Fuji Xerox Australia is well recognised for its commitment to sustainability.

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