Lexmark Sustainability

2018 Corporate Social Responsibility Report

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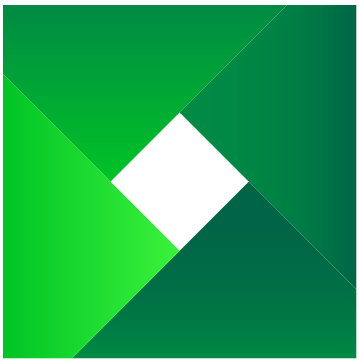


Our Approach

Citizenship at Lexmark begins with our pledge to provide our customers innovative, high-quality products and services in an environmentally and socially responsible manner.

This encompasses our operations, where we deploy cost-effective best practices for energy conservation, wise water use, and waste reduction; and it extends to our support of community, where Lexmark employees are dedicated to creating cleaner, smarter, safer futures where we live and work.

We believe that accessible and consistent documentation of our progress drives meaningful exchanges and deeper exploration of these topics. Communication is critical to continually improve as a responsible corporate citizen. We are committed to transparency in running our business as well as in the reporting of environmental and social progress.

Click here to contact us.

Message from Our CEO

At Lexmark, our focus on sustainability, corporate social responsibility, community outreach and STEM education is deeply ingrained in our culture. These topics are important to me personally. In my many years as a Lexmark employee, I have seen our efforts in these areas expand and grow in many ways, and as CEO of the company, I will continue to make our global efforts in these areas a top priority. The passion and drive Lexmark employees demonstrate each day as they work to better our products, our communities and themselves is truly amazing and it makes me proud to be a "Lexmarker."

Lexmark has made tremendous strides in our sustainability and corporate social responsibility initiatives over the years. However, we have much more that we can and will do. Specifically, Lexmark will continue to focus on enhancing and improving our efforts related to the following:

- Sustainable product development and design
- Actively supporting STEM education initiatives
- Actively supporting and participating in community improvement initiatives
- Reducing the environmental impacts of our operations
- Increasing our use of renewable energy and technologies
- More broadly applying the principles of the circular economy in our manufacturing operations and product design
- Sustainable supply chain
- Continued product innovation

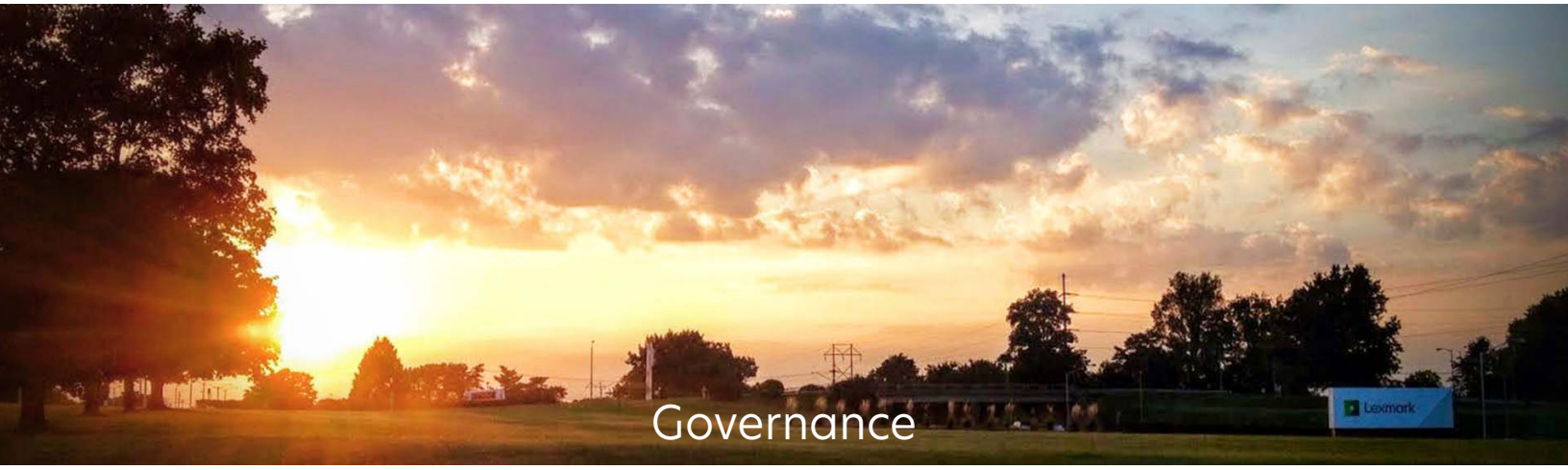
Clearly, there will be many challenges along the way, and we will face those challenges head-on with transparency and clarity. We will continue to be a thought and action leader in sustainability and corporate social responsibility, and I will personally challenge the Lexmark team to improve in these areas each day.

These are exciting times at Lexmark and I am extremely optimistic about what the future holds, not only for our employees but also for the communities we support. I am very proud of what our employees have accomplished and continue to accomplish each day. It is what draws us together as a company and sets us apart.

Allen Waugerman
President and Chief Executive Officer
Lexmark International, Inc.

"The passion and drive Lexmark employees demonstrate each day as they work to better our products, our communities and themselves is truly amazing, and it makes me proud to be a "Lexmarker."

—**Allen Waugerman**



Governance

Governance
Lexmark creates innovative imaging services and technologies that help customers in more than 170 countries worldwide print, secure and manage information with ease, efficiency and unmatched value.

Industries we serve
Recognized as a global leader in innovative imaging and output technology solutions, we leverage our deep industry expertise—in retail, banking, healthcare, manufacturing, education, government and more—to simplify the complex intersection of digital and printed information.

We operate our business in a manner that results in a better world by focusing on our people, our planet and the communities in which we live and work. As we strive to maintain best practices for sustainability, Lexmark's commitment to corporate social responsibility (CSR) is global in reach, balancing economic, environmental and social concerns.

Our respect for these principles applies within our own organization and as it relates to our partners. We extend our commitment even further by developing solutions that enable our customers to achieve their own sustainability goals. On November 29, 2016, Lexmark International Inc. was acquired by a consortium of investors comprised of Ninestar Corporation, PAG Asia Capital and Legend Holdings. Headquartered in Lexington, Kentucky, Lexmark is now a privately held company and is governed by a Board of Directors.

Good corporate governance for Lexmark goes beyond ensuring that the organization is effective and profitable; a key element to governance is establishing open transparency on the details of the governance structure and composition. Transparency drives accountability, assuring our stakeholders they can be confident that Lexmark is being managed responsibly.

Sustainability initiatives are lead by Lexmark's Corporate Senior Manager of Global Sustainability, John D. Gagel. Mr. Gagel formally reviews and approves Lexmark's annual CSR report. Lexmark's Corporate Social Responsibility program management is directed by the Lexmark Corporate Sustainability Department. In addition, a Sustainability and Corporate Social Responsibility Cross-Functional Council, comprised of representation from business areas such as Development, Facilities, Human Resources, Supply Base Management, Supply Chain and Marketing, was formed to continually integrate sustainability into all areas of the business.

Transparency drives accountability, assuring our stakeholders they can be confident that Lexmark is being managed responsibly.

CSR Policies & Statements

Vision and Values

Vision and Values

Environmental

Corporate Environmental, Health and Safety Policy

Corporate Social Responsibility Policy

Climate Change Policy

Human rights

Human Rights Policy

Human Trafficking and Slavery

Code of conduct

Lexmark Code of Business Conduct

Responsible Business Alliance (RBA) Code of Conduct

Quality

Lexmark Quality Policy Statement

Lexmark is committed to sustainable excellence in all our business activities, products and services.

— Excerpt of Lexmark's Corporate Environmental, Health and Safety Policy

Stakeholders & Materiality

Stakeholder engagement is fundamental to determining our direction, not only as a business but also as a global corporate citizen. For this reason, we regularly seek feedback from our stakeholders—employees, customers, and local communities, as well as analysts, the media, regulators and legislators, and suppliers and nongovernmental organizations (NGOs)—and then incorporate the information into our material topic prioritization and decision-making processes.

We gather information using many methods and with varying frequency. In addition to biannual employee surveys, we collect input on an ongoing basis from the following sources:

- Employee forums (internal chat sites and Diversity Network Groups)
- Customer feedback through face-to-face meetings, trade shows, Technical Support Center calls, and the web (including social media and blogs)
- Community feedback through active participation in local organizations
- Analyst and press feedback through published reports, articles and briefings
- Conference participation, which provides feedback from NGOs, analysts, academia and peer groups
- Lexmark Ethics Committee and Risk Committee feedback
- Market research (peer group materiality assessments, industry trends, global issues and opportunities for improvement)
- Meetings and briefings with government and regulatory bodies
- Review of and participation in voluntary and regulatory standards
- Participation with industry groups; for example, the Responsible Business Alliance (RBA)

While we group similar stakeholders together for purposes of analysis, each group has its own range of issues of interest.

Stakeholder engagement

One method of stakeholder engagement that Lexmark uses is involvement in industry coalitions, trade associations, and externally developed environmental and social charters.

Prominent groups & organizations

- Alliance Française des Industries du Numérique (AFNUM)
- American National Standards Institute (ANSI)
- Arbor Day Foundation
- Australian Information Industry Association (AIIA)
- Bundesverband Informationswirtschaft, Telekommunikation und neue Medien (BITKOM)
- Business Imaging Association of Australia (BIAA)
- Carbon Disclosure Project (CDP)
- Center for European Manufacturing (CRR)
- Deutsches Institut für Normung (DIN)
- DIGITALEUROPE
- Ellen MacArthur Foundation
- Employers and Manufacturers Association (Asia Pacific)
- European Remanufacturing Council (founding member)
- GreenBiz Executive Network
- Information Technology Association of Canada (ITAC)
- Information Technology Industry Council (ITI)
- IT-BPO Tripartite Council (Department of Labor and Employment, Philippines)
- ITI Environmental Leadership Council
- Manufacturing Leadership Council
- Maquiladora association (Index Juarez)
- Mid-America Gay & Lesbian Chamber of Commerce
- Responsible Business Alliance (formerly Electronic Industry Citizenship Coalition (EICC))
- U.S. Chamber of Commerce
- United Nations Global Compact
- University of Kentucky Center for Sustainable Manufacturing

This table summarizes the categories of topics in which our stakeholder groups are most engaged:

STAKEHOLDER GROUPS	CITIZENSHIP	GOVERNANCE	WORKPLACE	PRODUCTS
Analysts/media	✓	✓	✓	✓
Regulators/legislators		✓	✓	
Nongovernmental organizations (NGOs)	✓		✓	
Customers	✓	✓	✓	✓
End users	✓			✓
Supply chain		✓	✓	✓
Reseller chain		✓		✓
Employees and board	✓	✓	✓	✓
Other corporations	✓	✓	✓	✓
Local community	✓		✓	

Stakeholder feedback and materiality

We identify, value and prioritize all the feedback we gather from our stakeholders. We believe that a more comprehensive perspective contributes positively toward our strategic and tactical decisions. We respond to these key topics of concern by incorporating the feedback into our decision-making process and by including them in our materiality analysis, which ensures proper focus moving forward.

Our efforts are prioritized and balanced to maintain alignment with our vision and values. To be an effective organization, we must be able to focus efforts on those initiatives that are most relevant and actionable. Our citizenship prioritization begins by capturing a wide range of potential key subjects, and then considering more than 50 subjects relevant to our stakeholders with regard to corporate citizenship. This enables us to recognize and respect a highly diverse set of issues.

From there we begin the process of focusing on the most relevant issues for Lexmark. Lexmark utilizes extensive qualitative and quantitative analyses to contribute to business judgments in making strategic and operational decisions for the company. We use pairwise comparison analysis in our research methodology to add clarity to our focus. Our material subjects are determined with this enhanced process.

This allows our organization to see what is most meaningful to our broad set of stakeholders and to align our efforts accordingly. With this ongoing process and we continue to monitor for changing sentiment. These material subjects drive action within our operations.

Transparency & Ethics

Ethical Business Practices
We believe that ethical behavior is critical to the Lexmark's vision, Customers for Life. All Lexmark employees are expected to adhere to the policies set forth in the Lexmark Code of Business Conduct. The Code covers the following topics: personal conduct, conflicts of interest, accounting records, internal controls and audits, complying with laws and regulations, supplier relationships, customer relationships, information concerning others and corporate social responsibility.

In 2018, all regular, worldwide employees and managers acknowledged their understanding of the 2018 Code of Business Conduct confirming that they conduct themselves and Lexmark business in accordance with the Code's requirements. Internal Audit, Human Resources and Legal review the Code of Business Conduct on an annual basis.

Lexmark requires targeted anti-corruption and anti-bribery training courses that educate select employee groups about risks of corruption specific to their job functions.

Any officer, director, employee or agent acting on behalf of Lexmark who violates the Lexmark Code of Business Conduct can be subject to Lexmark disciplinary action, as well as substantial government fines and/or imprisonment.

Preventing Corruption
Lexmark business operations are regularly analyzed for risks related to corruption. All locations and operations are included when considering fraud risks. Significant entities and processes are specifically identified during the review process. Corruption risk factors are considered in the formation of the Lexmark internal audit plan, which is reviewed by the Director of Internal Audit, the Senior Vice President and Chief Information and Compliance Officer, and the Chief Financial Officer on an annual basis. The company has designed and adopted employee and supplier codes of business conduct that help to mitigate these risks.

The annual audit planning process takes into consideration high-risk fraud areas such as revenue recognition, inventory, receivables, fixed assets, liabilities/ disbursements and employee payables. Based on the risk assessment for fraud, Internal Audit evaluates controls in each audited area through test steps designed to address fraud risks.

Lexmark has a zero-tolerance policy towards bribery and corruption among employees and business partners. We terminate business relationships with business partners that operate in an unethical manner. No legal cases regarding corrupt practices were brought against Lexmark or our employees during 2018.

All allegations of employee corruption and fraud are thoroughly investigated by the appropriate business unit in collaboration with Human Resources, Internal Audit, and the Lexmark Legal Department. Results of such investigations determine disciplinary action and whether the incident requires investigation by outside agencies and formal charges. While incidents of corruption are infrequent, they do occur. In accordance with the Lexmark zero-tolerance policy toward bribery and corruption, Lexmark will dismiss any employee who commits a nonsystemic, personal-level incident of fraud or dishonesty.

Preventing Anticompetitive Behavior
Lexmark supports efforts to preserve and foster fair and honest competition in a competitive market system. We take care to ensure that our business practices do not violate competition laws (also known as antitrust, monopoly, fair trade or cartel laws) which prohibit business practices that unreasonably restrict the functioning of the competitive system. Lexmark was not the subject of any claims of anticompetitive behavior during 2018.

Monetary Fines
Lexmark has not been subject to any significant fines or nonmonetary sanctions for noncompliance of laws and regulations related to accounting fraud, human rights, workplace discrimination, health and safety or corruption during this reporting period.

Political Contributions and Lobbying
Lexmark is committed to complying with local laws related to the disclosure of political dealings, such as those that require reporting political contributions to the appropriate state or federal political and ethics authorities, and publishing the information on their respective websites. No financial or in-kind political contributions have been made in the U.S. or in non-U.S. countries where we do business.

From time to time, Lexmark employs the services of remunerated attorney and non-attorney advocates and consultants. These advocates provide Lexmark with legislative monitoring services, guidance on proposed and enacted legislation, and communication of the applicable Lexmark position on legislation to interested parties and stakeholders

Gift and Gratuity Policy
No Lexmark employee or member of his or her family may accept a gift or gratuity from a supplier or prospective supplier. However, a promotional gift of nominal value (no more than $25 or its equivalent in other currencies) may be given or accepted in the spirit of commercial politeness. Cash gifts of any kind are prohibited.

Vision and Values
Our employees have defined our vision and values. We live these concepts every day. More than mere words, these statements are truly a framework for how we operate. To learn more about our vision and values, see our Vision and Values page.

Ethics Hotline
The Lexmark Ethics Line (1-866-477-2029) is a 24-hour, international toll-free telephone number established to assist Lexmark employees with questions about the Code of Business Conduct or concerns that something improper or a violation of a rule has occurred or might be occurring. A third-party provider operates the Ethics Line. Where local laws allow, the third-party provider of the telephone lines is prohibited from providing a caller's identity to Lexmark without the caller's permission. Calls are directed primarily to the Internal Audit Director for investigation and review.

Marketing Communications
As stated in our Code of Business Conduct, "It is Lexmark's policy to avoid any misstatement of fact or misleading impression in any of its advertising, literature, exhibits or other public statements."

It is the joint responsibility of the public relations, marketing or content development representative preparing the message, and of the technical experts, to verify that all statements are true and correctly supported. The accuracy of claims is also reviewed by our Legal Department and validated by the Product and Process Quality Assurance Team. We review our compliance with regulations and voluntary codes concerning marketing communications annually. Lexmark had no incidents of noncompliance with regulations or voluntary codes concerning marketing communications in 2018.

Vision

To be the world's best global imaging solutions company

Mission

To deliver unsurpassed service and products that provide unmatched value in the eyes of our customers.

Values

Innovation, Excellence, Agility, Integrity, Community, Respect

Risks, Opportunities & Impacts

Lexmark's social and environmental impacts are divided into three focus areas, and are addressed by corresponding product, operational and community initiatives. Product initiatives correspond to the environment and social benefits of the solutions we develop. These solutions help our customers reduce their environmental footprint, meet the accessibility needs of their workforce and operate in a more environmentally responsible manner.

We continue to develop product features and solutions that offer our customers opportunities to reduce the environmental impact of their printing and imaging activities. These efforts are validated by third-party certifications, including the Electronic Product Environmental Assessment Tool (EPEAT), a method for consumers to evaluate the effect of a product on the environment. For more information, go to www.epeat.net.

Operational initiatives encompass all the activities we engage in to reduce our own environmental footprint at Lexmark facilities, and to make Lexmark a better employer and business partner through commitments to human rights and fair labor practices.

Lexmark has made great progress reducing the environmental impacts of our operations. We are proficient at using our collaboration intranet system, conference calls, Webinars and video conferencing. These tools are being utilized worldwide and have enabled global conversations and increased productivity.

We have prioritized our corporate community focus on initiatives that support science, technology, engineering, and math (STEM) education improvement, and that promote diversity. By concentrating Lexmark's resources on improvements in these areas, we have made significantly more progress than by focusing on a broader range of issues.

At Lexmark, we first make sure that we are complying with local statutes wherever we have operations. Then, we balance and prioritize our approach by assessing what needs to be done and how best to do it to meet the needs of all stakeholders as completely as possible. We continue to make significant strides in these focus areas. In 2019 and beyond, we will look for opportunities to strengthen the environmental and social benefits of our product offerings, improve the efficiency of our operations and deliver additional positive benefits to the communities where we live and work.

We have prioritized our corporate community focus on initiatives that support science, technology, engineering, and math (STEM) education improvement, and that promote diversity.

Risks and Opportunities

Lexmark maintains a comprehensive and dynamic Enterprise Risk Management (ERM) program. Chaired by Lexmark's Treasurer, and supported by a cross-functional committee of no less than 15 additional company leaders, the objective of Lexmark's ERM process is to minimize the probability and potential cost of an adverse event impacting the company by collaboratively identifying, prioritizing, addressing (avoiding, accepting, mitigating), and regularly monitoring those risks to which the company is exposed. The committee submits periodic reports to executive management, including the Board of Directors.

Corporate social responsibility (CSR) trends have driven Lexmark to evaluate the potential of physical risks and regulatory restrictions for our business and to consider potential opportunities to enhance and capitalize on our product offerings. Through this due diligence, we can help our customers achieve their own environmental sustainability and social responsibility goals. The most important risks and opportunities for Lexmark that are related to sustainability trends include the following:

Environmental and Regulatory Matters

Lexmark operations are subject to numerous laws and regulations; specifically, those relating to environmental matters that impose limitations on the discharge of pollutants and that establish protocols for the treatment, storage and disposal of solid and hazardous wastes.

For more information, please see Environmental Management and Land and Biodiversity.

Electronic Waste Obligation

The Waste Electrical and Electronic Equipment (WEEE) Directive issued by the European Union requires producers of electrical and electronic goods to be financially responsible for specified collection, recycling, treatment and disposal of past and future products. Our estimated liability for these costs involves a number of uncertainties, and we consider certain assumptions and judgments that include average collection costs, return rates, and product life cycles. Should actual costs and activities differ from our estimates, revisions to the estimated liability might be required.

For more information, please see Return and Recycle.

Climate Change

The predictions about the impacts of climate change have led lawmakers across the globe to take a precautionary approach, proposing and implementing new regulations to guide governments, businesses and citizens in their efforts to reduce global warming. These regulations can potentially impact all businesses. Regulations requiring energy reductions are motivating consumers and businesses to replace wasteful equipment with energy-efficient products. Lexmark recognizes that reducing energy consumption is one of the most effective ways to reduce greenhouse gas emissions, a major contributor to climate change. Lexmark's environmental policies and programs support the reduction of greenhouse gases in our own operations and those of our customers, partners and suppliers.

Climate change and associated weather disruptions can affect the operations of all organizations. Our operations and those of our manufacturing partners, suppliers, and freight transporters are subject to natural and man-made disasters, such as earthquakes, tsunamis, floods, hurricanes, typhoons, fires, extreme weather conditions, environmental hazards, power shortages, water shortages and telecommunications failures. Any of these conditions can disrupt business and can adversely affect our revenue and financial condition by increasing our costs and expenses. For each of its sites, Lexmark has a business continuity plan that describes the risks of climate change.

For more information, please see Energy, Water, Greenhouse gas emissions, Product energy use and Land and Biodiversity.

Product Opportunities

Lexmark offers a wide range of environmentally beneficial and highly accessible imaging devices that help customers print less and meet the accessibility needs of their workforces. Demand for such products can have a positive financial impact for Lexmark.

For more information, please see Product certifications.

CSR Awards & Recognition

2019
CSO50
Award for security initiatives

2019 Forbes
Best Employers
for Diversity

2018
Working Mother
100 Best Companies

2018
Best Companies
for Dads

2018 NAFE
Top Companies

2018 Forbes
Best Midsize
Employers

Bicycling.com
25 Best Companies
for Cyclists

Key Performance Indicators

Water

Goal
Reduce water withdrawal 8% from 2015 to 2020.

Progress
20%
decrease from 2015

Waste Recycling

Goal
Maintain a minimum of 75% recycling rate for waste generated.

Progress
75%
recycling rate

Emissions

Goal
Reduce Scope 1 and Scope 2 emissions 10% from 2015 to 2020.

Progress
16%
reduction from 2015

Emissions

Goal
Reduce Scope 3 use phase emissions intensity 15% from 2016 to 2020.

Progress
16%
reduction from 2016

Energy

Goal
Reduce energy consumption 10% from 2015 to 2020.

Progress
13%
reduction from 2015

Regional manufacturing

Goal
Maintain a minimum of 80% of our supplies regionally sourced in 2018.

Progress
83%
regional manufacturing

Return & Recycle

Goal
Increase the reuse of cartridges and supplies collected through LCCP to 60% by 2022.

Progress
53%
cartridges and supplies returned were reused

Product Energy use

Goal
Reduce product energy use for laser products.

Progress
96%
reduction in sleep power for color laser multifunction products since 2005

Materials

Goal
Increase postconsumer recycled (PCR) plastic use in Lexmark branded toner cartridges to 25% from 2012 to 2022.

Progress
21%

Materials

Goal
Increase postconsumer recycled (PCR) plastic in branded, in-house technology printers and MFPs to 20% over weight of total plastic by 2020.

Progress
27%

For more information, see Previous KPI Progress.

Our Operations

For Lexmark, being a responsible neighbor, employer and global corporate citizen is woven into everything we do. It's part of who we are as individuals and as a corporate community.

Operating sustainably is part of Lexmark's corporate vision and values. Using internationally recognized standards for environmental management at multiple sites helps us maintain focus on setting and achieving specific goals for environmental health and safety. Environmental reporting also helps Lexmark focus on areas of operation where processes may be improved, yielding benefit for the business and communities around us.

Environmental Management

ISO 14001 is a voluntary standard that provides a framework for environmental management. Lexmark-owned and leased facilities have received ISO 14001 certification. These include all of our production locations and some research and development and administration facilities.

All facilities that do not hold ISO 14001 certification attest to standard conformance and adhere to the Lexmark Corporate Environmental, Health and Safety Instructions.

Each Lexmark facility sets site-specific goals for improving its performance within the environmental management system. Environmental goals include reducing energy consumption, improving water conservation, generating less waste, and improving emergency preparedness and response planning. Cross functional teams are established for each major manufacturing and development facility to support these efforts.

Lexmark did not incur any fines or non-monetary sanctions for noncompliance with environmental laws and regulations in the reporting period. No grievances about environmental impacts were filed through formal grievance mechanisms during the reporting period.

ISO 14001 Certificates

Click here for a full list of ISO 14001 Certificates

Energy Consumption

Lexmark continues to focus on maintaining efficient use of natural resources at our leased and owned manufacturing facilities, research and development facilities, and office spaces worldwide, tracking data since 2005 and meeting aggressive goals. In 2018, we exceeded our 2020 goal to reduce energy 10 percent compared to the 2015 baseline.

Goal

Reduce energy consumption

10%

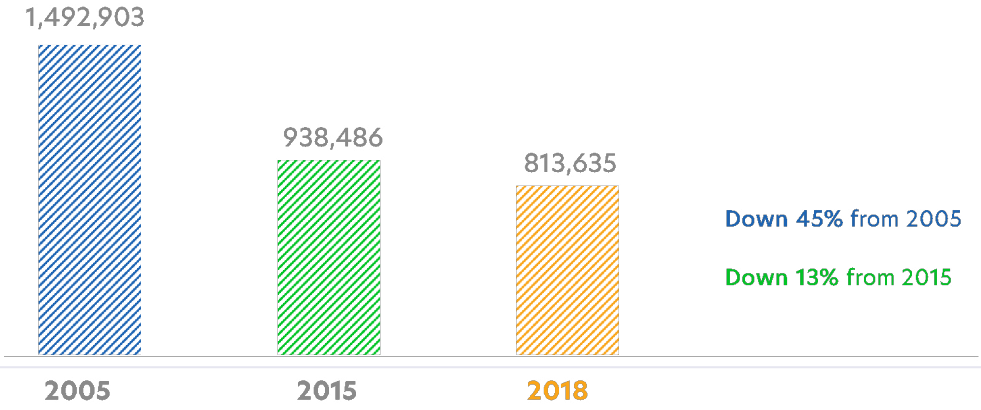
from 2015 to 2020

2018

13%

reduction

Total energy reductions



Total energy
Direct and indirect (Gigajoules)

Energy efficiency investments through the years

Energy management programs at our Lexmark facilities assess energy usage on site and target projects that contribute to reductions in consumption. We have made several investments that are helping drive down usage worldwide.

Lexington, KY, USA

Lexmark's investments in energy efficiency at headquarters have been significant. Our campus features a childcare facility, which received Gold certification for Leadership in Energy and Environmental Design (LEED) from the U.S. Green Building Council.

Additional projects through the years include:

- Upgrades to smart building management controls, including data analytics
- Installation of frequency drives on air handling unit motors
- Implementation of schedule for air handling units to minimize peak demands
- Installation of energy efficient state-of-the-art chillers
- Increased insulation on steam piping systems
- Installation of a smaller summer boiler for steam
- Upgrades to a deaerator tank
- Space reductions
- Lighting upgrades to more efficient bulbs

Over 500 ballasts and 1,600 lamps were upgraded in 2018 providing an estimated annual energy savings of 84,000 kWh, equivalent to $6,000 in electricity and maintenance fees.

Cebu City, Philippines

The facilities team in Cebu has realized significant energy savings over the years through lighting upgrades and implementation of an operation and preventive maintenance schedule for all major equipment, which minimizes equipment downtime and improves performance, especially for onsite chillers. Variable frequency drives (VFDs) are also installed on 46 air handling units reducing energy consumption. Employees are also encouraged to be energy conscious and turn off lights and equipment when not in use. Approximately 6,750 compact fluorescent tubes (CFLs) are in the process of being replaced by 4,500 LED (light emitting diode) tubes in workstations, laboratories and stairways as part of a multi-year project focusing on lighting upgrades. The saving associated with this replacement is estimated to be 746,496 kWh annually. In 2018, approximately 2,900 additional lights were replaced with more efficient LED bulbs as part of this multi-year lighting improvement project. The estimated savings from the effort in 2018 is 289,732.56 kWh and $41,585.16 annually.

Kolkata, India

The Kolkata site realized a 100,175-kWh savings in 2018. The outdoor air handling units were regularly cleaned with air and water jets to increase building cooling efficiency. Lighting upgrades over the years have also contributed to energy savings.

Energy data

Click here for detailed energy data

Juarez, Mexico

The recycling operations building on the Juarez campus, Lexmark LCCP Building, is also (LEED) certified Gold.

The Juarez campus is highly focused on energy efficiency targets and continued to improve upon existing projects to garner savings.

- Site facilities maintenance teams continued to reduce energy waste through the energy management of the compressed air systems.
- Preventive and predictive maintenance programs are used to detect and correct compressed air leaks.
- Energy management of chillers resulted in a smaller 350-ton chiller being used in place of a larger 900-ton piece of equipment.
- A schedule for HVAC equipment to be turned off nights and weekends reduces energy usage when the site is not operating.
- Fluorescent light fixtures were replaced with LED in the restrooms.

Energy awareness and education

Lexmark educates employees on energy conservation in the workplace, encouraging everyone to turn off lights and electronics when not in use. Lexmark initiated a campaign to add or update signage to remind users of shared spaces to turn off lights when not in use. The use of space heaters, personal refrigerators, and personal printers, which increase energy use, are discouraged. Targets to reduce energy in the office are included in some of our incentive programs at Lexmark, providing a monetary incentive for employees when the overall annual energy goal is achieved. Some of our sites promote employee energy awareness through healthy living challenges, which provide monetary incentives for various levels of challenge participation.

Electricity –
Lexmark's indirect energy source

Lexmark operations use only one indirect energy source: the driver of its Scope 2 emissions, electricity. We primarily purchase electricity used at our facilities from local energy providers from local grids. The electricity supplied is generated by a variety of nonrenewable and renewable primary-energy sources, including coal, nuclear energy, solar power, wind power, geothermal energy and hydropower. We estimate the electrical power derived from renewable sources in 2018 to be 96,800 gigajoules,[1] 21 percent of the total indirect energy used. The total electrical power used that is derived from nonrenewable sources is estimated to be 366,820 gigajoules.

Natural gas –
Lexmark's primary direct energy source

Lexmark Scope 1 emissions are comprised of the following direct energy sources: natural gas, diesel fuel and gasoline. These nonrenewable energy sources are purchased from local vendors and then used to generate steam, power backup generators, provide heat to certain Lexmark facilities and provide fuel for leased/owned vehicles. We do not use renewable direct-energy sources such as biofuels (ethanol, for example) or hydrogen, nor do we produce renewable or nonrenewable primary energy sources for internal use or external markets.

[1] 850 gigajoules of renewable electrical power sourced from wind was purchased for use at the Boulder, CO, facility, which is included in the total estimated 2018 indirect renewable energy use derived from the area power grids.

Greenhouse Gas Emissions

Lexmark is committed to operating responsibly, which includes tracking, reporting and reducing greenhouse gas (GHG) emissions.

Goal

Reduce Scope 1 and 2 GHG emissions

10%

from 2015 to 2020

2018

16%

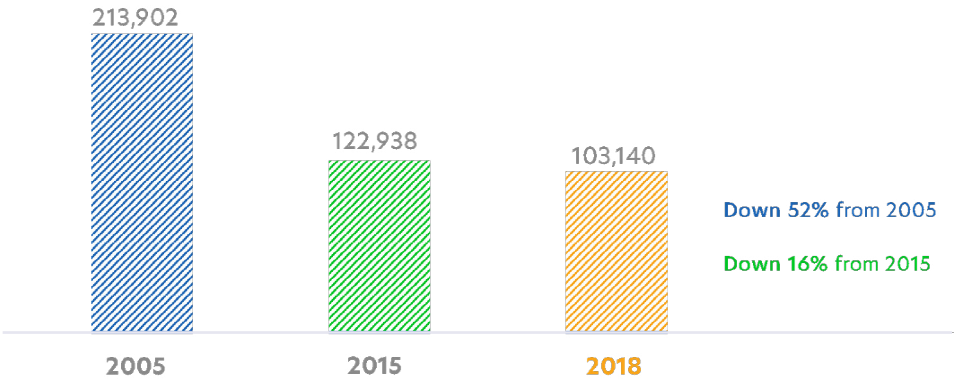
reduction

In 2015, we established a new baseline for business alignment and changes to the reporting boundary, setting a goal for the reduction of Scope 1 and 2 emissions. We are continuing to see great progress in lowering emissions in our operations as our employees find new and often innovative ways to avoid emissions in everyday processes in the scopes reported. Lexmark met the 2020 goal to reduce emissions by 10 percent from 2015 in 2018. Looking forward, Lexmark will be working toward meeting a mid-term GHG reduction target. To align with a climate change scenario well below 2 degrees Celsius above pre-industrial levels, Lexmark targets have been adjusted. Lexmark will be pursuing a more agressive goal of lowering emissions by 37.5 percent by 2030. Lexmark signed the Science Based Targets initiative commitment letter in support of emissions reductions.

The separation of Scope 3 emissions from Scopes 1 and 2 allows further work to expand Scope 3 reporting and goal-setting specific to reduction efforts in our value chain.

Please see KPIs for information on 2018 progress.

Total GHG emissions



Scope 1 and 2
(Metric tons CO_2e)

Emissions reporting

Scope 1 emissions

Scope 1 emissions (direct) include our use of fossil fuels, refrigerants and fleet vehicle transport based on available data.

We use natural gas, diesel fuel and gasoline to generate steam, power backup generators, provide heat to certain Lexmark facilities and provide fuel for leased/owned vehicles.

Lexmark is committed to the Montreal Protocol, an international treaty aimed at reducing the use of ozone-depleting chemicals. We prohibit the use of such chemicals in the manufacture and development of our products; however, we use some ozone-depleting chemicals—specifically refrigerants—for the heating, ventilation and air-conditioning (HVAC) systems that cool our facilities. Lexmark cannot eliminate the use of refrigerants at this time because HVAC systems typically require the use of refrigerants for cooling. Lexmark purchases chillers that use environmentally preferable refrigerants and monitors systems for leaks with stand-alone sensors.

In 2018, one reported refrigerant, R-22, had an ozone depletion potential greater than zero, generating 0.02 CFC-11 equivalent metric tons of emissions. In total, 1,356 CO_2e emissions were generated due to refrigerant losses, 565 generated by R-22.

Scope 2 emissions

Our Scope 2 emissions (indirect) consist of electricity used to power operations at our sites. We primarily purchase electricity generated by a variety of nonrenewable and renewable primary-energy sources, including coal, nuclear energy, solar power, wind power, geothermal energy and hydropower sourced from the local grid.

Scope 3 emissions

Lexmark is expanding Scope 3 emissions reporting to improve transparency. We have historically shared our business travel-related emissions and have highlighted our approach to avoid emissions in this category.

We concentrate on sustainable resource consumption which naturally lends to emissions avoidance, although we have not been able to share impacts through data disclosure in the past. We will continue to take proactive steps towards emissions avoidance in Scope 3 and capture reductions through data disclosure and goal setting.

2018 Scope 3 emissions reported categories

Category 1
Purchased Goods and Services

Category 2
Capital Goods

Category 4
Upstream Transport

Category 5
Waste in Operations

Category 6
Business Travel

Category 7
Employee Commuting

Category 11
Use of Sold Products

Category 12
End of Life Treatment of Sold Products

Category 13
Downstream Leased Assets

Greenhouse gas emissions data

Click here for detailed GHG emissions data

Regulated air emissions data

Click here for detailed GHG emissions data

Travel and commute emissions

Business travel-related emissions

We are conscious of the impact business travel can have on the environment. At Lexmark we have collaborated with our vehicle provider and travel partner to calculate miles traveled with Lexmark-owned, -leased, and -rented vehicles. Air travel is also tracked through our travel partner, which has considerably expanded its scope of reporting.

We provide our employees lower-impact, real-time alternatives such as conference calls, Web-based meetings and videoconferencing to help avoid unnecessary travel. We have invested in audiovisual equipment in many conference locations to provide better communication through Web-based services. Employees are also encouraged to combine business trips and use public transportation rather than taxis and rental cars.

Employee commute

Lexmark recognizes that fuel used in our employees' daily commute generates GHG emissions and therefore offers the following programs and/or benefits to help encourage environmentally-preferable commuting:

- Lexmark's manufacturing plant in Juarez, Mexico, provides bus transportation for manufacturing employees.
- Lexmark's Competence Center in Budapest, Hungary, has bike racks and showers for employees who pedal to work, and offers discounted monthly or yearly fares to those who prefer public transportation.
- Lexmark's headquarters in Lexington, Kentucky, has secure bike storage and showers, as well as a public bus stop located in the parking lot. Four electric car charging stations are in use at the Lexington campus. Each station is equipped with two charging points for registered employees and clients to use free of charge. Since the installation of the electric car charging stations, 19.6 metric tons of greenhouse gas emissions have been avoided, equivalent to the planting of 517 trees growing for 10 years.
- Lexmark's site in Boulder, Colorado, works with Smart Commute Metro North to promote alternative commuting options for employees such as ride sharing, transit, and bicycle travel.
- Lexmark's U.S. benefits package includes WageWorks, which allows commuters taking public transportation to deduct their public transit and parking expenses as pretax funds, which can save employees between 25 and 40 percent.
- Lexmark's U.S. health and wellness program promotes healthier lifestyles, including sustainability awareness programs and provides the ability to create challenges, including those focused on "greener" commuting, such as bicycling to work.
- Lexmark work-at-home programs are aimed at not only reducing the number of miles commuted, but also providing work-life balance for our employees.

Worldwide logistics, product transportation and distribution
Physical shipping of products worldwide and product handling and storage in distribution centers are a necessary part of Lexmark business. We have taken measures to lessen the environmental impacts associated with these activities, which includes working with environmentally progressive partners who apply innovative ideas, best practices and new technologies to their transportation and logistics processes. Lexmark is working to quantitatively report the impact of product logistics.

Transportation Awards

SmartWay

Lexmark has been a U.S. Environmental Protection Agency (EPA) SmartWay registered partner since September 2008. SmartWay, a collaborative program between the U.S. EPA and the freight industry, is chartered to increase the use of energy-efficient vehicles and has impressive goals to reduce GHGs and decrease air pollution.

Supply Chain Innovation Award

Lexmark was awarded a ML100 Award by Frost & Sullivan's Manufacturing Leadership Council in Sustainability Leadership for outstanding achievement in the Supply Chain Leadership category. Lexmark's winning project "Best Fitting Pallets Adoption," focused on optimizing the pallet size to accommodate the maximum quantity of product to reduce waste and cost. Successful launch required the team to take several steps, including setting a minimum order quantity for distributors, partnering with the Lexmark sales team to convince the distributors to accept different-sized pallets, and implementing a fee per pallet for distributors that wanted to keep a standard size.

Lexmark drives improvements in warehousing sustainability through the following distribution initiatives:

- Lexmark makes efforts to reduce the space required for warehousing and distribution of our products.
- Lexmark's Reverse Logistics and Returns operations continue to improve returns processing and the capability to reduce the number of shipments and mileage, thereby reducing energy use related to returned goods.
- Lexmark partners with best-in-class Third Party Logistics (3PL) warehouse providers who have a shared sustainability focus. Lexmark's 3PL providers manage, monitor and execute on targeted goals in sustainability to reduce the use of electricity, natural gas, propane and water. They target improving and increasing recycling activities. They also manage their overall CO_2 footprint.

Transport initiatives reducing impacts on product shipping

Cube utilization and packaging

Robust products and efficient packaging result in a smaller packaged footprint and increased cargo packaging efficiency. Continued improvements are being made in container and truck utilization/fill rate, which decreases the number of ocean containers, air cargo and less-than-full trucks needed to transport products.

Intermodal freight transportation

Shipping products by ocean, rail, air, inland water and roadways using intermodal freight containers for inbound moves saves us time, money and fuel. Lexmark achieves 95% intermodal inbound transport in the U.S.

Direct ship/replenish

Direct shipping for high volume products from factory to customer destination reduces the total miles products must travel, as well as handling and warehousing en route, providing a better customer delivery experience and environmental benefits. We also see similar benefits from direct replenishment—whereby the factory ships direct to the country distribution center, bypassing the centralized regional center and reducing miles, handling and cycle time.

Transportation Management Systems (TMSs)

Multiple TMSs are used at our WW regional distribution centers to optimize product transportation. TMS optimization software selects the most effective mode of transportation, automates carrier selection, reduces air shipments, combines same-customer shipments, improves trailer fill rate, decreases handling and travel distance and cuts logistics expenses while improving customer delivery.

Inbound container optimization

Lexmark's strategy to combine inbound vendor shipments in ocean containers has resulted in improved space utilization in each container, a reduction in logistics expense and containers used, a smaller CO_2 footprint, and improved delivery time.

Lexmark drives improvements in regional manufacturing/customization sustainability through the following lean manufacturing initiatives:

- Lexmark uses a late manufacturing/late customization process for medium volume products in our regional distribution centers to be close to our customers, be flexible and efficient, provide a competitive advantage, and be more sustainable. Some of the benefits to this strategy are a reduction of space and inventory demand, a reduction of expedited and air freight, better container utilization footprint of shipments, a flexible manufacturing system, and customized customer solutions which include printer sustainability settings such as power settings, toner usage and longer life components.

- Lexmark manufactured over 80 percent of cartridges in region of consumption in 2018, maintaining the high rate of regional manufacturing achieved in 2017. Regional manufacturing improves supply chain efficiency and helps Lexmark respond more quickly to customer needs. It also benefits the environment by reducing GHG emissions and providing jobs for people in the regions where our cartridges are used most. Regional manufacturing in Poland provides an example of avoided emissions. In 2018, sourcing in geography eliminated the need to ship an estimated 505 air and ocean cargo containers from Hong Kong, China, to Europe, which would have generated approximately 1,498 metric tons of greenhouse gas.[1]

Innovative methods of emissions avoidance

Product testing

We test our products throughout their life cycle to ensure high quality. Realizing the impact of paper use on the environment, we are working to lessen this impact in our print testing. We use "paperless print" for some testing applications, which allows us to test certain features of our product without actually printing the page. This method of print testing helped us save over 900 trees in 2018 and avoid over 97,000 kg of CO_2.

Service delivery

The service team at Lexmark proactively identifies issues with devices under contract, often providing a fix before a service intervention is required. If a call is made to our technical service center, priority is placed on resolving the problem via phone versus dispatching a technician. In addition to helping maintain customer satisfaction, our focus on "remote fix" helps reduce the number of miles traveled by our service teams, thus reducing GHG emissions.

[1] Based on the carbon calculator at https://www.dhl-carboncalculator.com/

Water Management

Lexmark is focused on efficiently managing water usage at our facilities and established a 2020 goal to reduce water withdrawal by 8 percent from 2015, exceeding this goal in 2018 with a 20 percent water reduction. Lexmark is building on this success, setting a 30 percent water withdrawal reduction goal from 2015 to 2030.

Goal

Reduce water withdrawal

8%

from 2015 to 2020

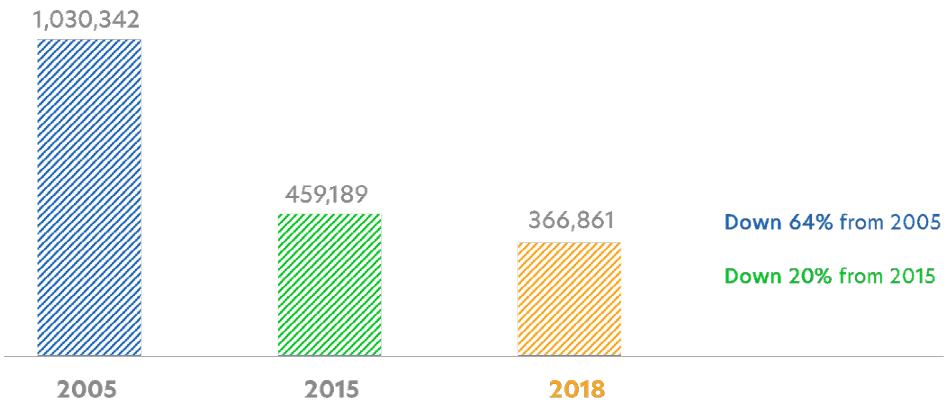
2018

20%

decrease

Water withdrawal

m^3

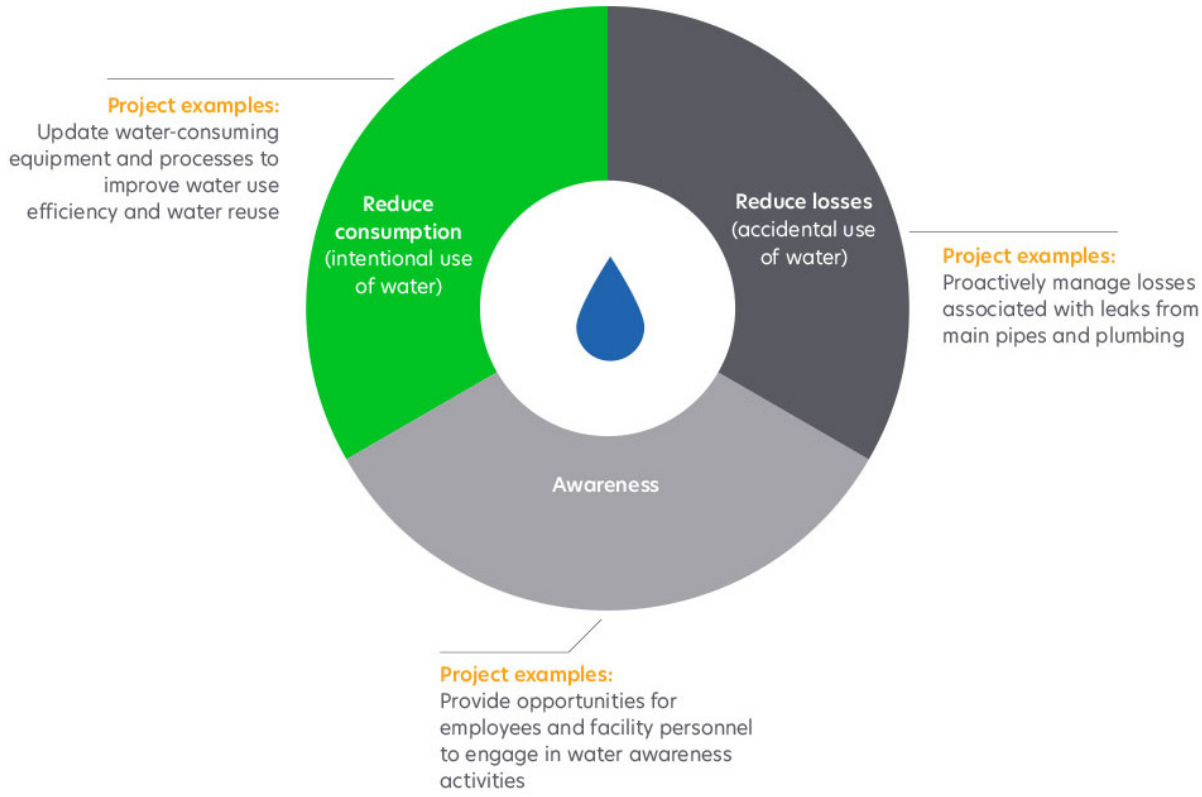


Water is used as part of Lexmark operations for three primary purposes: manufacturing and development; heating, ventilating, and air-conditioning (HVAC) systems; and sanitation. Our water usage can vary due to the need to control temperature. As external temperatures rise, more water is needed to cool our facilities. While we cannot control the water usage related to external temperature, we can aggressively monitor, control and reduce water withdrawal where opportunities exist.

Lexmark has identified five of our reporting facilities to be overall high risk or medium to high risk water locations per the Aqueduct Water Risk Atlas. This information encourages us to focus on the regions highlighted as having the highest risk and work to reduce or maintain low consumption.

Water management program

Through the years, Lexmark has followed our corporate water plan which concentrates on multiple methods of saving water. As Lexmark assesses site water requirements and reporting boundaries, changes may occur on site; for example, designating new contacts for water management, utilizing fresh approaches to awareness of site water usage, and pursuing alternate water sourcing or conservation techniques.



Water history

Lexmark has a long history of water projects that have helped reduce water usage in our operations by over 50 percent when compared to 2005.

- Lexmark Cebu City, Philippines, focuses on preventive and corrective maintenance of the water system, and works to engage employees in awareness activities to conserve water and report leaks. Major water projects over the years have included the installation of sensor-operated faucets and toilet bowls and the interconnection of the water supply between the two buildings on site to reduce water waste. In 2018, repairs to water pumps on site fixed a major leak—preventing 720 liters of water from being lost per day.
- In Lexington, Kentucky, more efficient HVAC systems, installation of low-flow plumbing fixtures, upgrades to piping, reduction in the number of fire pumps, site building reductions, and a successful partnership with Suez services have contributed to water conservation. In recent years, Lexmark has also reduced impermeable surfaces on site by 1,475,000 square feet through multiple activities, including building demolition, property sale and conversion of 256,665 square feet of parking space to green space.
- Juarez, Mexico, continues to refine processes related to water use on site. In 2018, expansion of the reuse infrastructure continued. Water used in HVAC equipment, toner fill operations and LCCP production, as well as reject water from the reverse osmosis equipment in the main cafeteria was reused for irrigation. Cooling tower basins were disconnected and isolated to help prevent water loss from evaporation. Restrooms located on the production floor were retrofitted with waterless urinals. Restrooms in other areas of the plant received retrofits for waterless mode.
- Installation of bio-safe and clean waterless urinals, vacuum pressure air-conditioning maintenance and recycling water within the air conditioning system contributes to sustained water efficiency at the Lexmark facility in Kolkata.

Water harvesting and reuse

Lexmark values water reuse and harvesting and has found ways to implement projects with this focus at multiple locations.

Infrastructure upgrades to the waste water treatment plant continued to provide great results at Lexmark's campus in Juarez, Mexico. The system generated 65,617m³ of water for reuse in other areas, including irrigation, representing 36 percent of total water used at the facility.

Lexmark employees in Cebu, Philippines, continue to make an impact on water usage in their community through the rainwater harvesting system they designed and installed for the Lexmark Gawad Kalinga beneficiaries. The water collected during rain events can be used by the locals for watering plants and cleaning.

Lexmark installed a bioretention and rainwater harvesting system in Lexington, Kentucky, in cooperation with Lexington Fayette Urban County Government (LFUCG), EcoGro, Ridgewater, Stantec and the University of Kentucky.

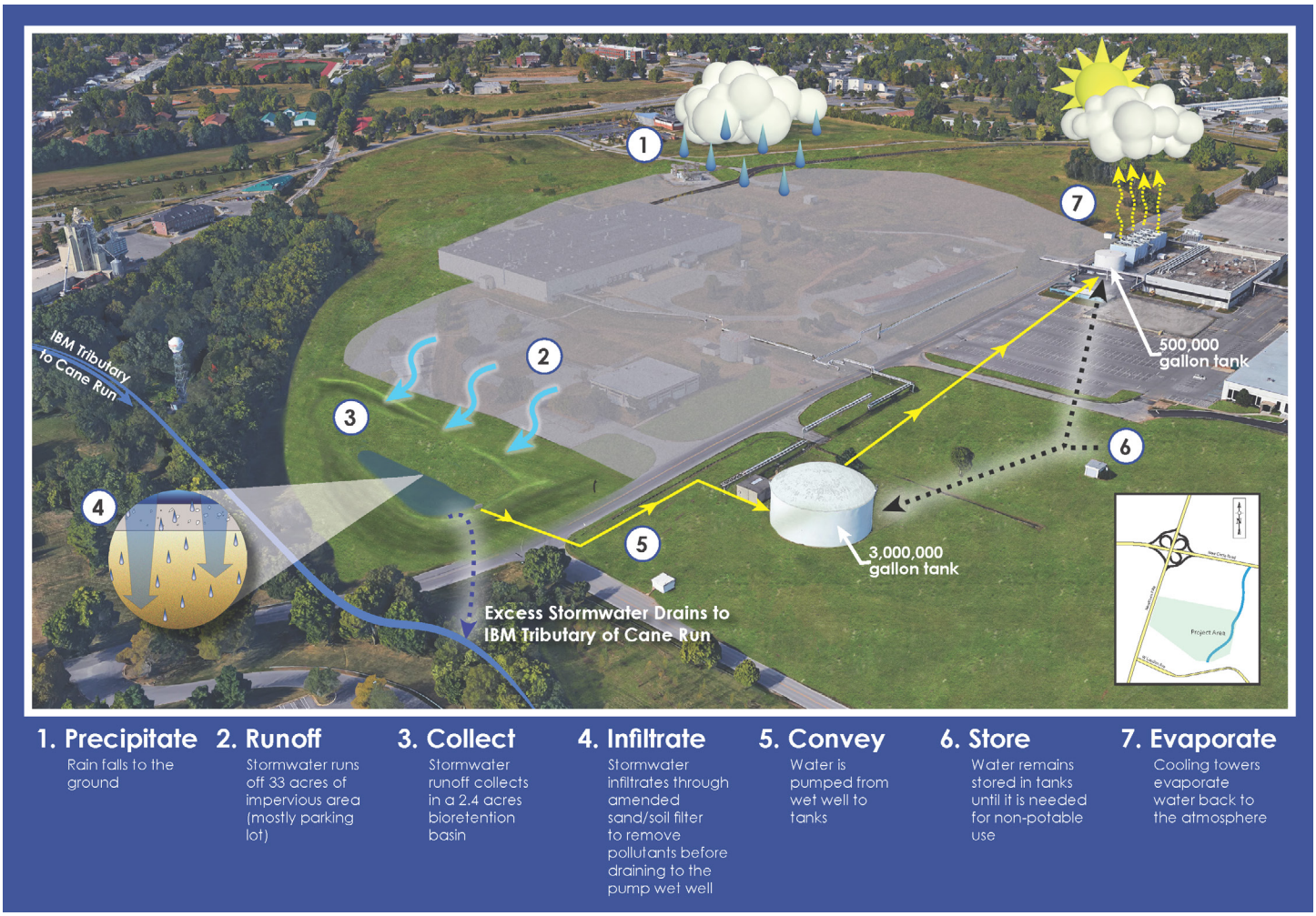
While larger in scale than a traditional rain garden, the rainwater harvesting system acts in much the same way. The depression in the ground collects rainwater and filters it through a layer of sand. Water not needed for immediate use is stored in one of two tanks—a three million gallon tank or a 500,000 gallon tank—for later use. The naturally soft water is used in Lexmark's cooling towers, boilers or chilled water system on site, reducing the need for chemically treated water in these processes. In 2018, 4 million gallons of water were collected.

Lexmark's rainwater retention area has some bioremediation value and also acts as a retention pond in slowing rainfall runoff in conditions when excess flow is discharged to the creek. In the vein of sustainable resource consumption, the pavement, rock and soil removed for the project was reused or recycled. Existing pipes and tanks already in place were recommissioned for use in this project to gain further savings.

Water donation

Lexmark Cebu, in coordination with the Bureau of Fire Protection and Filipino Chinese Volunteer Fire Brigade, has provided water to responding fire trucks during emergencies since 2014. To date, a total of 127 fire trucks were provided water to assist with fire emergencies in neighboring communities. In 2018, Lexmark contributed 1,010m³ of water to fire trucks responding to four fires.

How Rainwater harvesting works



Water quality
Lexmark, in partnership with multiple stakeholders including UK Coldstream Research Campus, UK Biosystems and Agricultural Engineering Department and LFUCG Division of Water Quality, received a grant to conduct a feasibility study for the installation of an in-stream floatable trash collection system to be placed in a tributary of the Cane Run Creek, an impaired stream, that flows through the Lexmark property in Lexington, Kentucky. Lexmark has long supported creek cleanup efforts, realizing the impact that trash and waste in the creek has on the quality of water in the watershed. The trash collection system would float on top of the waterway in an area where trash is known to accumulate and capture the waste for periodic removal.

Water withdrawal
Lexmark is concerned with the origin of our sourced water and where it ends up. We understand that access to clean, abundant and affordable water is a critical issue. We also understand that our commitment to responsible use of our water resources and protection of local watersheds helps to ensure that our local communities have access to these water resources. Most Lexmark facilities withdraw water exclusively from municipal water supplies and other water utilities.

Water management data

Click here for detailed Water management data

Water sources

Lexmark facility	Utility Provider	Original Sources of Water*
Lexington, Kentucky, United States	Kentucky American Water	Kentucky River, Jacobson Reservoir and Lake Ellerslie
Boulder, Colorado, United States	City of Boulder Utilities Division	Barker Reservoir, Lakewood Reservoir, Boulder Reservoir and Carter Lake via the Boulder Feeder Canal
Juarez, Chihuahua, Mexico	Junta Municipal de Agua Saneamiento de Juárez	Hueco Bolson, underground aquifer
Cebu, Philippines	Metropolitan Cebu Water District (MCWD)	Luyang River
Kolkata, India	DLF IT Park via local municipality	Ganges River processed through osmosis water treatment plant
Budapest, Hungary	Fővárosi Vízmüvek	Multiple sources, but water from the Danube River (from wells located near the river) dominates the supply
Shenzhen, China	Shenzhen Water Company	Pearl River—the biggest river in south China

* To the best of our knowledge, none of these bodies of water is recognized by professionals to be particularly sensitive due to their relative size, function or status as a rare, threatened, or endangered system. In addition, none supports a particular endangered species of plant or animal, or is considered a nationally or internationally proclaimed conservation area. None of these water sources is significantly affected by Lexmark water usage.

Water discharge

Wastewater from Lexmark operations is primarily discharged to local utility systems for treatment. Water not discharged to the local utility systems is absorbed into the soil when weather demands require care for landscaping, or evaporated from on-site cooling towers.

In an effort to prevent negative impacts on the environment, Lexmark has established site-specific pollution prevention plans that encompass compliance with applicable environmental regulations; outline Lexmark's proactive pollution prevention efforts; and address spill prevention, hazardous waste management, recycling, and water quality. These plans cover multiple pollution routes, including discharges to ground, air and water. Pollution prevention plans are in place at all Lexmark-owned manufacturing and research and development facilities worldwide.

Lexmark reported no significant spills in 2018. In an effort to continually improve our processes, we record and investigate all spills—regardless of size or impact—as directed by site ISO 14001 and ISO45001/OHSAS 18001 management systems and other corrective and preventive action programs. Water discharges (whether planned or unplanned) that are destined for the local utility or nearby bodies of water are closely monitored by site facilities and environmental teams that test for water quality.

Waste Management

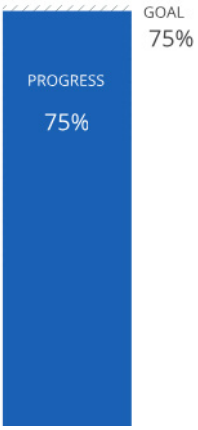
Sustainable waste management
At Lexmark, we're committed to disposing waste generated by our worldwide facilities in a safe and responsible manner. Our facilities measure and report our generated waste and disposal methods to ensure we are making progress in our overall waste-reduction efforts. Waste management programs at our offices and manufacturing sites promote recycling and provide guidance to ensure our waste is responsibly managed.

Business waste management and recycling programs
Lexmark has established waste management and recycling programs at all our facilities worldwide. Each Lexmark manufacturing or research and development facility has a written plan to address the appropriate handling of waste generated at the site. The plan addresses the handling, storage and/or transportation of waste that is considered hazardous and non-hazardous. The wastes are managed according to international best practice and follow all governmental regulations.

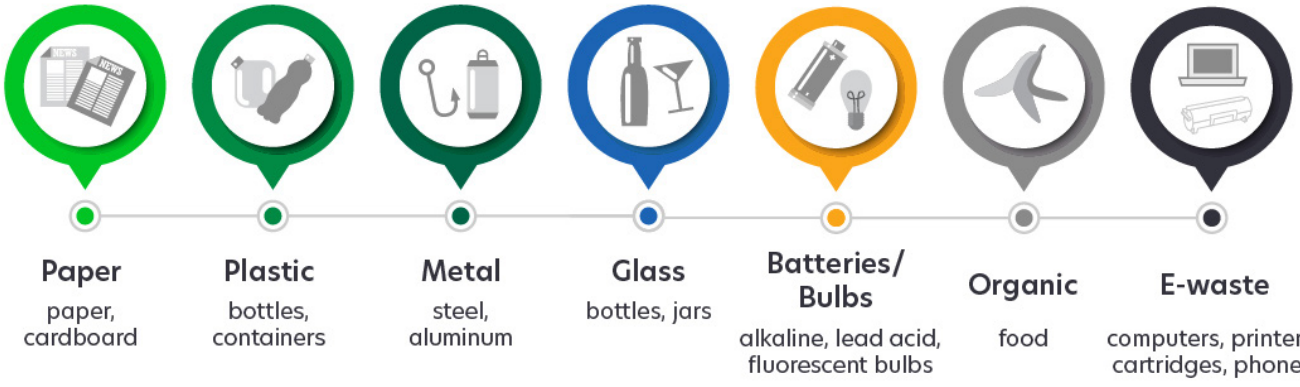
Lexmark continually works toward reducing the quantity of waste generated. Lexmark decreases our waste production by reducing waste at the source and recycling and treating waste in an environmentally safe manner. Our facilities minimize waste through sustainable operations, lean manufacturing techniques and environmental management programs. Since our baseline year of 2015, we have reduced total waste generated by 6,571 metric tons or 32 percent with a target to achieve 50 percent by 2025.

Lexmark's owned manufacturing and development site programs collect, recycle and reuse these materials:

Our goal is to maintain a minimum of 75% recycling[1] rate for waste generated in 2018.



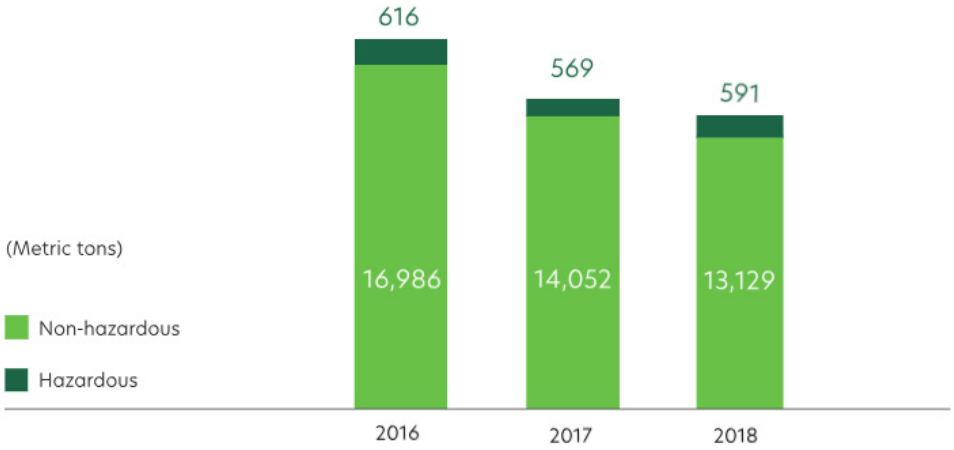
We achieved a 75% recycling rate for waste generated in 2018.



Waste generation and recycling statistics

Lexmark generated a total of 13,721 metric tons of waste in 2018, with 96 percent of the waste generated worldwide being non-hazardous.[2] Hazardous waste accounts for approximately 4 percent of Lexmark total waste. The primary hazardous waste materials are residues from manufacturing and development processes. Hazardous waste that is generated by Lexmark research and development, and manufacturing facilities is managed by external companies that specialize in the management of hazardous waste.

Waste generation by classification



Development and production waste management and recycling

The development, quality testing and manufacturing of Lexmark imaging devices can result in the generation of unique waste streams. Waste from development and production is characterized as chemical waste (toner, component development and manufacturing), paper waste (print testing) or printers and other electronic components (performance and quality testing).

To eliminate hazards to human health and the environment from fires and releases of these waste products, each chemical usage facility provides controls for chemical, petroleum and waste storage tanks. The tanks are installed, operated, inspected and removed according to the specific and applicable governmental regulations. We limit the environmental impact of collected waste by giving it a second life. Chemical waste is primarily processed into usable heat, electricity or fuel through energy recovery. Toner waste is used as an asphalt additive to improve its quality and performance. Paper from print testing is recycled into innovative paper products. Materials from used cartridges are reused or recycled.

[1] Recycling includes compost, recycle and reuse disposal methods.

[2] Waste data is from 100% of Lexmark's owned development and manufacturing sites based on square feet.

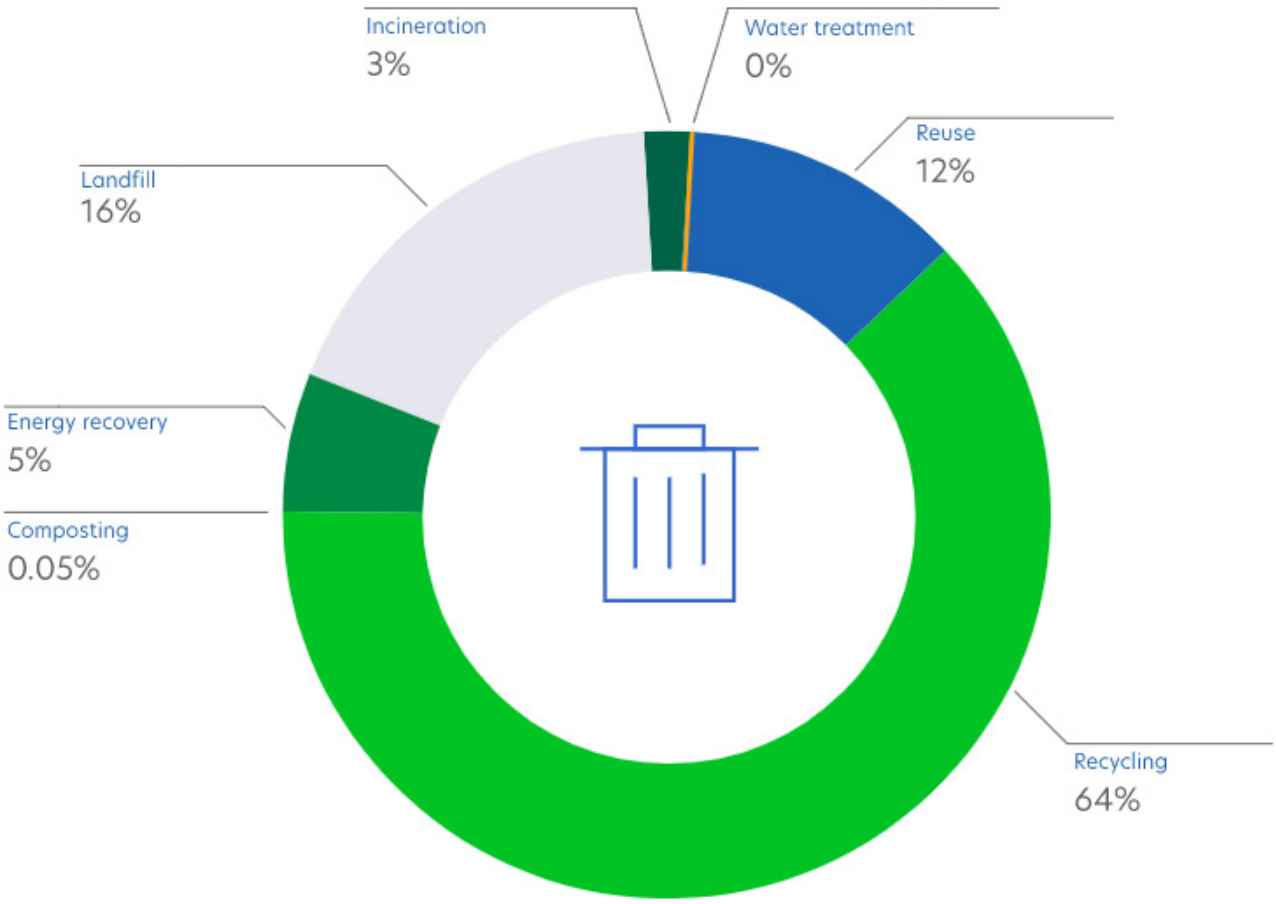
Waste management data

Click here for detailed waste management data.

Waste recycling

Disposal methods for waste are determined through the collaborative efforts of Lexmark and our waste-management partners. Working together, we have identified new opportunities for recycling waste, reducing our usage of incineration and landfill while increasing usage of waste-to-energy recovery where other recycling options are unavailable. Since 2007, Lexmark has increased its waste recycling and reuse rate from 63 percent to 76 percent. In 2018, Lexmark achieved a recycling rate of 76 percent with 12 percent of our total waste reused.

Waste treatment by disposal method



(Includes LCCP Recycle Facility)

Supply Chain

Responsibility

At Lexmark, we work closely with our suppliers to ensure our products and services have a positive impact on people, communities, and the environment. We choose suppliers who share our vision of corporate citizenship and agree to conform to Lexmark's expectations and standards. We monitor the performance and compliance of our suppliers by analyzing on a regular basis their social, environmental and economic data.

Our membership and participation since 2009 in the Responsible Business Alliance (RBA) has further strengthened our organizational efforts in support of human rights, labor standards, and other corporate social responsibility values. Lexmark has adopted and actively pursues conformance to the RBA Code of Conduct supplemented by the Lexmark Supplier Code of Conduct.

Fundamental areas of the Lexmark Supplier Code of Conduct

- Compliance with the laws, rules and regulations of countries of operation or where products are distributed
- Adopt and implement the RBA Code of Conduct
- Responsible global sourcing through a conflict minerals free supply chain
- Allow a social and environmental responsibility audit where supplier manufacturers products

Compliance with the RBA and Lexmark Supplier Code of Conduct

Lexmark works with a multitude of direct and indirect suppliers. All Lexmark suppliers are expected to comply with the RBA and Lexmark Supplier Code of Conduct. In accordance with RBA guidelines, Lexmark conducts third-party audits for several of our Tier 1 suppliers to monitor compliance in these areas.

Supply chain responsibility program at Lexmark

The Lexmark Vice President of Global Supply Chain and Planning is the senior person responsible for delivering on our environmental, social and governance (ESG) objectives. At the operational level, the management of Global Sourcing and Supplies Operations has responsibility for implementing the ESG objectives.

Lexmark procurement staff have received training in ESG issues related to our procurement processes. Lexmark procurement personnel also have access to a database of supplier information that includes the suppliers' ESG commitments, as well as their performance metrics. All Lexmark staff that engage with suppliers are expected to consider the ESG impacts of engaging with a supplier prior to entering into a relationship with the supplier.

The RBA Code of Conduct sets forth performance, compliance, auditing and reporting guidelines across five areas of social responsibility.

Sustainability is integrated with the Lexmark supplier selection and retention processes. Lexmark provides incentives for suppliers to adhere to RBA guidelines by offering long-term contracts, collaborating on production volumes, consolidating suppliers and partnering on development projects.

Locations

Lexmark sourcing teams are encouraged to select suppliers that are near the location where their products will be used—such as near a manufacturing location—when possible. The use of locally based suppliers is both environmentally and financially preferable, resulting in positive local impacts.

Lexmark supplies are strategically produced in local economies near our customers. We produce supplies in Poland to meet the needs of our customers in Europe. Lexmark sources supplies for Asia Pacific from China, and our manufacturing plant in Mexico produces supplies for Latin America and North America. Manufacturing products regionally near our distribution centers not only allows our customers to receive needed supplies faster, it provides an opportunity for our customers to recycle their supplies closer to home.

Key and strategic suppliers

Key and strategic suppliers account for a significant percentage of Lexmark total procurement spending. Based on 2018 spending, the 104 key and strategic suppliers make up about 44 percent of our purchases.[1]

Our goal is to maintain a minimum of 80% of our supplies regionally sourced in 2018.

We regionally sourced 83% of our supplies in 2018.

[1] Key and strategic suppliers are those with spend over $1 million and goods and/or services critical to Lexmark operations.

Accountability

To better understand corporate social responsibility (CSR) risks in the supply chain, Lexmark analyzes the spending behavior of that chain, evaluating basic information (total number of suppliers, geographic spread, and so on), as well as social and environmental aspects such as supplier diversity and environmental factors. These spending analyses are conducted with specially developed data-collection tools and are conducted in collaboration with consultants specializing in supply chain analyses.

Our spending-analysis process
Over the last nine years, 100 percent of Lexmark procurement spending was subject to our spending-analysis process. Through this process, we have identified critical suppliers–our high-volume, high-spending suppliers, suppliers of critical components and unique or sole source suppliers. Lexmark has over 7,000 suppliers, 1.4 percent of which have been identified as key and strategic.[1]

Risk management
Less than 1 percent of our suppliers are determined to be high risk. Based on how critical the risk is, Lexmark conducts a deeper analysis of economic (cash management), environmental (weather-related), and social (war and political instability) risk factors.

These risks are managed in part through the RBA Code of Conduct. This code prescribes best practices related to environmental performance in operations, human rights (forced or child labor, freedom of association, International Labour Organization conventions), working conditions (working hours, layoff practices, remuneration), occupational health and safety and business ethics (corruption, anti-competitive practices). To improve business practices and assist companies in identifying risks and driving improvements, self-audits and site audits are conducted in conformance with the RBA Code of Conduct, laws, and regulations.

Demonstrating improvement
Lexmark requests information from its suppliers to determine their policies and principles that protect the environment and promote social responsibility. We encourage suppliers to demonstrate continual improvement through the completion of the RBA Self-Assessment Questionnaire (SAQ) or Lexmark Supplier Sustainability Questionnaire.

The Lexmark Supplier Sustainability Questionnaire provides us greater understanding and transparency of the CSR initiatives of the key suppliers of goods and services that support our operations. The questionnaire input creates ongoing discussions between Lexmark and its suppliers so that we can document our progress on environmental and social initiatives, and helps us explore how we can improve as responsible corporate citizens.

Conflict minerals
Lexmark is committed to responsible global sourcing of the minerals in our products. As a member of the Responsible Business Alliance (RBA), we perform due diligence to reasonably assure that conflict minerals (tantalum, tin, tungsten and gold) in the products we manufacture do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. Lexmark is also a member of the Responsible Minerals Initiative (RMI). RMI's tools provide Lexmark guidance in responsible mineral sourcing in our supply chain.

As part of its responsible sourcing efforts, Lexmark conducts a country of origin inquiry to determine whether a conflict mineral originated in the Democratic Republic of the Congo or an adjoining country. Lexmark, as well as its subcontractors and suppliers, discloses its reasonable country of origin inquiry of tin, tungsten, tantalum and gold used in the manufacture of Lexmark products. Lexmark also requires a due diligence declaration identifying the list of smelters used within a supplier's supply chain. This information must be submitted along with the supplier's due diligence process. Suppliers must report the results using the RBA template, or Lexmark-approved similar template. Click here for the Conflict Minerals Report of Lexmark.

Human trafficking and slavery
Lexmark has implemented the following practices to prevent human trafficking and slavery. Our practices and procedures uphold the human rights and labor policies and principles in our supply chain.

- Standards—Lexmark upholds and respects international human rights standards that promote workers' rights, fair-employment opportunities and open channels of communication.
- Verification—Lexmark inspects for compliance through supplier assessments, operation reviews, risk management and third-party audit systems.
- Audit—Lexmark monitors and audits its facilities and select partners' facilities by questioning about labor and human rights policies and procedures to ensure that forced, bonded, trafficked, slave or involuntary prison labor is not being used.
- Training—Lexmark provides training on the RBA Code of Conduct to employees in procurement who have direct responsibility for supply chain management.
- Accountability—Lexmark suppliers are required by contract to operate in full compliance with laws and regulations, including those regarding human trafficking and slavery in countries of operation or where products are distributed.

For more details read our Human Trafficking and Slavery Statement.

Diversity

Lexmark strives to encourage and afford opportunities to minority suppliers. The Lexmark Supplier Diversity Program is founded on Lexmark values of mutual respect, corporate citizenship and integrity. Diverse businesses make up a vital segment of the economy, and, therefore, supporting diverse businesses are advantageous to our financial performance and our community.

Our global sourcing efforts with veteran-owned small businesses helped Lexmark earn the distinction of a Military Friendly Employer for the fourth year in a row and placement on the Military Friendly Supplier Diversity Program list. This recognition resulted from a leading survey by Victory Media that recognizes companies with the strongest job opportunities and best-in-class hiring and retention programs for transitioning service members and

spouses seeking civilian employment. Click here to view our supplier diversity ratings based on our efforts to create sustainable and meaningful benefits for the military community.

How the supplier diversity program works

Lexmark sets goals annually to increase contracting opportunities for eligible minority suppliers. These goals are reviewed to determine if they are attainable and represent a meaningful contribution to the Lexmark supplier diversity program. Lexmark employees are encouraged to take an active role in supporting the supplier diversity program by ensuring that diverse-owned vendors are encouraged and given an opportunity to do business with Lexmark.

What we buy

- Construction: New work, additions, alterations or maintenance and repairs services
- Manufacturing: Packaging, molded plastics, chemicals
- Printing: Labels, business cards
- Office Supplies: Furniture, office supplies
- Consulting/Professional Services: Photography, translation, environmental consulting services
- Professional Equipment: MRO/Lab supplies
- Administrative Services: Facilities support services, temporary staff services
- Educational Services: Instruction and training services

Who is eligible

- All Small Business (including ANCs and Indian Tribes)
- Small Disadvantaged Business
- Women-Owned Small Business
- Veteran-Owned Small Business
- HUBZone Small Business
- Service-disabled Veteran-Owned Small Business
- LGBTQ-Owned Small Business

Program requirements

- Certification by a third-party agency
- The company must be at least 51 percent owned and operated by a United States citizen who is a member of one of mentioned groups

Business trade organizations

Lexmark is member of DiversityInc and sponsor of the Lexington, Kentucky, Chamber of Commerce and Minority Business Expo.

Diverse supplier registration

Click here for the Supplier Registration Form. Email the completed form to supplierdiv@lexmark.com. This data will be used to provide a list of diverse suppliers to the appropriate Lexmark decision maker.

"Our vision is to create strategic partnerships with qualified diverse suppliers. We believe this provides us the greatest opportunity to develop innovative and cost-effective business solutions and at the same time, strengthen our company, customers, and community. Supplier diversity brings different strengths and values and a competitive advantage for our company."

Michelle Rawlings
Vice President,
Global Sourcing and Planning,
Lexmark

[1] Key and strategic suppliers are those with spend over $1 million and goods and/or services critical to Lexmark operations.

Land & Biodiversity

Lexmark strives to ensure that our operations do not harm the local environment. Understanding our responsibility to help maintain balance in the natural world, we engage our communities primarily in reforestation programs and watershed protection.

Lexmark owns or leases facilities used for manufacturing and research and development in the United States, Mexico, Europe and Asia. An important prerequisite for locating these global facilities includes a thorough understanding of local ecology and biological issues so that we can take a prudent approach to their protection. Consequently, an important part of our worldwide environmental assessment is the use of internationally accepted evaluation tools.

As the first step to establishing a facility in the United States or abroad, Lexmark applies the following standards to assess environmental aspects of the site: American Society for Testing and Materials (ASTM) E1527-13[1] and E1903-11.[2]

We also consider the protection status and biodiversity value of those areas where we plan to operate. With the exception of an operational site in the Philippines described below, Lexmark does not own, lease or manage operational sites in or adjacent to protected areas, or areas of high biodiversity value outside protected areas. In addition, our activities do not result in significant impacts on biodiversity in these types of areas. We also do not own, lease or manage operational sites in areas where habitat restoration has occurred or in habitat protected areas. Finally, Lexmark does not operate in areas that are known to be protected or home to International Union for Conservation of Nature (IUCN) Red List species or national conservation list species and has no plans to operate in these areas.

Lexmark is especially sensitive to the environment in our Philippines operations. Many global organizations recognize the entire country as an area of high biodiversity. The Lexmark Research and Development Corporation (LRDC) located in Cebu, Philippines, is a 30,817 square meter research and development operation. Lexmark employees in the Philippines work diligently to restore habitats near these facilities, focusing on reforestation and watershed protection. Since 2008, Lexmark has planted 136,000 mangrove trees in various coastal and watershed areas of Cebu and over 16,645 tree seedlings in various areas of Cebu.

Mangroves are beneficial to the environment; they provide shelter and food for sea life, stabilize coastlines by reducing erosion, and protect coastal communities from storm surges.

A registered Monarch Waystation at Lexmark headquarters provides a food source and habitat for monarch butterflies and other pollinators. For more information visit Lexmark Monarch Waystation.

[1] ASTM E1527-13, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process, ASTM International, West Conshohocken, PA, 2013, www.astm.org

[2] ASTM E1903-11, Standard Practice for Environmental Site Assessments: Phase II Environmental Site Assessment Process, ASTM International, West Conshohocken, PA, 2011, www.astm.org

Our Imaging Solutions

Lexmark concentrates efforts on the design, manufacture, delivery and use of products that can be employed in an environmentally and socially responsible manner.

The Lexmark product portfolio is a dynamic mix of software, electronic data tools, long-lasting hardware, and management services. As our company continues to evolve, our commitment to being a leader in global citizenship through our thoughts and actions remains a guiding principle for our business.

Product Certifications

Multi-attribute environmental standards

Lexmark products are designed to meet or exceed the strict criteria of some of the world's most prominent standards and certifications. These certifications may require testing, analysis, audit, third-party review, standard declaration or disclosure of business or product information.

ISO 14024 - Type I Environmental Labeling
Lexmark has a long history of designing print systems to meet the Blue Angel standard for environmental performance. The Blue Angel ecolabel, originating in Germany, was established in 1978 and is one the most prestigious environmental certifications worldwide. The Blue Angel criteria are regularly reviewed and revised—the most recent revision being DE-UZ 205, January 2017. The majority of Lexmark print systems announced after October 2012 have been certified.

For a list of Lexmark models that are Blue Angel certified, click here. Lexmark pursues other voluntary product environmental certifications worldwide, including China certifications HJ 2512-2012 and HJ/T 424-2017, Korea Eco-label and Taiwan Green Mark.

ISO 14021 - Type II Self-declared environmental claims
The Eco Declaration (ECMA-370)
Formerly known as IT Eco Declarations, ECMA-370 declarations provide objective and comparable environmental information. Lexmark signed the original "Industry Voluntary Agreement to Improve the Environmental Performance of Imaging Equipment Placed on the European Market" in June 2011, and the updated agreement in April 2015. Manufacturers are required to make product environmental performance data publicly available, such as through The Eco Declaration (ECMA-370). To view Lexmark's declarations, click here.

To request IT Eco Declarations for our laser print supplies, please contact sustainability@lexmark.com.

Electronic Product Environmental Assessment Tool
Lexmark is committed to providing our customers products that are environmentally preferable. The Electronic Product Environmental Assessment Tool (EPEAT®) is one resource used to recognize products that meet this qualification. EPEAT uses the IEEE 1680.2 standard as the basis for assessing imaging equipment. Lexmark supports our customers in their goals of environmental stewardship, energy efficiency and resource efficiency by registering products through EPEAT. We have registered 23 of our products with a Gold rating—the highest rating available—and registered the remaining qualified products with a Silver rating. For a list of these products, click here.

Energy standards

ENERGY STAR®

Lexmark is committed to designing energy efficient products and uses ENERGY STAR requirements for imaging equipment as a guideline when developing products. Launched in 1992, ENERGY STAR is the globally recognized program of the U.S. Environmental Protection Agency and the U.S. Department of Energy that awards certification to the most energy efficient models in a product category. The majority of Lexmark products maintain ENERGY STAR qualification year after year. In 2018, over 90 percent of Lexmark-branded products held the latest version of certification—ENERGY STAR V2.0. The ENERGY STAR specification evolves requirements to drive continued energy improvements, and Lexmark seeks recertification to the latest available specification. Lexmark actively participated in the development of the Version 3.0 ENERGY STAR Production Specification for Imaging Equipment, which takes effect October 2019, and has begun testing products to this new version of the standard.

For more information on ENERGY STAR and a listing of certified Lexmark products, click here.

Energy efficiency metrics trend

Product Segment	2010 Energy Efficiency Metric	2012 Energy Efficiency Metric	2016 Energy Efficiency Metric	2018 Energy Efficiency Metric
Laser Products[1]	Fleet Average of 0.153 ENERGY STAR TEC / ipm	Fleet Average of 0.104 ENERGY STAR TEC / ipm	Fleet Average of 0.077 ENERGY STAR TEC / ipm	Fleet Average of 0.052 ENERGY STAR TEC / ipm
Fleet Average Annual Energy Consumption (MJ / ipm)	28.642	19.469	14.485	9.596

EC 801

EC 801/2013 is the implementing measure for ErP Lot 26 (Network Standby). As part of this regulation, manufacturers are required to post information about the Network Standby ("sleep") modes of products, including the available network connections, power consumption in sleep mode for each connection, and the default timeout to sleep mode. To view Lexmark's declarations of product sleep modes, click here.

[1] Laser Products Energy Efficiency Metric is the ENERGY STAR V2.0 TEC (Typical Electricity Consumption) divided by the product speed in ipm (images per minute).

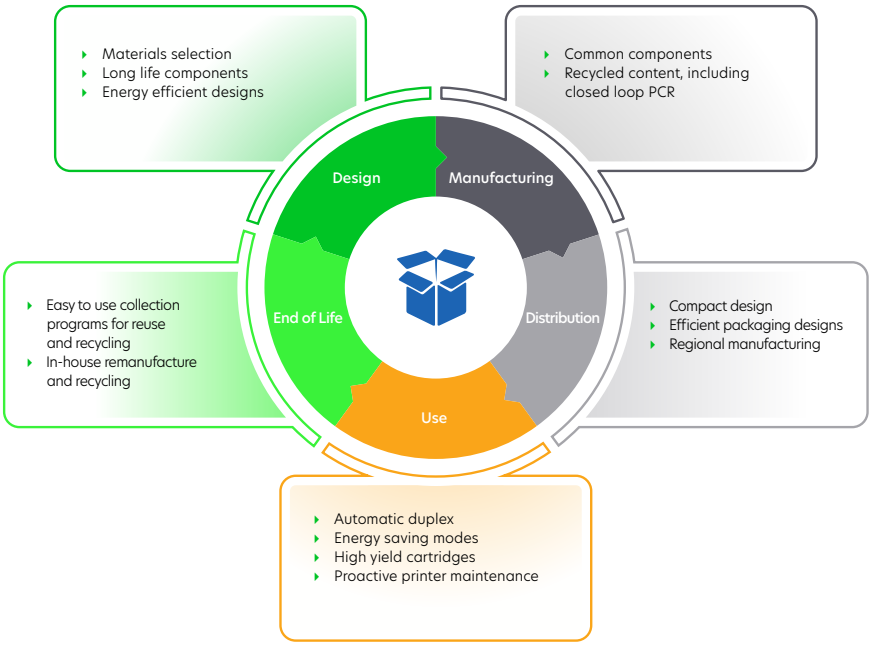
Product Life Cycle

As part of Lexmark's commitment to sustainable products, Lexmark has conducted Life Cycle Assessments (LCAs) on 76 of its printer and MFP models as of January 2019 and is committed to performing LCAs on future product models.

LCAs technically evaluate the environmental phases of the product design, manufacturing, distribution, use and end-of-life of our products. Lexmark is continuing to improve accuracy and transparency of our LCAs by working with an external consultant to include all possible phases of the printer life cycle and ensure our electronics are counted and scaled accordingly.

The data from the LCAs is used to create and publish ISO 14025 Type III Environmental Product Declarations (EPDs), which summarize the complex information provided by the assessment. Each EPD conforms to the international standards ISO 14040:2006, ISO 14044:2006 and ISO 14025:2007 and follows the requirements of the Product Category Rules (PCR) for preparing an EPD for Printers and Multi-function Printing Units published by UL Environment (ULE). Lexmark is using the latest edition of PCR published April 23, 2018 for products announced in 2018 and beyond.[1] The EPDs are third-party certified for accuracy and completeness.

For information on secondary sources used in the Life Cycle Assessments, see Life Cycle Assessments Data.



Environmental Product Declarations

Click here for all available Environmental Product Declarations.

LCA knowledge drives process and design improvements

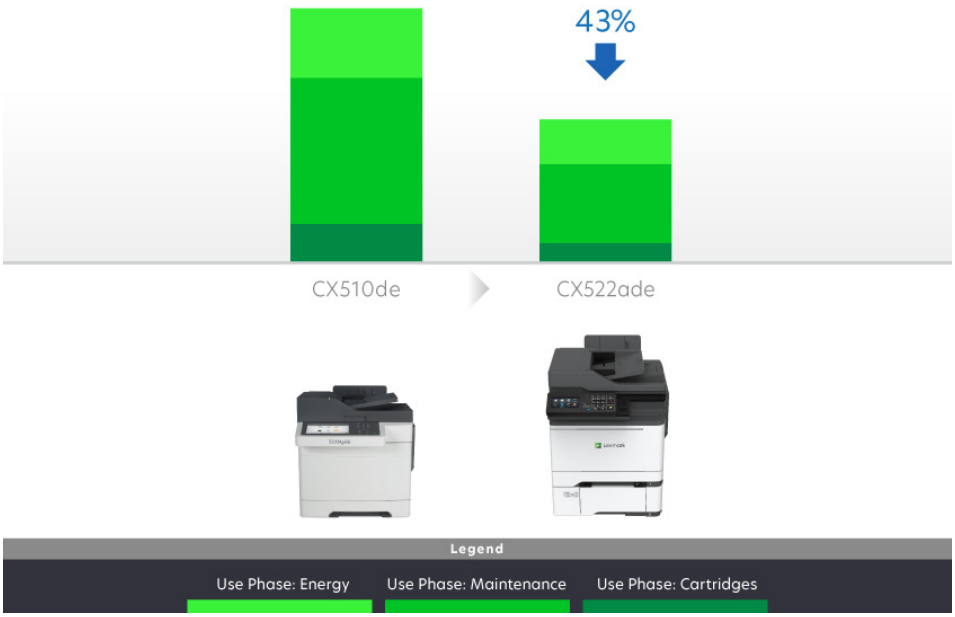
The LCA reports have identified the use phase as having the greatest impact in the life cycle of the Lexmark printer—in particular, paper. This learning has shaped Lexmark's focus on offerings to help customers print efficiently, to optimize print environments and to return hardware and consumables at end of life.

Lexmark works to reduce the environmental impact of paper use by testing products to ensure recycled paper may be used—specifically, papers made with 30 percent, 50 percent, and 100 percent post-consumer recycled content. Our expectation is that recycled papers perform as well as virgin paper in our printers. While no official standard exists for office equipment use of paper, Lexmark uses European Standard EN 12281 as a minimum properties standard. To ensure breadth of testing, test paper includes 100 percent recycled papers from North America, Europe and Asia, and tests are conducted at 8-80 percent relative humidity. Testing includes duplex printing.

Customers using Lexmark devices have many choices when it comes to environmentally preferable paper. Office paper using renewable, recycled or chlorine-free content may all be used.

If we remove the paper impact from the life cycle assessments, then consumables, energy and printer maintenance actions are highlighted as areas for design improvement. In design, Lexmark has dedicated teams working on product energy reductions, consumable sustainability and end of life recycling and remanufacturing, as well as extended longevity of components and proactive printer maintenance. When we compare products gen to gen we see improvements in these areas.

Generation comparison of a single function and multifunction product[2]

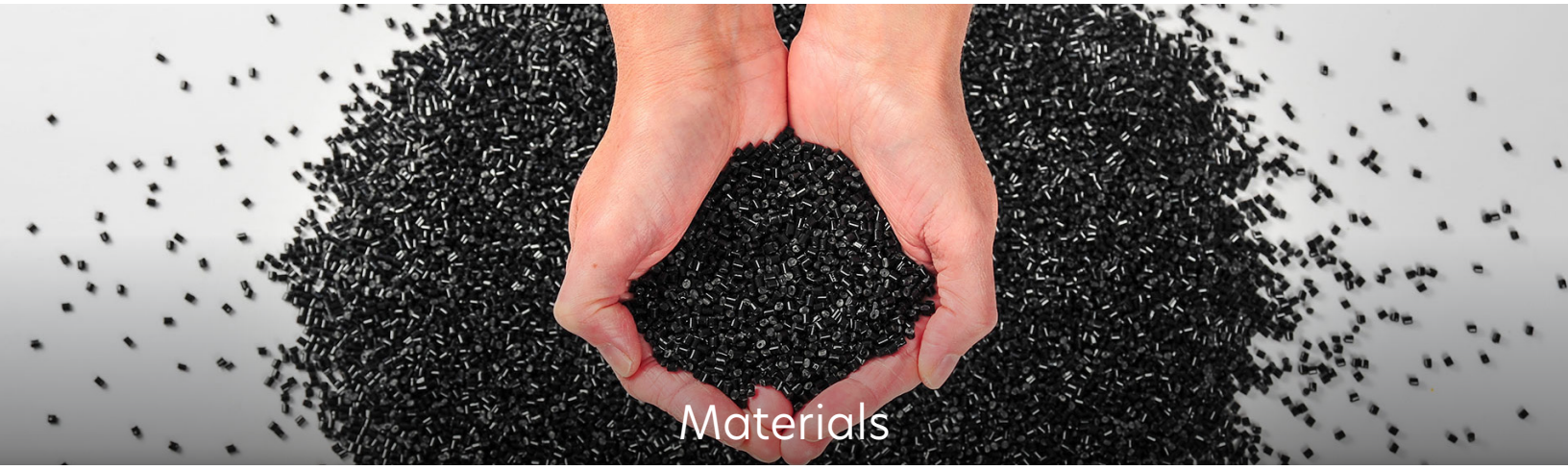


Further insight: cartridge LCAs

Lexmark also pursues cartridge LCAs to identify areas where improvements can be made within the cartridge life cycle. Conducted in accordance with ISO 14040 and 14044, the Lexmark LCA cartridge studies showed that recycling a used Lexmark toner cartridge reduces the carbon footprint of the cartridges studied by nearly 50 percent over discarding it in a landfill, consistently confirming the value of the LCCP operations and efforts to increase cartridge collections. This value excludes paper consumed when printing.

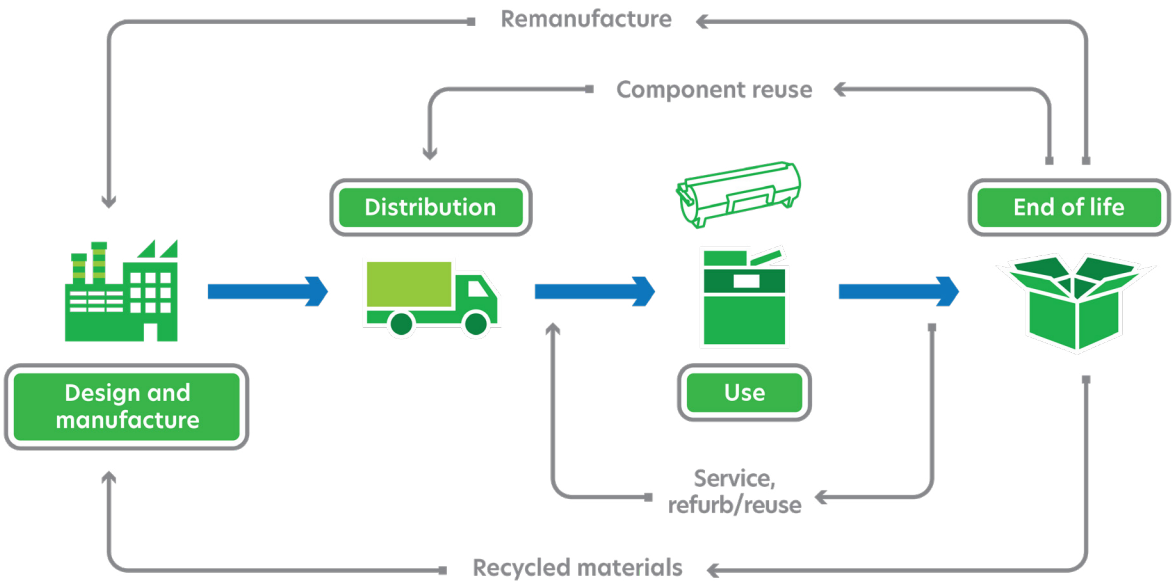
[1] **Products announced prior to 2018:** Product Category Rules for Printers and Multi-Function Printing Units, UL Environmental Standard, Edition 1 (Dec 12, 2012)
2018 announce products and beyond: Product Category Rules for Printers and Multi-Function Printing Units, UL Environmental Standard, Edition 2 (April 23, 2018)

[2] Lifetime comparison of total global warming potential (kg CO_2equivalent) during printer life cycle phases, excluding paper



Materials

Approach



Lexmark's materials management approach
At Lexmark, we look at the environmental impact of our products throughout their life cycle. We see where we can deliver optimal environmental performance by incorporating innovative circular design concepts and material improvements.

Our materials management approach is broad, ranging from our focus on materials used and sourced from our suppliers, to our active participation in industry trade associations.

Lexmark's Corporate Sustainability team is responsible for maintaining the Product Environmental Specification. Lexmark's Product Environmental Specification defines the minimum environmental requirements associated with the design, manufacture and marketing of Lexmark products. The criteria stem from global regulatory obligations, international treaties and conventions to specific market demands. The team reviews the Product Environmental Specification annually to include the latest regulatory references.

The Lexmark Product Environmental Specification is available online for access at any time. We also provide it to suppliers in contract terms and to material suppliers during the development process. Lexmark audits select suppliers for compliance to the Lexmark Product Environmental Specification during the delivery of parts and assemblies.

To support materials management efforts, Lexmark maintains a materials content data collection and management system. This system allows our teams to address regulatory issues, communicate with suppliers about substances of concern and respond to customer questions.

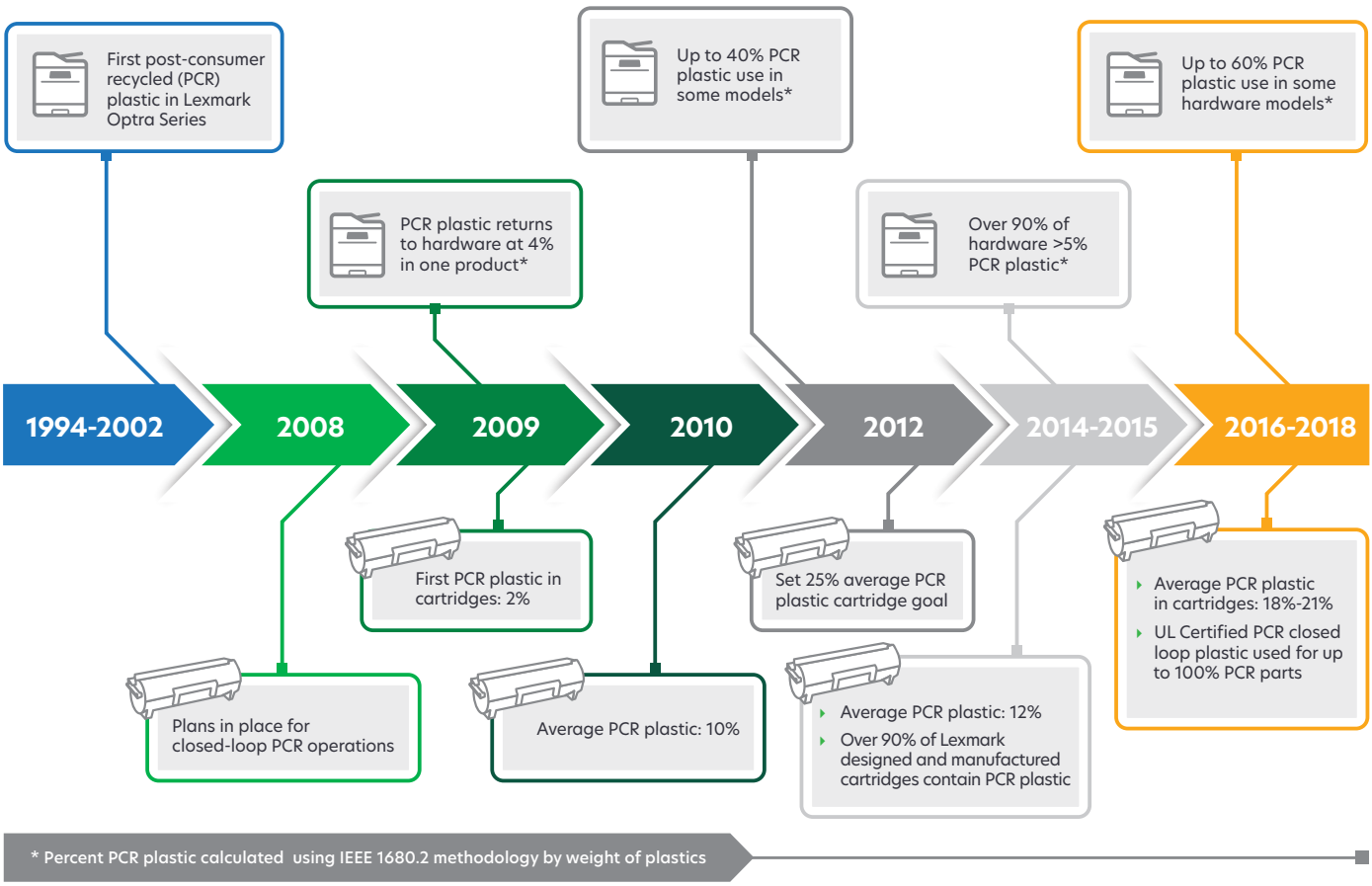
Post-consumer recycled (PCR) content

Lexmark engineers design our products with a focus on recyclability. Over 90 percent of the materials used in hardware products by weight are recyclable. The majority of these materials are polymers and metals that are formed into components through injection molding or stamping operations. High-impact polystyrene (HIPS) and acrylonitrile butadiene styrene (ABS) are most often used; however, other plastics such as acetals, polyesters, polyamides and filled or blended versions of these materials are also utilized.

Lexmark chooses to offset a portion of our virgin polymer purchases by boldly pursuing recycled options and reuse of parts. Our use of recycled materials ensures that waste formerly destined for landfill has a new destination and purpose, helping protect natural resources and fulfill our sustainability goals. Currently, we favor the use of post-consumer recycled (PCR) materials over the use of biobased materials for durability and recyclability.

The metal content in Lexmark printers is dominated by steel products sourced from both recycled and new materials. We see the environmental benefits of reusing metal content with the understanding that recycled metal stock can be used for some—but not all—metal components. Published industry averages indicate that many commercial grades of steel commonly contain between 30 percent and 80 percent recycled content. Lexmark is committed to using these grades of steel where possible.

Lexmark's post-consumer recycled plastics (PCR) journey



Lexmark continues to expand our circular economy innovations through our award-winning Lexmark Cartridge Collection Program (LCCP). Our engineers reclaim feed streams of various types of plastics such as ABS, HIPS and polyoxymethylene (POM) through this closed loop program. After returning this material to near-new quality through our in-house extrusion and compounding processes, we use this plastic to manufacture new toner cartridges. In 2016, Underwriters Laboratory (UL) certified our PCR resin for use at a rate of 100 percent for print cartridge components, making it the first UL-certified 100 percent recycled resin to be processed in-house. In 2018, we produced nearly 50 components with up to 100 percent closed-loop PCR plastic.

Lexmark is an industry leader in the use of reclaimed plastic with 21 percent average post-consumer recycled (PCR) plastic content, by weight, across all new Lexmark branded toner cartridges. Our goal is to increase the post-consumer recycled plastic content in our toner cartridges to 25 percent by 2022. In fact, 86 percent of Lexmark designed and manufactured toner cartridges contain at least some post-consumer recycled plastic content.

For PCR that we cannot source through LCCP, our Lexmark engineers recommend using PCR materials originating from closed-loop recycled electronics when possible. Lexmark uses several suppliers who declare their base resins are sourced from 100 percent post-consumer waste electrical and electronic equipment (WEEE). Our use of PCR sourced from used electronics provides incentive to electronics manufacturers and recyclers to continue to grow the circular economy in this industry.

In the future, we would like to incorporate closed-loop recycled materials from our hardware recycling streams into new devices in much the same way we are doing for cartridges. To help prepare for this content, Lexmark has been utilizing greater amounts of recycled plastics in our printers—our latest offerings are qualified to include up to 60 percent PCR by weight of plastics.[1]

An estimated 3,400+ metric tons of post-consumer recycled plastic was used in the manufacture of the 2018 branded, in-house technology printers and MFPs.[2] That's over 27 percent of the total plastic.

An estimated 580 metrics tons of post-consumer recycled plastic was used in the manufacture of the 2018 Lexmark branded cartridges. That's 21 percent of the total plastic.

Regulatory insight

Restriction of hazardous substances
Lexmark evaluates printers, supplies and packaging for compliance to material restriction directives and legislation. Lexmark complies with the material restriction requirements adopted under the European Union Recast Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Directive 2011/65/EU (RoHS 2). Per the RoHS recast directive, conformance is declared via the CE Mark declarations, which are posted on the Lexmark website: Regulatory Compliance.

RoHS 2 restricts the amount of certain hazardous substances in electrical and electronic equipment. These hazardous materials include four metals (lead, mercury, hexavalent chromium, cadmium) and two brominated flame retardants (polybrominated biphenyl and polybrominated diphenyl ether). Four phthalates (DEHP, BBP, DBP and DiBP) have been added to the restricted list of substances—restriction taking effect July 22, 2019. Lexmark does not claim RoHS exemptions for cadmium. Lexmark has developed a conformance assurance system for materials restrictions that includes an audit process. Audit results indicating a nonconformance lead to further evaluation, material or component changes if needed, and notification to authorities if products ship with noncompliant parts. Information on conformance may be found in Product Health and Safety.

Registration, evaluation, authorization and restriction of chemicals
Lexmark works with our suppliers to ensure compliance with international material restriction regulations such as the European Union Registration, Evaluation, and Authorization of Chemicals (REACH) regulation. REACH seeks to improve public health and the environment by controlling the production and use of harmful chemical substances. Lexmark completed the first steps of REACH in 2008, including preregistration, material review and required communications for the initial release of the Substances of Very High Concern (SVHC) candidate list of chemicals. Lexmark continues to monitor REACH developments and the addition of new chemicals to the SVHC list and comply with chemical registration deadlines and legal obligations imposed. More information about Lexmark REACH initiatives is available to customers by request.

Please see the REACH position paper for more information.

Montreal Protocol
In compliance with the Montreal Protocol, Lexmark prohibits the use of ozone-depleting chemicals in the manufacture and development of our products.

Toner Safety Data Sheets
Cartridges deliver toner used in the printing process. Lexmark toners are classified according to the Globally Harmonized System of Classification and Labelling of Chemicals (GHS). At the cartridge level, Lexmark toners are not classified as hazardous chemicals. In the United States, GHS regulations classify toner in bulk container form as a combustible dust; however, Lexmark toners are not classified as hazardous outside the United States. Lexmark provides Safety Data Sheets (SDSs) for these toners, where applicable safe handling and health analyses can be found.

Current SDSs are available on the Lexmark website.

[1] PCR calculated using IEEE.1680.2 methodology

[2] Based on the post-consumer recycled materials used in the cross section of Lexmark's primary imaging equipment for 2018 Lexmark branded, in-house technology. PCR calculated using IEEE.1680.2 methodology.

Return & Recycle

Product return & recycle

Lexmark continuously seeks new ways to reduce its footprint. While making great strides in waste reduction at our global manufacturing facilities, Lexmark also provides an opportunity for our customers to reduce their waste and increase the number of Lexmark products that are reused and recycled.

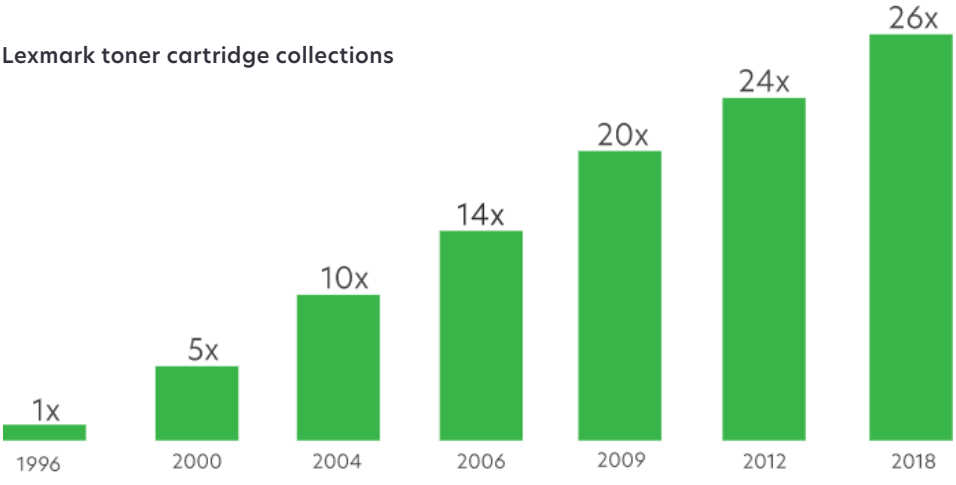
By incorporating Life Cycle Assessment results in our product design process, we develop sustainable products that combine high standards of performance, efficiency and environmental stewardship through each life cycle stage. At the end of product life, Lexmark recovers components and parts to reuse or recycle via our customer return methods: the Lexmark Cartridge Collection Program (LCCP) and the Lexmark Equipment Collection Program (LECP).

Click here for additional information on Lexmark's product return and recycle programs.

Cartridge collection

Our extensive cartridge collection network has made Lexmark an industry leader in the recovery, remanufacturing and recycling of used toner cartridges. In 2018, through the efforts of Lexmark customers, more than 40 percent of the total toner cartridges shipped worldwide were returned through the LCCP. In some regions, the return rate was higher. For example, the United States continues to average approximately 50 percent return rates. We estimate the industry average collection rates to be between 20 and 30 percent.

Lexmark toner cartridge collections



Year on year growth

Our goal is to increase the reuse of cartridges and supplies collected through LCCP to 60% by 2022.

In 2018, 53% of the cartridges and supplies returned were reused.

Extending material life

Our products are designed and optimized for a cycle of disassembly and reuse. Lexmark develops innovative processes to divert reclaimed materials from waste streams and cycle them back into new products. Our processes provide the opportunity to reduce waste through the reuse of toner, cartridge components and materials. Last year, 53 percent of the cartridges and supplies returned to Lexmark were reused. We have established a goal to increase this to 60 percent by 2022.

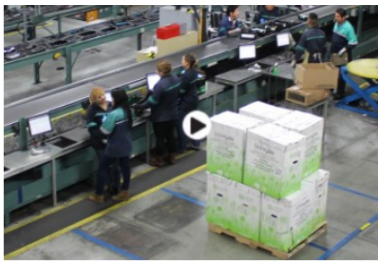
Lexmark's R2 certified recycling plant

In 2007 Lexmark established a recycling plant in Juarez, Mexico, to provide customers a place to return their empty laser cartridges for responsible end-of-life reuse or recycling. The LCCP processes approximately 20,000 empty toner cartridges per day and in 2018 Lexmark collected its 100th million cartridge. Select components in empty cartridges are removed and reprocessed for reuse. In the last 14 years, Lexmark has been able to incorporate more than 59 million pounds of materials recovered through the LCCP into the production of laser cartridges.

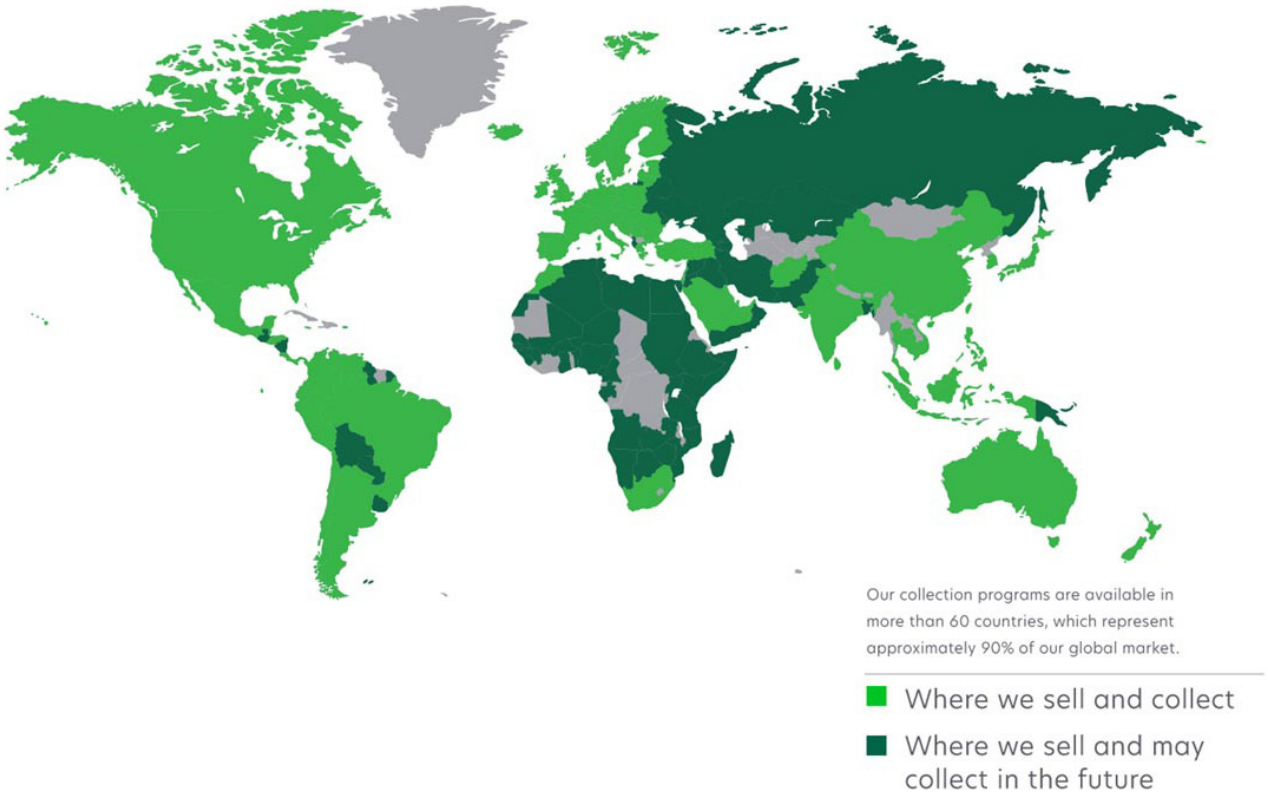
The LCCP facility complies with the highest industry standards and best practices for environmental responsibility by using a tracking and accountability system to manage all materials recovered. The LCCP plant is a Responsible Recycling (R2) certified facility that safely recycles and manages electronics based upon an accredited, third-party auditor. LCCP has achieved other certifications such as ISO 14001 for environmental management, OHSAS 18001 for Occupational Health and Safety and ISO 9001 for quality management. The 99,000 square-foot facility is also a Leadership in Energy & Environmental Design (LEED) Gold certified building.

Cartridge collection around the world

Each year, the LCCP prevents millions of Lexmark print cartridges from ending up in landfills. This program encourages our customers to return used print cartridges to Lexmark free of charge so that we can reuse and recycle them. Our collection programs are currently available in over 60 countries, which represent approximately 90 percent of our global market.



Watch how the LCCP process closes the loop.



Resource conservation through recycling and reuse
Lexmark is actively embracing the emerging concept of a circular economy—a restorative industrial system focused on maximizing the utility and value of products and materials while also eliminating waste. Our long-standing support for the circular economy is evident in Lexmark's founding membership in the European Remanufacturing Council (CER). The CER focuses on remanufacturing policy and encourages sustainability and remanufacturing initiatives.

Our pioneering LCCP provides a great example of remanufacturing through resource recirculation of pre-owned supplies. In addition to reducing landfill waste, the LCCP conserves natural resources through reuse and recycling. When handling used cartridges, we strive for the top levels of the standard environmental hierarchy. Landfill disposal and incineration are the least desirable options, while recycling and reuse produce the greatest sustainability benefit for the environment. Therefore, Lexmark follows a zero-landfill and zero-incineration policy by reusing or recycling cartridges returned from customers.

In 2018, LCCP collected 8,145 metric tons of returned cartridges from our customers. 97 percent or 7,861 metric tons of materials reclaimed from our customers' returned cartridges were reused or recycled. Energy was generated from 3 percent or 283 metric tons of toner waste collected in Brazil, Europe and Asia Pacific. Since 2004, Lexmark has redirected over 123,000 metric tons of material away from landfills using the LCCP.

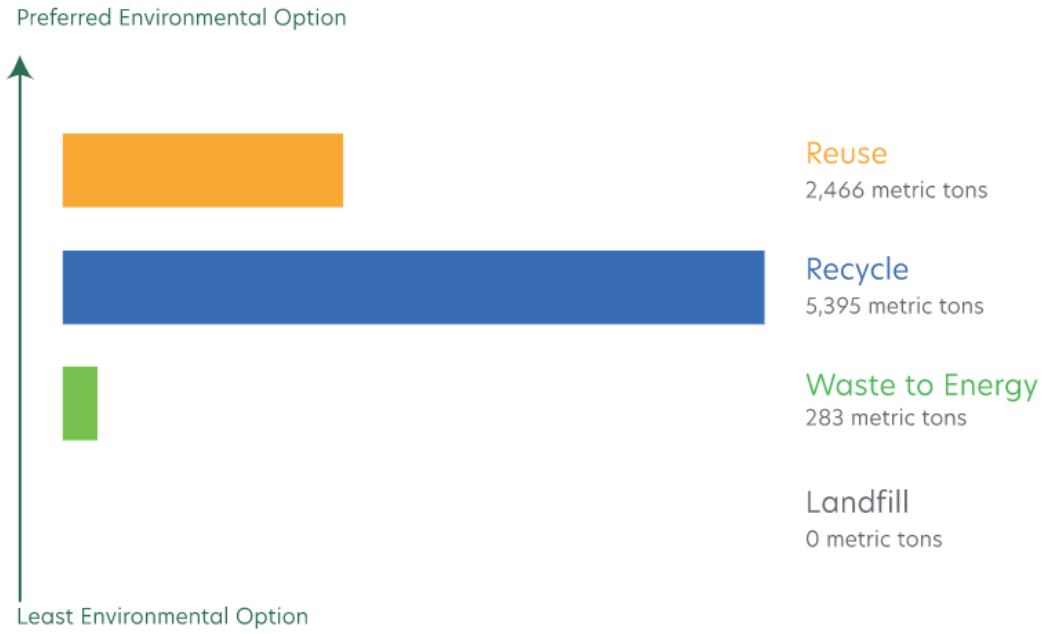
Since 1996, Lexmark has reused over 65 million pounds of recovered cartridge material by converting millions of used toner cartridges into Lexmark-certified reconditioned toner cartridges. The eligible cartridges are disassembled and cleaned, and then the critical components are replaced with genuine Lexmark parts. Finally, each reconditioned cartridge is tested to assure the same high quality output and reliable performance as a cartridge with all new components.

If a returned cartridge is not a good candidate for reconditioning, it is disassembled in such a way to maximize the materials recovered for use in secondary products. Examples of materials given a second life include toner as an asphalt additive to improve quality and performance, post-consumer recycled plastic integrated into new parts, and photoconductor imaging units recoated for reuse. In 2018, over 840,000 photoconductors from our returned cartridges were collected and sent to our facilities in Boulder, Colorado for recoating and reuse. An additional 230,000 photoconductors were recovered from the manufacturing line resulting in the reuse of 75 metric tons of aluminum.

In 2018, we recycled or reused nearly 8,000 metric tons of plastic, metals and packaging, and were able to materially recycle or reuse 100 percent of the reclaimed plastic. Conserving materials for reuse in our products means fewer raw materials to be mined or extracted, thus reducing the impact on the environment.

Click here for additional information on Lexmark's LCCP program. For information on cartridge collection in Europe for medium and large businesses click here.

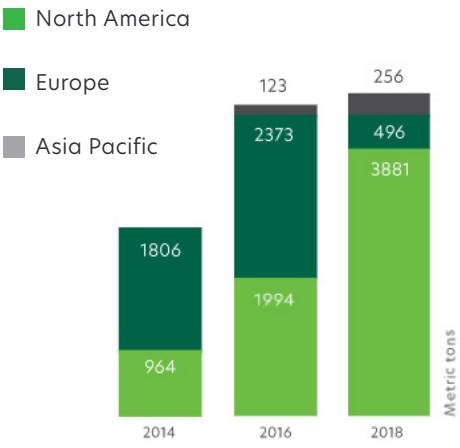
Reclaimed cartridge material disposal in 2018



Equipment collection

Lexmark offers our customers environmentally sound choices for disposal of their end-of-life products. Electronic waste, including printers that have reached the end of their usable lives, is recycled through our Lexmark Equipment Collection Program (LECP) by specialized firms with processes to meet state and legislative requirements. The firms we choose are committed to recycling devices in an environmentally and socially responsible manner.

End-of-life electronic product recycling



Lexmark partners with recyclers that offer a broad range of services and processing capabilities, are ISO 14001 certified (the environmental-management-system standard), and are certified R2 or e-Stewards.

The R2 (Responsible Recycling) Standard is a comprehensive global criteria for e-recyclers and requires responsible management of used computers and electronics. This standard is managed by Sustainable Electronics Recycling International (SERI). The e-Stewards Standard is a rigorous, internationally compliant certification from Basil Action Network (BAN) based on ISO 14001 that assures full conformance to a comprehensive suite of electronics recycling best practices. Both SERI and BAN are working to ensure the electronics recycling industry is environmentally sustainable. Our recycling partners are audited regularly to ensure that they continue to maintain the high level of service and regulatory compliance that we expect of our recycling partners.

Click here to view the R2 certificate.

Our recycling partners

The primary U.S. and European Lexmark recycling partner, Sims Recycling Solutions, is the world's largest electronics recycler and is R2 certified. Lexmark's recycling partner in Canada is Global Electric Electronic Processing (GEEP), an ISO 14001, ISO 9001, OHSAS 18001 and R2 certified recycler. GEEP works with Lexmark to recycle our consumer and corporate products and their packaging materials. GEEP provides comprehensive processing facilities for e-waste designed to effectively recover materials of electronic equipment.

Sims Recycling Solutions and Global Electronic Recycling (GER) handle our electronic waste from Mexico. GER is an ISO 9001, ISO 14001 and R2/RIOS™ Certified Electronics Recycler. Our recyclers processed more than 4,600 metric tons of electronic waste on behalf of Lexmark in the United States, Canada, Mexico, Europe and Asia Pacific in 2018.

The Lexmark service organization works with our recycling partners to reclaim parts that can be used to refurbish printers, which keeps the printers in service longer and reduces the need to recycle used hardware. Devices that are returned to Lexmark go through a process that assesses if they can be refurbished for reuse, and if not, they are harvested for parts that can be used in the refurbishment process.

Lexmark has additional programs in place to recycle printer packaging or other Lexmark hardware. Lexmark has established a shipping container reuse and recycle program with our primary electronic waste recycling partner. Additionally, wooden pallets are reused and recycled (damaged pallets are chipped and used as mulch), and certain types of Styrofoam are sent to an extruder for reuse.

Click here for additional information on Lexmark's LECP program.

Electronic waste recycling by location

United States

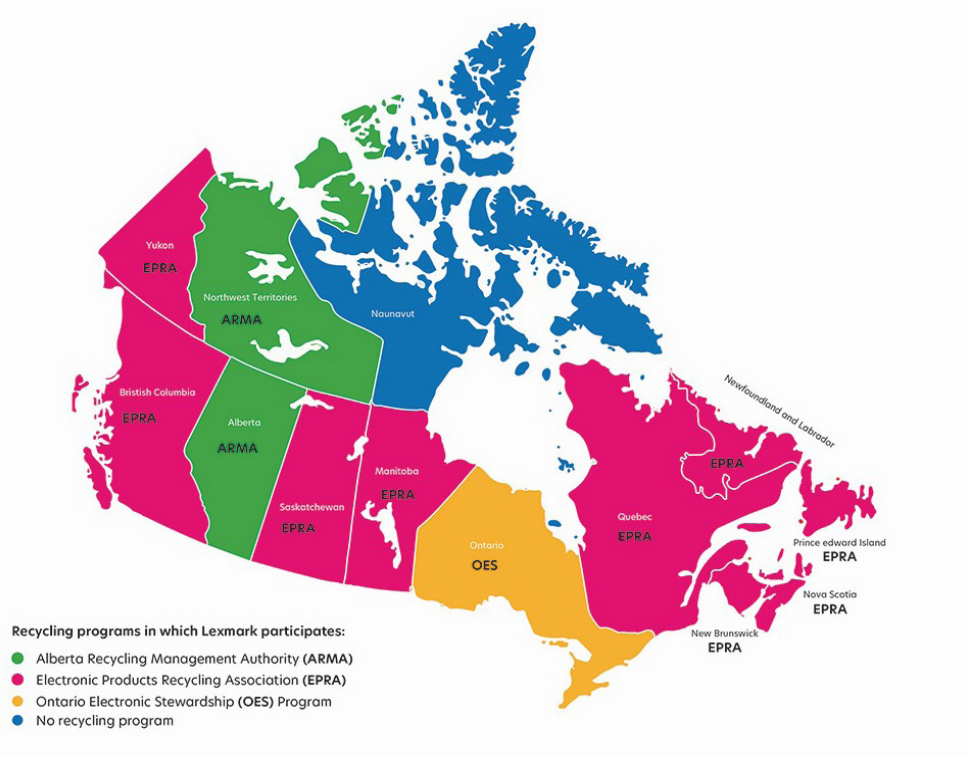
In the United States, we offer the LECP. Through this program, customers may return any end-of-life Lexmark branded products to us, and we recycle the equipment at no charge. For business customers who are in the process of installing a large fleet of new Lexmark products, Lexmark develops customized collection strategies. We work in partnership with certified electronics-disposal agencies to collect used devices, mark them for recycling, and arrange for them to be sent to the nearest recycling facility. Electronic waste legislation has been proposed in a number of states in the United States. There are 13 states and the District of Columbia with enacted extended producer responsibility (EPR) legislation that includes printers: Connecticut, Hawaii, Illinois, Maine, Michigan, Minnesota, New Jersey, New York, North Carolina, Oregon, South Carolina, Vermont and Wisconsin. While the details of the legislation vary greatly from state to state, the basic tenet is that the producers of electronic devices are required to collect and responsibly recycle covered electronic devices at the end of the devices' usable lives.

A Lexmark printer hardware packaging return program is also in place in the U.S. Packaging material from Lexmark hardware including service parts may be returned to Lexmark for recycling. Customers may use their new printer's packaging material to return their old Lexmark printer or they may return only the packaging material from their printer or hardware to Lexmark. For more details, click here.

Canada

Lexmark is a member of Electronic Product Stewardship Canada (EPSC), an organization dedicated to promoting and implementing sustainable solutions for end-of-life electronics. We participate in a number of government-sponsored and industry-supported recycling programs in Canada, which vary by province. All provinces require electronic manufacturers to pay a fee that is used to recycle electronic equipment in those respective provinces.

For customers that do not have a provincial recycling program, Lexmark offers product recycling through our Canadian Recycling Partner, GEEP. Click here for more information on printer recycling in Canada.



Europe

In many parts of Europe, our equipment take-back strategy is implemented through country-specific programs that are operated in accordance with the European Union (EU) Waste Electrical and Electronic Equipment (WEEE) Directive (2012/19/EU). Consumers in the EU can take their equipment to locally authorized collection centers or, in some cases, to local retailers. For EU business customers, Lexmark has established a fully compliant logistics system for transporting used products to the nearest storage and sorting facility, where the equipment is properly processed for recycling.

Click here to see more detailed LECP and WEEE compliance information.

Asia Pacific

The countries that make up Lexmark's Asia Pacific region have enacted regulations mandating electronic waste recycling that vary from country to country to maximize the proper disposal and recycling of electronic waste and to minimize the impact to the environment. A primary focus for Lexmark's Asia Pacific environmental work is to support the Australian national end-of-life electronic equipment and recycling program. Lexmark has joined a government approved service to offer customers an environmentally responsible choice for disposal of their end-of-life printers.

In this end-of-life program, all information technology manufacturers and importers are responsible for their shares of actual waste collected. Customers return their end-of-life electronic equipment to designated collection points from which the waste is taken to central consolidation and collection points for recycling by accredited recycling operators.

The introduction of electronic waste laws in India has resulted in Lexmark working closely with the Indian Government to channel electronic waste from end-of-life products to authorized recyclers. Arrangements with authorized recyclers ensure the responsible disposal of electronic equipment to protect the environment and surrounding communities.

Click here for more information on equipment recycling in Australia.

Latin America

The infrastructure for recycling electronic waste in the regions of Central and South America is emerging as national measures are taken to ensure proper disposal of end-of-life electronic equipment. Many countries and local governments have enacted forms of extended producer responsibility legislation. Lexmark is monitoring Latin America's electronic waste legislation and is working with our recycling partners to set up regional recycling centers to meet these new requirements.

Product Emissions

Noise emissions (acoustics)
Acoustics is the science of sound and vibration. Designing products for the environment includes consideration for sounds in the workplace. Lexmark's environmental design is guided by the Blue Angel standard, and devices meet the requirements of DE-UZ 205.

Lexmark printers offer an ideal combination of efficient performance and quiet operation to enhance comfort in the workplace and to increase productivity. Quiet Mode, featured on many Lexmark products, provides customers the ability to adjust the sound level of their printer to meet personal preferences.

Lexmark product engineers assess our equipment acoustics and reduce unwanted noise while selectively incorporating helpful sounds. Our devices strive to meet the auditory requirements of the 2017 Revised Section 508 of the US Rehabilitation Act of 1973, as amended (29 U.S.C. 794d). To further enhance the accessibility of our offerings, Lexmark created the Voice Guidance solution to provide auditory output. Voice Guidance lets individuals with varying levels of ability use a keyboard to control select products, and receive auditory feedback. The voice output is amplified to at least 65 dB and is reset automatically after every use to the default volume level. Users can hear voice prompts through the device's built-in speakers or through their own headset.

Our ISO 17025 accredited test laboratory allows Lexmark to perform official tests for Blue Angel certification in-house and test innovative solutions to help reduce unwanted noise and improve the accessibility of our devices. Lab personnel are proficient in test methods for noise emissions under ISO 779, ISO 532B Zwicker loudness, ISO 9296 declaration and the Blue Angel ecolabel.

Chemical emissions
Laser printers emit low levels of volatile organic compounds (VOCs) due to the heating of internal components, and they produce small amounts of dust (mostly paper remnants) as paper moves through the printer. Emissions in the workplace are subject to occupational exposure restrictions established by individual countries for specific chemicals.

Lexmark printers are tested throughout the development cycle according to the protocols of the internationally recognized Blue Angel ecolabel. Emission results for total volatile organic compounds, benzene, styrene, ozone, dust and ultrafine particles are compared to the stringent Blue Angel limits set forth in the standard, and summary reports of Lexmark product emissions are available to customers upon request.

Lexmark owns and operates a Blue Angel certified and ISO 17025 accredited chemical emission test laboratory. This allows us to perform in-house tests for Blue Angel certification and EPEAT. We also conduct additional tests to gain a better understanding of emissions sources and solutions for mitigation.

Learn more here about Blue Angel and Blue Angel-certified Lexmark products.

Visit ECMA 370/The Eco Declaration for product declarations which include chemical emissions and acoustics summaries.

Product Energy Use

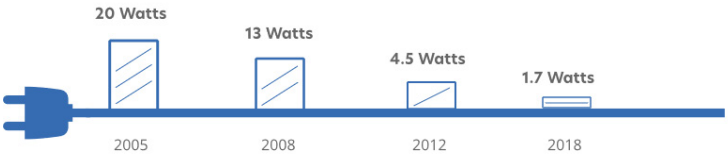
The demand for products that consume less energy, and ultimately result in lower emissions, is ever increasing. Our customers wish to lower their impact on the environment while also reducing operating energy costs. Lexmark invests in developing energy efficient products to not only fulfill our customer's expectations, but also extend the impact of our environmental efforts far beyond what we can do within our walls.

External standards and specifications help Lexmark drive efficient designs. Product families announced 2012 or later meet the energy requirements of ENERGY STAR V2.0. Lexmark is transitioning to the ENERGY STAR V3.0 specification that will take effect in October 2019. Lexmark targets low power consumption in sleep mode. Products announced after 2012 have a power consumption of 4 watts or less, many having less than 2 watts in response to the 2019 EU requirements (European Union EC 801/2013). To further save energy, products either enable Hibernate mode or auto-off when not in use for an extended period.

Product Life Cycle Assessments (LCAs) confirm that improvements in energy efficiency can have a considerable effect on the use phase. For example, the products announced in 2018 show up to a 50 percent reduction in average Typical Electricity Consumption (TEC) value per print speed when compared to their predecessors.

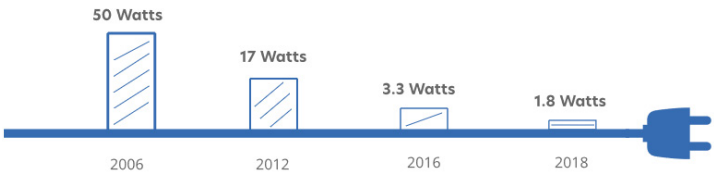
Power savings evolution: sleep power

Monochrome laser printers



A 91.5 percent reduction in sleep power since 2005!

Color laser multifunction products



A 96.4 percent reduction in sleep power since 2005!

Packaging

Packaging designed with the environment in mind
We design our packaging with the environment in mind.
For every product, the Lexmark packaging team carefully considers the following environmental concerns:

- The amount of packaging used
- The effects of packaging on shipping
- The types of materials used
- The recyclability of packaging materials

During the design phase, Lexmark engineers determine the shipping requirements of each product. They consider the overall size of the product, its shape, and the included accessories. The overall ruggedness of the printer is another significant factor: the more robust the printer is, the less packaging it requires. Less packaging lowers costs, reduces materials disposed in local landfills and ensures that goods are transported in the most efficient manner. These efficiencies result in energy and natural resource savings, and fewer greenhouse emissions. In 2018, package design revisions of the Lexmark MS/MX310, 410, 510 and 610 series toner cartridges resulted in a savings of over 240 metric tons of packaging material. The new design uses 40 percent less material, improves container efficiency during shipping and yielded a cost savings of over $900,000.

At Lexmark, we apply this eco-logic not only to printers but also to supplies and service parts. Our packaging materials are derived from both renewable and nonrenewable sources. Those derived from renewable sources include corrugated cardboard boxes, molded pulp cushions and wooden pallets. Those derived from nonrenewable sources include cushions made from expanded polystyrene (EPS) or expanded polyethylene (EPE); polyethylene bags; fasteners such as staples, twist ties and tape; plastic strapping and plastic stretch wrap.

Lexmark catalogs the amount of packaging material used with every product to ensure that designs adhere to a minimalist approach and remain highly recyclable.

Recycled paper becomes product packaging
Protecting our products with re-designed packaging allows us to reuse material and minimize waste. Lexmark supplies-packaging engineers designed a process to create molded pulp cushions composed of used paper. Cost-effective and practical, these packaging cushions not only provide excellent protection for our cartridges during shipping but can also be recycled. They are made from 100 percent post-consumer waste.

For our efforts on this project, Lexmark was recognized as a Manufacturing Leadership 100 Award winner (ML 100) in the Sustainability Category. Presented by the Manufacturing Leadership Council, the ML100 Awards honor businesses that shape the future of global manufacturing.

Minimum recycled content of packaging materials:

Corrugated fibreboard
35 percent

Molded pulp
100 percent

Supplies packaging with reduced carbon footprint
Lexmark packaging engineers design our supplies cartons to reduce their environmental impact while maintaining their structural integrity. The durability of our supplies packaging is put to the test by being shipped twice–once to ensure that the product is safely delivered to the customer; the second to ensure the product is securely packaged in its return trip to Lexmark.

Lexmark makes it easy for customers to participate in sustainable practices by using our free Lexmark Cartridge Collection Program to return cartridges and packaging. Lexmark also offers recycling of printer packaging. For more information about the Lexmark Equipment Collection Program, click here.

Watch how Lexmark recycles waste paper into pulp that's molded into product packaging.

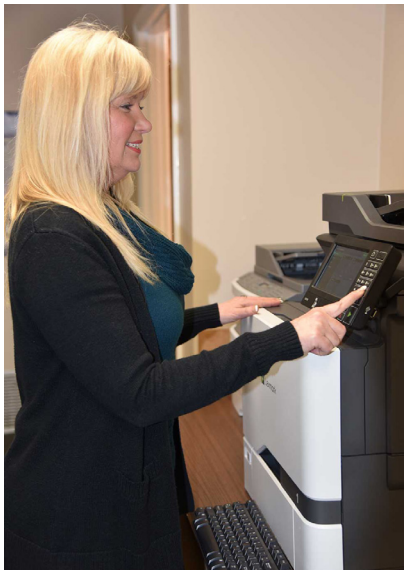
Accessibility Solutions

At Lexmark, we want to help our users be more productive. We are therefore committed to developing technologies that work to eliminate physical barriers to workplace success, making common tasks like printing or scanning a document accessible to everyone. We incorporate features that make our products more intuitive, less physically demanding, and easier to use for people of all abilities. Designing for accessibility not only helps individuals with physical limitations be fully productive and successful in their careers, but it also helps address the broader issue of unemployment in the disabled community.

One example of our commitment to accessible design is the variety of features offered by the Lexmark CX825dte. It's one of several Lexmark products that offer individuals with vision, mobility or dexterity impairments a control panel that tilts from horizontal to vertical, paper trays that can be closed with less than five pounds of force, built-in voice guidance navigation with a headphone jack for private listening and raised keypad icons. With the Lexmark CX825dte, all workers can conveniently copy, fax, email and scan.

Accessibility innovation at Lexmark is driven by the Lexmark Accessibility Council. The council includes product designers, software engineers, usability experts, solutions designers and publication writers. To determine the best path for future generations of Lexmark products, the council monitors legislation and regulations, conducts research with customers and users, and consults with accessibility experts.

Equipped with data from various perspectives, the council works with the Lexmark development community to drive product design enhancements in current and future products, making them more accessible for all Lexmark solutions users. By applying the principles of universal design to our solutions, the Accessibility Council helps deliver accessible imaging devices and assistive software solutions so that all Lexmark customers can make the most of their unique skills and abilities in the workplace.



Lexmark incorporates features that make our products easier to use for people of all abilities. Discover the accessibility features included in many Lexmark products.

Accessibility features and solutions

Tactilely discernible numpad
Raised and outlined buttons with tactile imprints help orient visually impaired users.

On-device guidance
Large, high-contrast icons, focus cursor and voice prompts guide users to perform common tasks using swipe navigation.

Adjustable display
Users can tilt the display to optimize the viewing angle.

Lexmark Accessibility Solution
Users can create job tickets with their computer or smartphone while using assistive technology, such as the JAWS® screen reader. When they enter a shortcut on the printer's accessible numpad, their job is released.

Accessible height and reach
Applying universal design principles helps accommodate the height, reach and force needs of all users.

Magnification
Users with limited vision can magnify the user interface display by 200%.

Paper tray adjustments
Users can adjust paper size in the automatic document feeder and paper trays with a fingertip.

Headphone jack and volume controls
Workers can listen privately to voice prompts using the headphone jack.

Lexmark Embedded Solutions Framework (eSF) Application Platform
A variety of solutions are supported by voice guidance, including Scan to Network, Print Release and Forms and Favorites.

Expanded interaction options
Users can activate the touch screen with a variety of choices, including a stylus or finger.

Web content accessibility

Lexmark web page designs are guided by WCAG 2.1. Lexmark uses elements of these guidelines to create web pages that are more accessible to visitors with differing abilities.

Compatibility with assistive technology
Lexmark includes design features that improve website accessibility for visitors who use screen-reader and screen-magnifier software, such as alternative text for images and graphs, list-oriented navigation and header tags.

Lexmark strives to create a positive experience for all users, regardless of the device used to access our site. For this reason, our site has been designed to ensure that all devices provide a similar user experience. We aim to make visiting our site a productive experience for all individuals.

To ensure that our products are as screen-reader friendly as other Internet-enabled devices, designs for our new web-based applications are informed by WAI-ARIA guidelines and attributes. In addition, we are working to make sure that our applications are available to visitors who may have disabled JavaScript.

Customer feedback

User input
The Lexmark Accessibility Council seeks input from customers with disabilities to better understand their unique requirements. We visit our customers to discuss how our printing and software solutions can increase productivity in the workplace. We also meet with them to see how they currently use Lexmark solutions and to hear their ideas and suggestions for future solutions applications. For example, Lexmark incorporated customer feedback into our latest smart card authentication solution and into our control panels to improve tactility. User input helps us optimize our accessibility solutions for continued effectiveness in the workplace.

Standards and regulations
We are guided by current and developing standards and regulations that prescribe best practices in the development of office equipment, software solutions and communications. Original Section 508 Standards (2000) and Revised Section 508 Standards (2017) of the United States Rehabilitation Act, European Standard EN301549, and Web Content Accessibility Guidelines (W3C WCAG 2.1 AA) are examples of the many national and international standards and regulations that we apply to our designs.

Consultation with experts
The Lexmark Accessibility Council has established external relationships with accessible design experts and accessibility analysts, such as the American Printing House for the Blind (APH) and Bluegrass Council of the Blind (BCB). We draw on their insights to improve the design of future products and solutions.

Lexmark regularly participates in accessibility conferences, seminars and share sessions. We send representatives to the annual International Technology and Persons with Disabilities Conference sponsored by California State University, Northridge (CSUN), and participate in monthly webinars sponsored by the U.S. Access Board.

Accessibility education

To increase awareness of accessibility challenges and inspire innovation, we host educational sessions on the topic of accessibility. We also use online, internal collaboration tools to encourage informal discussion and problem solving.

Educating solution designers
The Accessibility Council hosts training meetings and webinars to inform Lexmark solution designers about the needs of the disabled community. These meetings may include information on design requirements, methods, and national or international legal design mandates, and involve Lexmark's global development sites in Lexington, Kentucky; Cebu, Philippines; and Kolkata, India. The council also relays the customer information that it collects directly to solution designers to enhance accessibility, and hosts share sessions with development teams to demonstrate how their efforts directly impact accessibility improvements in Lexmark's products.

Educating the greater Lexmark community
Lexmark hosts share sessions on accessibility topics to educate the greater Lexmark community about the wants and needs of our customers with disabilities. The council works to increase awareness and collaboration among the various development test functions, Quality Assurance organization, the Usability team and Lexmark Technical Support representatives. Lexmark is committed to ensuring that all users can easily learn to use our products in order to achieve their goals with a high level of satisfaction.

Educating the sales force
The Lexmark Accessibility Council educates the Lexmark sales force about accessibility issues so that they can then work with our customers' purchasing and IT personnel to find the best solutions for their workforces. This education includes participating in conference calls and hosting webinars for sales teams.

Educational material
The Lexmark Accessibility Council regularly refreshes and creates training materials and presentations targeted for various groups including internal sales, development and technical support teams, and develops educational material for external customers. This information is maintained and made available on the company's internal network site.

To aid our customers, we publish our product User's Guides in accessible HTML format. We also publish an Accessibility Guide providing important product accessibility information in a consolidated, accessible document. In addition, customers with disabilities can access Technical Support via phone, chat and email. For questions regarding Lexmark accessibility solutions, please contact accessibility@lexmark.com.

Software & Solutions

Lexmark develops software and solutions that improve business processes and benefit the environment by reducing paper consumption and the number of unique electronic devices. The following table lists some of these offerings as well as the key environmental benefit they provide.

To see Lexmark's comprehensive software and solutions, please click here.

SOFTWARE & SOLUTIONS

Lexmark Offer	Environmental Benefit	Description
Distributed Intelligent Capture	Reduce paper consumption	Distributed Intelligent Capture transforms the time-consuming and error-prone task of manually processing all types of documents into a fast, effective, automated workflow, enabling digital document usage throughout a process.
Downtime Assistant	Device consolidation	Ensure 24/7 access to critical document and reports even if your IT system fails or the network goes down. As documents are updated throughout the day, they are streamed to your printer or MFP and stored on the secure hard disk. *Hard disk required.
Eco Settings	Reduce paper consumption	Set copy defaults such as duplex printing, paper saver and darkness setting to reduce paper and toner usage and optimize energy efficiency.
Capture apps	Reduce paper consumption	Lexmark provides a high-speed "on-ramp" to scan paper into document workflow and the leading document management systems.
Forms & Favorites	Reduce paper consumption	Create bookmarks to image-based forms that reside on a server anywhere on the Internet and print the images on demand at any time.
GHS Label Printing	Reduce paper (label stock) consumption / Ensures compliance with GHS regulations	Our GHS Label Printing solution enables manufacturers to produce color-printed labels for transporting and using hazardous materials. With color laser printers from Lexmark, time is saved and waste is reduced by on demand printing, only needed labels.

SOFTWARE & SOLUTIONS

Lexmark Offer	Environmental Benefit	Description
In-Store Capture	Energy savings	Lexmark In-Store Capture's technology designed for retailers and Lexmark's smart MFP platform streamlines paper-based processes, driving greater efficiency and improving security while reducing energy usage.
Patient Communication	Reduce paper consumption	Lexmark Patient Communication for Healthcare eliminates the need for preprinted stock, clinicians can boost the accuracy of information and patients can easily read, understand and follow health-impacting documents.
Print and Digital Signage	Reduce paper consumption	Lexmark Print and Digital Signage streamlines the signing process. Stores print everything they need and nothing they don't, in color and in optimized execution order, this cuts costs by eliminating waste and reduces the time it takes to hang and change signs.
Print Management	Reduce paper consumption	As many as 40% of pages are printed unnecessarily due to no visibility and control of printing and copying behavior. Lexmark Print Management eliminates excess printing, allows for better device consolidation and provides user level reporting and controls.
RFID Laser Printing	Device consolidation	RFID Laser Printing for Manufacturing enables consolidated printing and programming to a single Lexmark multifunction device, reducing confusion and increasing the impact of RFID technology.
Scan Center	Reduce paper consumption	Lexmark Scan Center consolidates all scan-related functions into one sophisticated yet easy-to-use application. This powerful tool enables users to review, enhance and index images, then route to multiple destinations using an intuitive, touch screen interface.
Smart Document Capture for Banking	Reduce paper consumption	Banks and financial institutions can achieve time-savings of up to 80% and maintain high data quality by automating the onboarding process while minimizing manual paper handling and distribution.
Smart Document Capture for Government	Reduce paper consumption	Government agencies can achieve time-savings of up to 80% and maintain high data quality by automating core government processes such as application case management and recertification while minimizing manual paper handling and distribution.

SOFTWARE & SOLUTIONS

Lexmark Offer	Environmental Benefit	Description
Smart Document Capture for Insurance	Reduce paper consumption	Insurance institutions can achieve time-savings of up to 80% and maintain high data quality by automating core insurance processes such as new application policyholder maintenance and claims while minimizing manual paper handling and distribution.
Scan to Network Folder	Reduce paper consumption	Capture an image of a printed document and route the image to a predefined personal or public shared network folder.
Supply Chain Document Optimization	Device consolidation	Lexmark's Supply Chain Document Optimization solutions for manufacturing helps gain visibility, consolidate devices, raise productivity, lower costs and improve compliance.
Tamper Resistant Prescription Printing	Reduce paper consumption	Lexmark's Tamper Resistant Prescription Printing enables printing prescriptions on demand using plain paper. This eliminates expensive and wasteful preprinted forms which must be scrapped with regulation changes.
Testing Assistant	Reduce paper consumption	Lexmark's Testing Assistant solution saves time, reduces costs and supports student achievement. Available from virtually any web browser, Testing Assistant leverages the power of Lexmark multifunction printers (MFPs) to create test answer sheets, scan and grade completed tests, and export results to virtually any learning management system.
Training and Certification	Reduce paper consumption	The Lexmark Training and Certification solution for manufacturing provides easy access to training materials, tests and pre-populated employee rosters printed directly from a Lexmark multi-function product (MFP). Completed tests are scanned and automatically graded with results linked to the employee record for instant and accurate recording of all employee-training activities.

Our People & Partners

Lexmark strives to be the kind of company that communities welcome; the kind of company that people want to work for because we are a company that cares. Volunteerism, charitable giving, education and commitment to diversity are part of the Lexmark culture.

This genuine sense of connection makes us stronger as a business and empowers employees, while supporting the areas in which we live.

We are pleased to highlight our efforts to have a positive social impact through our relationships with our employees, our customers and the communities in which we live and work.

Global Citizenship

Lexmark strives to be a good corporate citizen in the communities where our employees live and work. We contribute money, equipment, facilities, loaned talent, technical assistance and volunteer support to organizations on a local, national and global scale.

Volunteerism is at the core of Lexmark. Our people are passionate about helping others and the environment.

Lexmark empowers employees to give their time, talent and resources through programs such as Volunteer Time Off and flexible work policies. Lexmark presents an annual Volunteer of the Year award to an employee who demonstrates excellence in volunteerism. The recipient is selected by the Lexmark Global "Living the Vision" Committee from a pool of nominees across all Lexmark locations. This award is designed to recognize the individual volunteer efforts of our employees and help support the causes that are most important to them.

Volunteerism

Lexmark supports many organizations globally. From company-wide initiatives to individual and team contributions, Lexmark makes a significant impact in our communities.

Volunteerism in Europe, Middle East and Africa

Volunteerism in Latin America

Volunteerism in North America

Volunteerism in Asia Pacific

United Way

Lexmark locations around the globe support United Way by donating funds, employee skills, volunteer and personal time, use of company facilities, communications and promotion. Employees are excited about the opportunity to help and often find enthusiastic ways to encourage others to donate to the cause—activities ranging from care day projects to benefit the local United Way organizations to festivals and sports tournaments raising funds for these organizations.

Campaign highlights

Boulder, CO

Through Foothills United Way's Day of Caring, about 40 employees in Boulder, Colorado, supported the Cal-Wood Education Center by painting, mending fences and resurfacing walkways. Cal-Wood has provided environmental education to school groups, youth and their families since 1982.

Lexington, KY

Lexmark employees in Lexington, KY, participated in Care Day projects for local United Way of the Bluegrass organizations, donating many hours of volunteer service. Through these projects, volunteers provided services such as gleaning, grounds work/ maintenance, building refresh and organizational projects.

Juarez, Mexico

Employees in Juarez, Mexico, organized multiple events to help local schools, nursing homes and shelters, bringing joy and meeting the needs of the local community groups supported.

Ontario, Canada

Lexmark Canada hosted their second Charity Hockey Tournament in 2018. This event raised nearly $11,000 for United Way Toronto & York Region. This event included special guests, a silent auction, raffle for door prizes, children's activities, free giveaways at the door and a 50/50 drawing.

Employees in Boulder, Colorado, supported the Cal-Wood Education Center by painting, mending fences and resurfacing walkways. Watch here.

Building Homes for the Community

Lexmark is a longtime supporter of Lexington Habitat for Humanity, providing sponsorship since 1998. Lexmark has served more than 20 families, investing over $750,000 and over 30,000 volunteer hours to build 23 homes. In 2018, Lexmark employees and retirees contributed approximately 650 hours to help build the Lexmark sponsored home.

Since 2006, Lexmark Cebu has partnered with Gawad Kalinga, a Philippine organization with a mission to end poverty. As part of this partnership, Lexmark and our employees have donated time and money to construct homes and meet other community needs in the Lexmark Gawad Kalinga-Miglanilla village. In 2018, Lexmark volunteers completed construction of seven homes, bringing the total number of homes built to 100. Additionally, volunteers helped construct a playground and basketball court.

Lexington Habitat for Humanity®

90%
of employees say Lexmark is socially responsible in the community.

Environment

From tree and mangrove plantings to trash collection and cleanup efforts, Lexmark employees invest time to help the environment in the communities where we live and beyond, as well as raise awareness for environmental stewardship.

STEM education support

Lexmark's corporate giving continues to focus on science, technology, engineering and mathematics (STEM) education. STEM initiatives such as science fairs, site lab tours, Women in Engineering, mentorship, tutoring programs and partnerships with local schools and universities are some of the many ways Lexmark supports STEM education. Lexmark facilities and employee talent are often used for these educational events, providing increased opportunities for the local community to participate.

Lexmark and the University of Kentucky partnered together to establish the UK/Lexmark Center for Innovation in Math and Science Education, a place to provide professional development for Kentucky science and math teachers, a lab for fieldwork-based ecology education and a shared meeting room for community outreach. Lexmark has been a longtime supporter of UK's annual Engineers Day, or E-Day, serving as title sponsor since 2017.

The Lexington Youth Science Summit, a popular Kentucky Science Center event, is hosted by Lexmark. Lexmark and other area businesses provide hands-on demonstrations and mentoring for middle and high school students giving them an opportunity to learn more about different areas of science. Students can not only see, but apply real-life science applications at this event.

Contributions

Lexmark must adhere to strict guidelines when providing financial support to help meet community needs. Designated funds make a difference to the organizations receiving these funds and to the individuals receiving services. Lexmark provided financial support in partnership with the American Red Cross for disaster relief in response to Hurricane Florence and Typhoon Mangkhut.

Learn more about Lexmark's Corporate Giving Program.
See also, Lexmark Fast Facts.

In-kind gifts

Lexmark makes numerous in-kind contributions to nonprofit organizations. In addition to printers and gifts associated with printing, employees collect items for numerous other needs. These collections are not tracked for value purposes but are meaningful contributions for the community. School supplies, food, clothing, health supplies and trees are some of the many items Lexmark has donated.

La Fondation MIRA

Since 2008, Lexmark Canada has partnered with La Fondation Mira to fulfill its mission: "Whatever is available to all should also be accessible to the handicapped." Mira is a nonprofit organization that offers free guide dogs and service dogs to people living with visual impairments, physical disabilities and to youth with Autism Spectrum Disorder (ASD). All of Mira's services are made available free of charge.

In 2018, Lexmark's partnership with La Fondation Mira resulted in the training and provision of 25 guide dogs to enable increased accessibility for individuals with visual or mobility impairments.

"With our focus on educational excellence—particularly in the areas of science, technology, engineering and math—E-Day is a great way for us to show our support, share our passion for engineering, and hopefully inspire the next generation of engineers."

—Allen Waugerman
Lexmark President and
Chief Executive Officer

Commitment to Employees

Lexmark is committed to promoting a diverse and inclusive business culture where employees can reach their full potential. We strive to show continuous progress in the hiring and promotion of people with diverse thoughts, experiences and backgrounds, as well as underrepresented groups such as women and minorities.

Lexmark monitors its workforce breakdown based on gender and race or ethnicity in accordance with International Labour Organization (ILO) convention No. 111 and No. 100. These include analyses of underrepresented groups in management positions and remuneration.

Employee engagement

Employee engagement is an important part of Lexmark's community and culture. Two-way conversations are encouraged, and Lexmark's commitment to communication is reflected in the Open Door Program, which enables employees to discuss issues and concerns with multiple levels of management. Employees have many opportunities to be engaged in corporate social responsibility. Recycling and conserving environmental resources is common practice for employees at all of our Lexmark locations. Volunteer activities are frequently available for participation and are shared through internal social media. In addition, Diversity Network groups and social groups sponsor activities that welcome all employees to join in. Lexmark also has a team of environmental advocates that are focused on promoting sustainability activities and education. In the U.S., a tool is available for employees to track health, wellness and sustainability tasks. Many of these tasks are set up in the form of fun competitions and personal goals, and have monetary rewards.

Employee feedback

Twice per year, Lexmark employees are asked to respond to a worldwide employee survey which is focused on engagement in areas such as teamwork, career development, innovation, and manager effectiveness. Facilities in each geography support initiatives that are meaningful to their loyal employees. For example, in Juarez, Mexico, the leadership team proactively involved employees in their strategy to be the employer of choice in the city. Based on the feedback they received, a cross-functional team representing all areas of the site made improvements to employee development and work-life balance.

Employee development

Lexmark encourages professional and personal growth for all employees. We support continued education to help our employees become more effective in their current positions and develop skill sets for future positions.

Development plans are utilized to identify opportunities and highlight career goals, interests and strengths. Employees are encouraged to update their career goals and development plans in preparation for conversations with their managers on development and performance. All worldwide employees are directed to work with their managers to create performance

93%
of employees say they are treated with respect regardless of their job.

92%
of employees say their manager holds them accountable for results they are expected to achieve.

91%
of employees say that people on their team support each other.

objectives that support goals on personal, department, business area, and company levels.

Employees are also encouraged to recruit a mentor who is willing to provide guidance and support either informally or through Lexmark's formal program.

Continuing education opportunities include a tuition reimbursement program for external courses and degrees, the requirements and benefits for which vary by Lexmark location. Funding for external training programs is provided to develop employees' skills, knowledge and abilities. Retirement planning assistance is available through online and on-site workshops offered by our 401(k) partner.

Lexmark offers a Technical Rotation Program in order to recruit and hire top, diverse, entry-level talent and expose them to various parts of the business while learning technical, business and leadership skills.

In-house learning opportunities include extensive training in technical and business skills, delivered primarily through resources in various business areas. Learning occurs through instructor-led courses as well as an extensive library of virtual classes, which are available at any time through Lexmark's worldwide online learning platform. Leadership training, onboarding and company-wide development programs are also offered. All employees are required to complete the Code of Conduct and IT Security programs each year. Numerous courses are available globally to help employees learn more about our business, better understand one another, and work more cohesively in an international environment.

Benefits and compensation

Lexmark and our subsidiaries around the world offer benefit plans that are very competitive in each of the countries in which we operate. Plans are benchmarked frequently to ensure that compensation and salary levels remain competitive, enabling us to attract and retain quality employees in each region.

Lexmark is continually evaluating how we can better support the needs of our employees and their families. Our employees' feedback gives us insight into how we can help add balance to their busy lives and make Lexmark an even better place to work. Part-time employees in the United States are eligible for the same benefits (some on a prorated basis) as full-time regular employees. Lexmark's competitive benefits program provides employees with the opportunity to ensure the wellness of their families, and create a positive working environment.

Every geography provides for variable health coverage, time off, retirement savings, and more in compliance with local laws and regulations. Benefit packages are available to full-time and part-time employees based on the location.

Healthcare is also a priority at Lexmark. Each geography strives to find ways to help employees succeed at being the healthiest that they can be. The locations in Cebu, Philippines; Juarez, Mexico; Lexington, Kentucky and Shenzhen, China, have onsite medical facilities where employees can get healthcare exams conveniently during the workday. Many facilities offer their employees recreational areas or sports leagues where they can participate in friendly challenges and competitions that promote health and fitness. Typical benefits include health insurance, life and accidental insurance, and dental and vision insurance. Employee profit sharing is available in geographies where it is mandated by law.

Across the globe, Lexmark supports employee family life and offers paid parental time off options to both women and men in addition to flextime, which continues to aid new parents. Flexible schedules, accommodating Mothers Rooms, the options to work remotely (where applicable) and on-site or nearby child care let parents have positive work experiences.

U.S. benefits

In the U.S., benefit offerings include employee spouses, domestic partners and dependents. Lexmark offers transgender benefits as well as support and guidelines for transitioning employees. Flexible spending accounts for both health care and childcare are available. Assistance for adoption is provided. An interactive wellness tool is also available for U.S. employees and their spouses or domestic partners providing a way to join challenges and track fitness activities to promote physical, mental and financial wellness. This program includes incentive dollars when employees meet their health, wellness and sustainability goals. In addition, Geriatric Care Management Services are offered in the U. S. benefits.

The Lexington, Kentucky, location's health and wellness center offers health coaching, allergy injection programs, physical therapy, and wellness and sick visits. The Lexington site also has sports courts for their employees and offers group exercise classes. A subsidized childcare center is also located on-site in a Leadership in Energy & Environmental Design (LEED) Gold certified facility. The environmentally beneficial features that earned this certification are used as an educational experience for the children. The children learn about water and energy conservation, local harvest and material reuse, and recycling.

Lexmark is focused on providing ways for employees to maintain a healthy work-life balance. Flexible work hours for most jobs allow employees to enjoy their lives and take care of personal business while optimizing work performance and productivity. Employees have paid time off for volunteering and holidays and vacation. In the U.S., an unlimited vacation policy allows employees to take time off when needed. This empowers employees to make decisions that are best for themselves, their families and the company. Employees have open communication with their management and the time is not tracked. This applies to all U.S. employees other than those in California, who continue under the current California Vacation Program due to considerations under California state law.

Equal pay

Lexmark's presence has positive impacts on the economics that surround our global locations. We provide competitive employee compensation and hire the majority of our employees from surrounding communities.

Salaries vary at Lexmark, depending upon the location of employment, education level, job function and a number of other factors. Lexmark is committed to equal pay for work of equal value. This commitment includes equal remuneration for male and female workers. In support of this commitment, we contract third-party agencies to conduct remuneration studies, and we conduct other studies internally. For example, in the U.S. a third party performs an analysis to ensure pay equity based on demographics.

A significant portion of Lexmark employees including those in the U.S., Mexico and the Philippines-work in locations that have minimum wage laws. Lexmark is committed to rewarding our employees for their hard work. Compensation plans are frequently benchmarked to ensure that we remain competitive. Moreover, providing above-average employee compensation has a favorable economic impact on the markets in which we do business.

2018
Working Mother
100 Best Companies

Fatherly
50 BEST
PLACES TO WORK
FOR NEW DADS

2018 Forbes
Best Midsize
Employers

Human Rights

Lexmark's commitment to human rights Lexmark's commitment to human rights is outlined in our Global Human Rights Policy and in the Lexmark Code of Business Conduct. These policies address nondiscrimination, workplace safety, child labor, forced labor and human trafficking, working hours and minimum ages, and freedom of association and collective bargaining. Lexmark is committed to providing a work environment free from harassment or discrimination based on race, color, sexual orientation, gender identity, national origin, age, disability, veteran status, or for any other unlawful violation. This policy is driven by our respect for the dignity of the individual and our commitment to treating all persons equitably. We investigate all credible complaints of discrimination brought to the attention of management in an expedient and non-retaliatory manner. Any employee who is found to have engaged in harassment or discrimination according to the terms of this policy, or to have misused his position of authority in this regard, is subject to immediate disciplinary measures, up to and including dismissal. Lexmark is committed to public reporting; however, due to reasons of individual privacy and legal limitations, Lexmark cannot disclose information about specific cases. Actions taken in response to incidents include the review of the incident as well as the development and implementation of remedial plans.

Lexmark upholds the human rights of our employees and treats them with respect as understood by the international community. Lexmark closely monitors our operations to ensure that our company complies with international regulations. We have never been cited for any human rights violations, including the rights of indigenous employees or communities near existing operations that are likely to be affected by planned or proposed future operations. Lexmark maintains a good reputation worldwide by ensuring that our practices positively impact the communities where we live and work. Fully 100 percent of our security personnel, including contractors and third-party organizations providing security services, are trained in the Lexmark's policies and procedures for human rights issues and their application to security. Employees are trained on policies and procedures that prepare them to address human rights in the course of their daily work. An estimated 6,000 hours were devoted to training global employees on human rights issues, accounting for 99 percent of the global workforce.

Lexmark respects the conventions of the International Labour Organization (ILO), which promote workers' rights, fair-employment opportunities, and open channels of communication among employees. Lexmark honors its employees' free choices and complies with all state and federal workplace laws and guidelines, including those associated with labor-organizing activities. Works councils are established at some Lexmark European locations that require employers to provide company information for review and to engage in worker consultation on certain company decisions. Information on the European Works Councils is available at www.etuc.org. Lexmark employees are covered by collective bargaining

95%
of employees say their managers treat them with respect.

89%
of employees say their job gives them a sense of personal accomplishment—meaningful work.

93%
of employees say they are treated with respect regardless of their job.

agreements where required by law. At Lexmark, there has never been a situation where employee rights to exercise freedom of association for collective bargaining has been at risk.

Other ILO and United Nations Global Compact initiatives include the abolition of forced labor, freedom of association, and prohibition of child labor. These initiatives are explained in the Lexmark Code of Business Conduct to which Lexmark and applicable Lexmark suppliers are bound. The Code of Business Conduct also describes the Lexmark Freely Chosen Employment Policy. Our periodic reviews have never found any of our operations to have significant risk for incidents of forced or compulsory labor, child labor, or young workers exposed to hazardous work. All Lexmark operations have undergone human rights review or human rights impact assessments in accordance with Lexmark's adherence to the Responsible Business Alliance (RBA) Code of Conduct and Lexmark's Code of Business Conduct.

In our experience, open communication and direct engagement between workers and management are key factors in resolving any workplace issues. Whenever possible, Lexmark typically provides employees with a 30-day notice of significant operational changes that can substantially affect them. In locations with collective bargaining agreements, the notice period and provisions for consultation and negotiation are specified in the collective agreements.

No grievances have been filed through formal grievance mechanisms about labor practices or human rights impacts in the reporting period.

Equal employment opportunity

Lexmark is proudly an Equal Employment Opportunity and Affirmative Action employer. We are committed to equal employment opportunity (EEO) in all areas of our operations. All business activities and employment-related activities are administered without regard to race, color, religion, gender, sexual orientation, gender identity, national origin, disability, age or veteran status. For more information click here.

New Lexmark employees are required to understand and abide by the Code of Business Conduct, which addresses EEO and aspects of human rights relevant to our operations. All employees are required to review the Code of Business Conduct every year. Lexmark requires managers to be trained on the human rights aspects of EEO policies.

Health & Safety

The health and safety of our employees is a priority for Lexmark. In order to offer workplaces that are free from unsafe equipment, situations and practices, we monitor facilities for safety issues on an ongoing basis.

ISO 45001/ OHSAS 18001 are international standards providing requirements for an occupational health and safety management system. Lexmark's 45001/ 18001 management systems provide a framework for controlling occupational health and safety risks and improving health and safety performance. All Lexmark-owned and -leased research and development and manufacturing facilities are ISO 45001/ OHSAS 18001 certified, as is the Shenzhen Asian Customization Center facility. Lexmark has not incurred any fines related to environmental health and safety non-compliance in the last five years.

Lexmark employees are involved in setting the objectives for our health and safety management systems. The effectiveness of the Lexmark Safety Program is measured by completion of ISO 45001/ OHSAS 18001 objectives and targets as well as internal audits and senior management reviews. These audits and reviews are conducted in conjunction with the conformance audits required as part of ISO/ OHSAS recertification. We use the findings to improve our internal processes and to promote best practices across our operations.

All Lexmark facilities are guided by our corporate environmental health and safety instructions, which define the essential programs that each facility must manage in order to meet the objectives of our environmental health and safety policy. At Lexmark, it is mandatory to develop written programs that ensure legal and regulatory compliance, address safety-critical processes, and protect environmentally critical areas. Any changes to environmental health and safety procedures are communicated to all applicable employees through bulletin boards, corporate intranet postings, electronic communications, handbooks and meetings with managers.

In 2014, the Lexmark Facility in Juarez, Mexico kicked off the Siempre Seguro program. The goal of this successful program was to create a Zero Accident culture. Existing safety programs were improved and new ones were added. Ergonomics is one area of continuous focus and improvement. Weekly status meetings and increased engineer training resulted in a 57 percent decrease in ergonomic-related issues from 2015 to 2018. Actions were directed to promote employee participation in accident and work-related illness prevention. A system for employees to submit safety suggestions and observations was implemented and a prize program is used to promote employee participation. The Performance Bonus program was improved with a safety-leading indicator linked to the results of the weekly safety audits. Improved safety communication, awareness and accountability are a large part of the program.

OHSAS 18001 Certificates

Click here for a full list of ISO 45001/ OHSAS 18001 Certificates

Health & safety data

Click here for detailed health & safety data

The number of accidents was reduced by 75 percent in 2014. The positive trend continued, and in 2018, Juarez celebrated a year with no accidents. Having a safe work environment is essential for Lexmark.

In the United States, Lexmark employees are not represented by trade unions; therefore, no formal work agreements address health and safety. Instead, Lexmark has established health and safety committees at the facility level. The members of these committees represent the interests of all workers. The committees are integral to the operation of the health and safety management systems at each facility, monitoring programs, advising on improvements and collecting employee feedback.

Lexmark has corrective action teams that work with personnel from the department or area where nonconformities occur to address nonconformities, monitor and report on progress and determine whether actions are completed. Internal audit teams evaluate the function and effectiveness of actions taken to address nonconformities in the Health and Safety Management System.

All employees and contractors with jobs that require health and safety training are offered online, instructor-led, and on-the-job health and safety training annually, and are encouraged to report concerns about health and safety issues. Training requirements are determined by health and safety program managers, as well as employees' direct managers, and are based on job requirements, equipment and materials usage, regulations and other factors. The safety performance of subcontractors is reviewed during initial contract discussions. Subcontractors must have proof that their employees are properly trained and aware of all health and safety aspects of the jobs that they will perform on behalf of Lexmark. Compliance and safety teams conduct inspections on a regular basis. To ensure that action items are tracked and completed in a timely fashion, they document their findings in the 14001/45001 corrective action system (or similar tool). Follow-up inspections verify completion and effectiveness of the actions taken. Best practices are then implemented in other areas or sites.

Each Lexmark manufacturing and development facility is required to maintain an emergency preparedness plan as well as an emergency response team. Lexmark complies with applicable local, state and federal regulations for recording and reporting workplace accident statistics. Lexmark continually works toward the goal of an injury-free workplace. The 2018 reportable injury and illness rate calculated using OSHA injury and illness recordkeeping and reporting requirements was 0.22 injuries per 100 full-time employees, for Lexmark's major research and development and U.S. sales and home offices. This is significantly lower than the electronic assembly manufacturing industry average of 1.1.[1] Slip, trip and fall and back strain injuries were most frequently reported. (Minor injuries are excluded from injury rate data.) The annual lost workday rate was 4.50 lost workdays per 100 full-time employees. In calculating lost days, “days” means scheduled workdays and the lost day count begins the day after the accident. Lexmark did not have any reported work-related fatalities and did not have any employees involved in occupational activities with high incidence or high risk of specific diseases.

Lexmark does not maintain injury information, injury rate, lost day rate, absentee rate or work-related fatality information for independent contractors working on site.

[1]Electronic assembly manufacturing industry average per the Bureau of Labor Statistics 2017 Industry Injury and Illness Summary Data Report.

Diversity

A diverse workforce
As a global company, Lexmark's goal is to have a highly diverse and vibrant workplace that understands and is responsive to the needs of our employees, customers and partners around the world. Lexmark is proactive in making our workplace one that is inclusive and allows each employee the opportunity to bring his or her complete self to work.

A unified vision
Lexmark Diversity Council is a tiered structure comprised of an Executive Diversity Council and Diversity Advisory Council. Lexmark's Diversity Network Groups (DNGs) are instrumental in advising and supporting these efforts. Each entity works in partnership with the others to reframe the current initiatives around diversity worldwide. Lexmark's Diversity Mission Statement is aligned with the ideal future state of diversity at Lexmark. The mission statement encourages our employees to embrace individuality of thought and background as a means of creating success for our workforce, our customers and our stakeholders. These practices help Lexmark operate with one unified vision — using the individual talents of our diverse workforce to their full potential. Respecting diversity fosters good relations within the company as well as in the communities in which we live and work.

Mission statement for diversity and inclusion at Lexmark
We, the employees of Lexmark, value and respect our individual differences. We foster an open and inclusive environment that not only embraces new and alternative ideas, but seeks them out at all levels. This appreciation of diversity is vital to attract, retain and develop employees to their full potential. A diverse global workforce that mirrors our customers and the communities where we do business will lead to greater success for our customers, our employees and our stakeholders. We each take responsibility to make this happen.

Lexmark's DNGs are employee groups created to foster a more inclusive environment through networking, employee and community engagement, recruiting efforts and diversity awareness. DNGs are established through a grassroots process whereby employees recruit members, design a mission statement, and develop programming and events to help advance the mission. Each DNG offers a space where employees can benefit from a supportive network as well as celebrate and share their cultures and individuality with others.

European diversity charter
Lexmark sites in France, Germany, Hungary, and Spain have signed the European Diversity Charter, committing to ban discrimination in the workplace and create diversity. Joining the charter provides benefits such as offering challenges and new opportunities in the field of diversity and sharing knowledge and best practices with other businesses.

89%
of employees say Lexmark recognizes and respects the value of differences.

HUMAN RIGHTS CAMPAIGN FOUNDATION
BEST PLACES TO WORK
2018 for LGBTQ Equality
100% CORPORATE EQUALITY INDEX

WORKING MOTHER
100 BEST COMPANIES
2018

MILITARY FRIENDLY® EMPLOYER
MF'19 AWARD

Commitment to Customers

At Lexmark, our mission is "to deliver unsurpassed service and products that provide unmatched value in the eyes of our customers". To do that, we need to truly understand what our customers value.

Like our customers, we value efficiency. We utilize our wide variety of solutions to reduce our printing and paper consumption. We partner with our customers to help them make similar reductions by consolidating and optimizing their devices. We work with them to understand their printing needs and offer solutions that will benefit their business the most. One Lexmark customer reduced its year-to-year total pages by 158 tons, and they included Lexmark's metrics information in their Corporate Social Responsibility (CSR) report. They noted that they have a reduced need to recycle paper because they aren't consuming as much.

Understanding customer needs

Customer understanding is about creating a clear and accurate picture of how customers feel. We employ a range of methods to learn what our customers think about their experiences and the overall partnership with Lexmark.

We use both surveys and interviews to measure how well we are meeting specific needs of our customers. This includes understanding a variety of different customer roles, from decision-makers who buy Lexmark products, to others who sell, deliver, manage, support and use our products, services and solutions.

While our customer-facing employees support our global customers on a daily basis, our engineers and product designers also visit with customers to better understand their needs. We conduct usage studies in real work environments and hold regular face-to-face business reviews to ensure that our technology, people and processes provide the products solutions and services that address our customers' pain points.

Customer-focused improvement

Continually improving the way we deliver customer experiences requires strong leadership, a clear vision and an intentional approach. Our improvement efforts are focused at the most important customer interactions: moments of truth and pain points. We combine the right people, processes, technology and systems, and collaborate with key stakeholders to ensure that we are driving changes that will enable our employees to better serve Lexmark customers.

Learn more about how Lexmark supports customers in cost savings and environmental goals.

We conduct customer experience research around a few of the most critical interactions highlighted by our customer journey mapping efforts. Armed with new insights about what was important to customers who buy, deploy and use Lexmark imaging solutions, we engage cross-functional teams to drive initiatives that are designed to deliver enhanced experiences for our customers. We remain focused on meeting our customers' diverse and dynamic needs, and on delivering differentiated experiences that our customers value and deserve.

Anticipating customer needs

Our customers' time is valuable and we continually look for ways to increase their productivity. Listening carefully and responding quickly to our customers' needs is important, but we also strive to proactively anticipate and prevent customer problems. We monitor printer fleets for some of the largest companies in the world to detect existing or potential issues before our customers become aware of them. Teams work to find the root causes for problems that customers experience. For complex issues, we bring cross-functional owners together to drive customer-focused improvement into our processes. At Lexmark, our attention to customer needs is fundamental to the way we do business. When we make changes to adapt to the unique needs of our individual customers, we close the loop with them to ensure that our changes are making a difference.

Customer-focused employees

At Lexmark, our innovative employee performance process worldwide is focused on continuous improvement and improving the experience of our customers. Employees have a discussion with their manager to determine their line-of-site to the customer that helps them focus on rapid and ongoing improvement. These objectives are based on employees' understanding of how their performance connects to the customers and how it is aligned with the strategy of their department and Lexmark. We believe that this focus on improvement and innovation leads to a better experience for all of our customers.

We also capture formal feedback from our employees to better understand and continually improve their Lexmark employee experience. We know it takes engaged employees to create engaged and loyal customers.

Product Health & Safety

We prioritize customer and community health and safety from product conception to end-of-life. Lexmark's internally developed product compliance engineering tool is used to inform relevant parts of our business when certifications and regulations need to be pursued and when they will expire or be terminated.

We comply with worldwide standards and local laws and test our products in laboratories accredited by third-party agencies. The Regulatory Compliance web page provides additional information on Lexmark's compliance with select standards. Lexmark often exceeds regulatory requirements by pursuing third-party voluntary certifications as may be found in the Product Certifications section.

Many of our test labs are certified or adhere to ISO 17025/ANSI Z540 standards. This system of certifications is also used by our suppliers worldwide at subassembly and finished-product stages. The individual agencies responsible for the regulatory marks audit our suppliers regularly for compliance. Any noncompliance or variation notice resulting from these audits are promptly addressed within the required compliance period and resolved prior to shipping our products.

Lexmark did not have any recorded health and safety noncompliance or associated fines in 2018.

Product compliance cross functional team

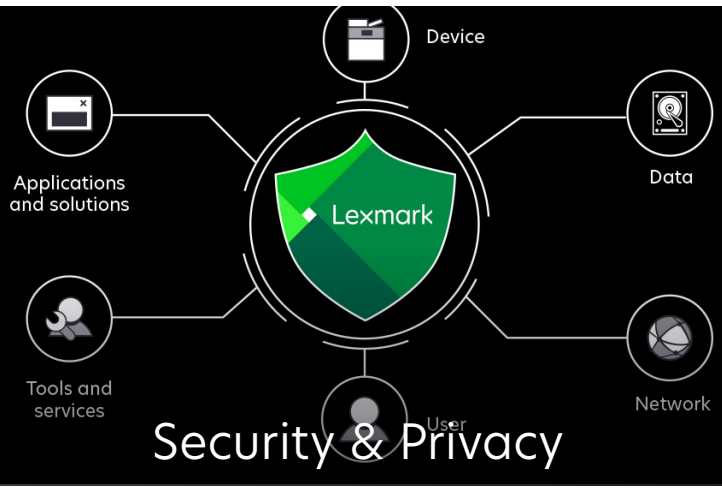
Several years ago, Lexmark compliance engineers formed a cross functional team to share information and develop an internal tracking system to drive and monitor new and existing compliance activities. The team is comprised of representatives from multiple departments, each having a different primary focus. These departments include: Product Safety; EMC; Fax/Homologation; Sustainability/Environmental, Health and Safety; Energy; Acoustics; and Chemical Emissions. As an example, the Product Safety department focuses on the safety of our products throughout the development cycle and investigates any reported safety incidents, taking appropriate action such as recommending design changes or modifications to manufacturing processes and procedures. The other departments follow a similar approach.

Working together this combined team ensures our products comply with relevant national and international standards and ensures the documentation and certification marks needed for devices are present. In addition, they educate the development community about design requirements so the teams will be able to meet newly introduced or revised standards.

Product and service information

We are committed to providing our customers information about the products and services we provide.

Information Type	Source
Service and service part sourcing, user content, safety/regulatory instructions or notices	Tech Library
Disposal or recycling information	Tech Library, Lexmark CSR report: Return & Recycle
Environmental and social impacts	Regulatory Compliance web page, Lexmark CSR Report: Materials; Supply Chain; Product Eco Declarations (ECMA 370)
Safety Data Sheets	Regulatory Compliance web page, Lexmark CSR report: Materials



Security & Privacy

Lexmark respects the privacy of our customers and takes safeguarding their personal data very seriously. As of the publication date, we have received no customer complaints regarding any loss or misuse of personal information for the calendar year 2018.

Security of customer information
Lexmark maintains security measures to protect personal data against accidental or unlawful destruction or accidental loss, alteration, unauthorized disclosure or access, in particular where the processing involves the transmission of data over a network, and against all other unlawful forms of processing. These measures ensure a level of security appropriate to the risks presented by the method of processing and the categories of data to be protected, taking into account the state of the art and the cost of implementation.

ISO 27001 is an information security management system (ISMS) international standard that provides a comprehensive set of requirements for maintaining confidentiality, integrity and availability of data. Lexmark has ISO 27001 certification for its worldwide Managed Print Services ISMS and its Lexmark Print Management SaaS offering. Lexmark services certified under ISO 27001 are provided in accordance with ISO 27001 standards or alternative standards that are substantially equivalent to ISO 27001.

Lexmark's ISMS is managed by a chief information security officer who is supported by a team of information security professionals.

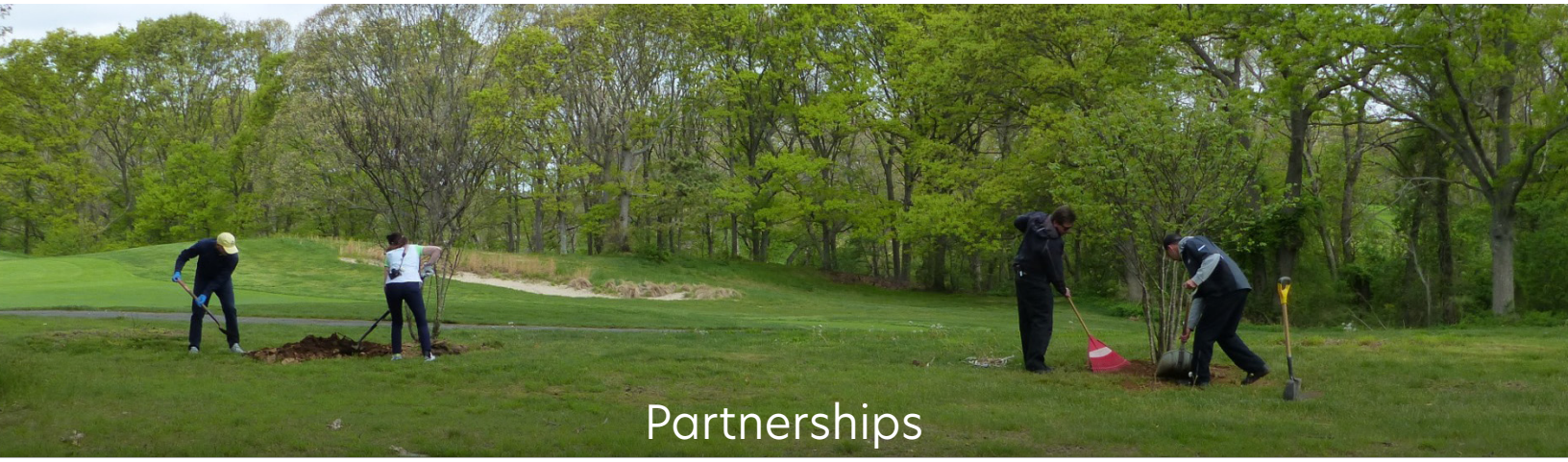
Lexmark designs products to meet ISO/IEC 15408 Common Criteria Certification, an international standard on security capabilities. Lexmark is committed to validating this design through both the IEEE 2600 family of standards and the U.S.-based National Information Assurance Partnership's (NIAP's) Hard Copy Device Protection Profile (HCDPP).

Lexmark also follows the Federal Information Processing Standards (FIPS) 140 Publication Series issued by the National Institute of Standards and Technology (NIST), which outlines requirements and standards for cryptographic modules, including both hardware and software components. Adherence to this standard for hard disk encryption and IPsec networking helps Lexmark provide the necessary conditions to secure information.

Privacy Program
Lexmark's privacy program, Privacy at Lexmark (P@L), is a robust organization of over 80 dedicated and part-time employees at both the corporate and business unit level. Led by a data protection officer located at Lexmark's headquarters, the program's mission is the creation and maintenance of repeatable processes designed to respect the rights of individuals and demonstrate effort to comply with global privacy obligations.

Lexmark invites individuals to make inquiries related to their personal data. The designated email and postal addresses are:
privacy@lexmark.com
Lexmark International, Inc.
Privacy Mailbox
740 West New Circle Road
Lexington, Kentucky 40550

Click here to sign up for security news and updates in our Global Preference Center.



Partnerships

Lexmark has formed meaningful partnerships to address areas of need within our communities. Over the years, we have formed positive partnerships with universities, local schools, local aid agencies, nongovernmental organizations and our customers.

Understanding the power of teamwork, Lexmark works on joint projects with stakeholders who share our values. For many years, Lexmark has participated in partnerships focused on reforestation initiatives, watershed protection, educational infrastructure improvement, and Science, Technology, Engineering and Math (STEM) education.

Environmental partnerships

printreleaf™ Authorized Channel Partner

Lexmark teamed up with PrintReleaf in 2018 to offset internal operations and test printing. The automatic process measures our paper consumption and calculates the equivalent number of trees needed to offset the environmental impact. The tree planting is audited by a leading global forestry auditor and certification is provided.

This global reforestation service is now available to Lexmark managed print services customers to reduce their overall environmental footprint. They have the opportunity to select the region of their choice among PrintReleaf's list of geographic areas of need.

Customer partnerships

Lexmark™ PGA™

Official Imaging and Printing Solutions Provider of the PGA of America

Lexmark and the PGA of America have been sharing the links together since Lexmark supported the 2008 Ryder Cup with printing technology and solutions. Our partnership has continuously grown, and now Lexmark manages mission-critical operations to keep the Senior, Women's and PGA Championships and U.S.-based Ryder Cups performing with accuracy and efficiency. Lexmark is on site to help set up for the operational needs of each PGA Championship event. On the links, in the back office, and on the front line, Lexmark's hardware and solutions are a driving factor behind the IT infrastructure.

This partnership extended into the communities; trees have been planted each year since 2012 to offset the environmental impact associated with the paper consumed during the championships. Some examples of carefully chosen planting projects include reforestation in areas that have suffered from the negative effects of invasive species, community sports park revitalization, wetland restoration, tornado devastation and city tree canopy needs.

Lexmark and Amgen donated nearly 200 drought tolerant plants and 600 tree seedlings to the Growing Works program, a non-profit wholesale plant nursery that is the site for a vocational training program run by Turning Point Foundation in Thousand Oaks, California. The program helps place people with mental health challenges on a path to wellness, providing horticultural therapy, employment and job placement in the workforce. In addition, Lexmark donated mature trees that were planted at the Amgen facility located in Juncos, Puerto Rico, as part of an on-site hurricane restoration project. Lexmark also provided Amgen employees in California and Massachusetts with native species tree seedlings to plant at their homes or in the community in celebration of Earth Day.

Lexmark and Grainger have planted nearly 10,000 trees to offset paper consumption and in honor of Earth Day.

In an effort to raise funds for veterans, Lexmark, Humana, Toyota, Marsh & McLennan and GE Appliances came together to sponsor an annual stair step race. Since 2013, the sponsors' employees have raced to the top of the Humana Tower to celebrate health and wellness while supporting various veteran-related charities and organizations.

STEM education partnerships

Lexmark partners with universities to support STEM education. Lexmark has many partnership initiatives with the University of Kentucky, including acting as sponsor of the UK Engineering Day (E-Day) in 2017 and 2018 after over ten years of involvement with the initiative. Other areas of support include research related to the development of radio-frequency identification (RFID) technology, hosting classes for technical demonstrations, mentoring the #IAmAWomanInSTEM program, engaging with the Million Women Mentors movement, and supporting the student Hackathon event.

Lexmark has had a partnership with the University of Tennessee (UT) for over 20 years. Lexmark engineers submit real, relevant mechanical engineering-related design projects to UT, and then student teams define specifications, identify concepts, design a system and build a prototype while working with Lexmark engineers as mentors.

In Juarez, Mexico, Lexmark partners with Consejo Regional para el Desarrollo de la Educación y Sustentabilidad (CONREDES), a regional counsel for education and sustainability. The organization aligns workforce development efforts between business and academic sectors. CONREDES arranges industrial site visits for university students, providing them the opportunity to experience plant operations first-hand. Visits to Lexmark have been focused on problem-solving and improvements in areas such as supply chain, facilities, and lean manufacturing processes.

Community partnerships

Since 1998, Lexmark has funded and built homes with Habitat for Humanity in Lexington, Kentucky. Lexmark employees use their skills to build a home for the organization each year. In addition to the homes that Lexmark sponsors, employees participate in other Habitat projects, including Women Build, a program that provides the opportunity for women from all walks of life to come together to build stronger, safer communities. Employees also help with Habitat construction projects in other cities. In Cebu, Philippines, Lexmark is an active participant in Gawad Kalinga, a Philippine organization with a mission to end poverty, having built 100 homes in the community since 2006.

Lexmark also has a longtime partnership with the United Way organization in several locations around the world, and is a major sponsor of the Bluegrass chapter in Kentucky, supplying both monetary and voluntary contributions. Corporate and employee donations are collected and numerous Care Day events are organized to help areas that are in need. Employees at Lexmark Juarez have given generously of their time and financial support to local initiatives through Fondo Unido, the United Way in Mexico, since 2010.

For more information on Lexmark's community partnerships, click here.

Reporting

For Lexmark, reporting is about more than just compliance with guidelines or regulations, it's about offering a clear view of our operations and results to everyone because we know that through open communication and dialogue we will continue to move forward together.

Measuring and assessing progress toward specific goals is a hallmark of sustainability processes that Lexmark takes very seriously. We are committed to addressing the disclosure needs of our stakeholders and to continually improving our sustainability performance.

Reporting Parameters

This publication is Lexmark's tenth Corporate Social Responsibility (CSR) report. Annually, we strive to provide a full account of our CSR and sustainability strategy, and performance in our worldwide operations for our many stakeholders across the globe. This report (January–December 2018) includes updates to key programs and performance metrics as well as a transparent assessment of our progress against established goals. The scope, boundary and measurement methods applied in this report do not significantly differ from previous reports, the last of which was published June 2018. Lexmark was acquired on November 29, 2016, and is now privately owned.

This report has been prepared in accordance with the GRI Standards: Core option. Our reporting is also guided by the ISO 26000 international standard and the Ten Principles of the United Nations Global Compact. Lexmark reviewed and verified all data internally. External assurance was not pursued at this time. Lexmark's CSR report assesses our operations globally. Unless noted, principles and policies referenced in the report apply to worldwide, company-owned locations and to all Lexmark employees. There are no restatements of information from previous reports.

The metrics and goals in this report are established and measured by Lexmark International to deliver a meaningful and accurate description of our performance. The complex nature of collecting data in a global manufacturing company with multiple sites and facilities presents challenges in compiling consistent and comparable metrics. While this report includes consistent metrics in most areas, we continue to improve the standardization of our measurement systems. Our performance metrics cover Lexmark-operated facilities.

Environmental metrics are reported using widely accepted parameters and units. Using the World Business Council for Sustainable Development (WBCSD) and World Resource Institute (WRI) Greenhouse Gas (GHG) Protocol methodology, we track greenhouse gas emissions, as well as our use of natural gas, fuel oil, diesel, gasoline and electricity.

For questions regarding this report, please contact sustainability@lexmark.com.

GRI Index

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
2018 General Disclosures					
General Disclosures	102-1	Name of the organization	Governance	Lexmark International, Inc.	
General Disclosures	102-2	Activities, brands, products, and services	Governance	Lexmark doesn't sell products that are banned in any market worldwide.	
General Disclosures	102-3	Location of headquarters	Governance	Lexington, Kentucky	
General Disclosures	102-4	Location of operations	Governance		
General Disclosures	102-5	Ownership and legal form		Delaware Corporation owned by a consortium of investors comprised of Ninestar Corporation, PAG Asia Capital (PAG) and Legend Capital Managagement Co Ltd. (Legend Captial)	
General Disclosures	102-6	Markets served	Governance		
General Disclosures	102-7	Scale of the organization	Data Dashboard Employees		
General Disclosures	102-8	Information on employees and other workers	Data Dashboard Employees		
General Disclosures	102-9	Supply chain	Supply Chain		
General Disclosures	102-10	Significant changes to the organization and its supply chain	Governance, Supply Chain	Lexmark was acquired in Nov 2016 and is now a privately held company and announced the sale of the enterprise software business.	
General Disclosures	102-11	Precautionary Principle or approach	Supply Chain, Human Rights Policy, Human Trafficking and Slavery Statement		
General Disclosures	102-12	External initiatives	Our Stakeholders		
General Disclosures	102-13	Membership of associations	Our Stakeholders		
General Disclosures	102-14	Statement from senior decision-maker	CEO Message		
General Disclosures	102-15	Key impacts, risks, and opportunities	Risks, Opportunities & Impacts		

GRI Index (continued)

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
2018 General Disclosures					
General Disclosures	102-16	Values, principles, standards, and norms of behavior	Transparency & Ethics		
General Disclosures	102-17	Mechanisms for advice and concerns about ethics	Transparency & Ethics		
General Disclosures	102-18	Governance structure	Governance Executive Profile		
General Disclosures	102-19	Delegating authority	Governance		
General Disclosures	102-20	Executive-level responsibility for economic, environmental, and social topics	Governance		
General Disclosures	102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholders & Materiality		
General Disclosures	102-22	Composition of the highest governance body and its committees	Board of Directors	Lexmark became a privately held company in November 2016.	
General Disclosures	102-23	Chair of the highest governance body	Board of Directors	The Chair of Lexmark's Board of Directors is Mickey Kantor, Esq. He is not an executive officer of Lexmark.	
General Disclosures	102-24	Nominating and selecting the highest governance body		Lexmark became a privately held company in November 2016.	Confidentiality constraints
General Disclosures	102-25	Conflicts of interest		The members of Lexmark's Board of Directors complete a conflicts of interest questionnaire on annual basis.	
General Disclosures	102-26	Role of highest governance body in setting purpose, values, and strategy		The Board of Directors manages and directs the overall purpose and strategy of Lexmark's business.	
General Disclosures	102-27	Collective knowledge of highest governance body	Board of Directors		

GRI Index (continued)

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
2018 General Disclosures					
General Disclosures	102-28	Evaluating the highest governance body's performance		Lexmark became a privately held company in November 2016.	Not applicable
General Disclosures	102-29	Identifying and managing economic, environmental, and social impacts	Risks, Opportunities & Impacts		
General Disclosures	102-30	Effectiveness of risk management processes	Risks, Opportunities & Impacts		
General Disclosures	102-31	Review of economic, environmental, and social topics	Risks, Opportunities & Impacts		
General Disclosures	102-32	Highest governance body's role in sustainability reporting	Governance		
General Disclosures	102-40	List of stakeholder groups	Stakeholders & Materiality		
General Disclosures	102-41	Collective bargaining agreements	Human Rights		
General Disclosures	102-42	Identifying and selecting stakeholders	Stakeholders & Materiality		
General Disclosures	102-43	Approach to stakeholder engagement	Stakeholders & Materiality		
General Disclosures	102-43	Approach to stakeholder engagement	Stakeholders & Materiality		
General Disclosures	102-44	Key topics and concerns raised	Stakeholders & Materiality		
General Disclosures	102-45	Entities included in the consolidated financial statements		Lexmark no longer publicly issues consolidated financial statements.	Not applicable
General Disclosures	102-46	Defining report content and topic Boundaries	Reporting Parameters		
General Disclosures	102-47	List of material topics	Stakeholders & Materiality		
General Disclosures	102-48	Restatements of information	Reporting Parameters		

GRI Index (continued)

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
2018 General Disclosures					
General Disclosures	102-49	Changes in reporting	Governance	Lexmark was acquired on Nov 29, 2016 and is now a privately held company.	
General Disclosures	102-50	Reporting period	Reporting Parameters	January - December 2018	
General Disclosures	102-51	Date of most recent report	Reporting Parameters		
General Disclosures	102-52	Reporting cycle	Reporting Parameters		
General Disclosures	102-53	Contact point for questions regarding the report	Reporting Parameters		
General Disclosures	102-54	Claims of reporting in accordance with the GRI Standards	Reporting Parameters		
General Disclosures	102-55	GRI content index	GRI		
General Disclosures	102-56	External assurance	Reporting Parameters		
MATERIAL TOPICS: OUR OPERATIONS					
Environmental Compliance					
Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholders & Materiality		
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Environmental Management	Lexmark did not incur any fines or non-monetary sanctions for noncompliance with environmental laws and regulations in the reporting period.	
Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	Land & Biodiversity		
Biodiversity	304-3	Habitats protected or restored	Land & Biodiversity		
Biodiversity	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Land & Biodiversity		

GRI Index (continued)

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
Energy					
Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholders & Materiality		
Energy	302-1	Energy consumption within the organization	Data Dashboard		
Energy	302-3	Energy intensity	Data Dashboard		
Energy	302-4	Reduction of energy consumption	Energy Consumption		
Energy	302-5	Reductions in energy requirements of products and services	Product Energy Use		
Greenhouse gas emissions					
Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholders & Materiality		
Emissions	305-1	Direct (Scope 1) GHG emissions	Data Dashboard Emissions		
Emissions	305-2	Energy indirect (Scope 2) GHG emissions	Data Dashboard Emissions		
Emissions	305-3	Other indirect (Scope 3) GHG emissions	Data Dashboard Emissions		
Emissions	305-4	GHG emissions intensity	Data Dashboard Emissions		
Emissions	305-5	Reduction of GHG emissions	Greenhouse Gas Emissions		
Emissions	305-6	Emissions of ozone-depleting substances (ODS)	Greenhouse Gas Emissions		
Emissions	305-7	Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	Data Dashboard Emissions		
Waste					
Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholders & Materiality		
Effluents and Waste	306-1	Water discharge by quality and destination	Water Management		
Effluents and Waste	306-2	Waste by type and disposal method	Waste Management, Data Dashboard Waste		
Effluents and Waste	306-3	Significant spills	Water Management		

GRI Index (continued)

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
Waste					
Effluents and Waste	306-4	Transport of hazardous waste	Data Dashboard Waste		
Effluents and Waste	306-5	Water bodies affected by water discharges and/or runoff	Water Management		
Water					
Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholders & Materiality		
Water	303-1	Interactions with water as a shared resource	Water Management		
Water	303-2	Management of water discharge-related impacts	Water Management Data Dashboard-Water		
Water	303-3	Water withdrawal	Water Management Data Dashboard-Water		
Water	303-4	Water discharge	Water Management Data Dashboard-Water		
MATERIAL TOPICS: OUR PEOPLE & PARTNERS					
Anti-corruption					
Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholders & Materiality		
Anti-corruption	205-1	Operations assessed for risks related to corruption	Transparency & Ethics		
Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	Transparency & Ethics		
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Transparency & Ethics		
Customer Health & Safety					
Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholders & Materiality		

GRI Index (continued)

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
Customer Health & Safety					
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories		100% of our significant product families are assessed for health and safety impacts.	
Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		Lexmark did not have any recorded health and safety noncompliance or associated fines in 2018.	
Marketing and Labeling	417-1	Requirements for product and service information and labeling	Product Health & Safety		
Customer Privacy					
Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholders & Materiality		
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Security & Privacy	As of the publication date, we have received no customer complaints regarding any loss or misuse of personal information for the calendar year 2018.	
Ethics					
Management Approach	103-1	Explanation of the material topic and its Boundary	Transparency & Ethics		
Economic Performance	201-4	Financial assistance received from government		Lexmark received no significant financial assistance from the U.S. or any other government in 2018	
Public Policy	415-1	Political contributions	Governance		
Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling		Lexmark did not have any recorded incidents of non-compliance for service information or labeling in 2018.	
Marketing and Labeling	417-3	Incidents of non-compliance concerning marketing communications	Transparency & Ethics	Lexmark did not have any non-compliance concerning marketing communication in 2018.	
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Transparency & Ethics	Lexmark has not been subject to any significant fines or nonmonetary sanctions for noncompliance of laws and regulations related to accounting fraud, human rights, workplace discrimination, health and safety or corruption in 2018.	

GRI Index (continued)

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
Human Rights					
Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholders & Materiality		
Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	Human Rights		
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Data Dashboard Employees		
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Human Rights		
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights	At Lexmark, there has never been a situation where employee rights to exercise freedom of association for collective bargaining has been at risk.	
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights		
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights		
Security Practices	410-1	Security personnel trained in human rights policies or procedures	Human Rights	All of our security personnel are trained in the Lexmark's policies and procedures for human rights issues and their application to security.	
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	Human Rights	Lexmark has never been cited for any human rights violations, including the rights of indigenous employees.	
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	Human Rights		
Human Rights Assessment	412-2	Employee training on human rights policies or procedures	Human Rights		
Labor					
Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholders & Materiality		

GRI Index (continued)

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
Labor					
Economic Performance	201-3	Defined benefit plan obligations and other retirement plans		Information on Lexmark's defined benefit plan can be found on Lexmark's 5500 filing, this can be found on FreeERISA by searching Lexmark's name.	
Employment	401-1	New employee hires and employee turnover	Data Dashboard Employees		
Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Commitment to Employees		
Employment	401-3	Parental leave	Commitment to Employees		
Training and Education	404-1	Average hours of training per year per employee	Data Dashboard Employees		
Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	Commitment to Employees		
Occupational Health and Safety					
Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholders & Materiality		
Occupational Health and Safety	403-5	Worker training on occupational health and safety	Health & Safety		
Occupational Health and Safety	403-9	Work-related injuries	Data Dashboard Employees		
Occupational Health and Safety	403-10	Work-related ill health	Data Dashboard Employees		

GRI Index (continued)

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
MATERIAL TOPICS: OUR IMAGING SOLUTIONS					
Innovation					
Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholders & Materiality		
Management Approach	103-2	The management approach and its components	Materials Return & Recycle		
Materials					
Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholders & Materiality		
Materials	301-2	Recycled input materials used	Materials		
MATERIAL TOPICS: PRODUCT COMPLIANCE					
Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholders & Materiality		
Management Approach	103-2	The management approach and its components	Product Health Safety, Stakeholders & Materiality, Product Energy Use, Product Certifications		
Supply Chain Responsibility					
Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholders & Materiality, Supply Chain		
Procurement Practices	204-1	Proportion of spending on local suppliers	Supply Chain		

United Nations Global Compact Index

The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption. As stated by Lexmark's CEO, Allen Waugerman, "Lexmark International has and will continue to support the principles and initiatives of the United Nations Global Compact." Below is an index of our reporting against the United Nations Global Compact principles within the content of this 2018 performance update of our Corporate Social Responsibility Report.

Principle Number	Description	Report Section / Links
1	Support and respect protection of internationally proclaimed human rights	Human Rights, Human Rights Policy, Human Trafficking and Slavery Statement, Supply Chain
2	Make sure business is not complicit in human rights abuses	Human Rights, Human Rights Policy, Human Trafficking and Slavery Statement, Supply Chain
3	Uphold freedom of association and the effective recognition of the right to collective bargaining	Human Rights, Human Rights Policy
4	Support elimination of all forms of forced and compulsory labor	Human Rights, Human Rights Policy, Human Trafficking and Slavery Statement
5	Support effective abolition of child labor	Human Rights, Human Rights Policy
6	Eliminate discrimination in employment and occupation	Human Rights, Human Rights Policy, Lexmark Code of Business Conduct
7	Support a precautionary approach to environmental challenges	CSR Policies & Statements, Corporate Social Responsibility Policy, Environmental Health & Safety Policy, Climate Change Policy
8	Undertake initiatives to promote greater environmental responsibility	Energy Consumption, Greenhouse Gas Emissions, Water Management, Waste Management, Land & Biodiversity, Environmental Management, Return & Recycle
9	Encourage the development and diffusion of environmentally friendly technologies	Products Life Cycle, Materials, Emissions, Energy Use, Product Certifications, Return & Recycle, Packaging
10	Work against all forms of corruption, including extortion and bribery	Transparency & Ethics

United Nations Sustainable Development Goals

Lexmark supports the United Nations Sustainable Development Goals (SDGs) and prioritized three goals that align with our business commitments and strategy.

SUSTAINABLE DEVELOPMENT GOALS

Lexmark Sustainability

6 CLEAN WATER AND SANITATION

Lexmark has many initiatives around the globe focused on water conservation, reuse and watershed restoration. For example, in Juarez, Mexico, a water treatment plant was installed on site to clean and filter water for reuse in site facility operations and manufacturing processes. A rainwater harvesting system was installed in Lexington, Kentucky, to capture storm water for use in site cooling towers. This reduces the need to purchase water and controls excess runoff, preventing erosion and allowing water to naturally enter the groundwater system. Additionally, Lexmark employees participate in an annual creek cleanup on a watershed that is not only a source of drinking water for a nearby community, but also a wildlife habitat for numerous aquatic and terrestrial species. For more details, click here.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Lexmark products are designed with the circular economy in mind. Lexmark devices are durable and designed for long-life use. Post Consumer Recycled (PCR) materials are used in both printers and toner cartridges. The Lexmark Cartridge Collection Program makes recycling easy for users. Cartridges are returned to Lexmark's R2 certified recycling center where they are either remanufactured or materially recycled for inclusion in new products. Lexmark is an industry leader in the use of PCR plastic content in products. Lexmark-owned sites are ISO 14001, ISO 45001/OHSAS 18001 and ISO 9001 certified. Lexmark has global environmental goals in place to minimize our ecological footprint, each site monitors consumption toward these goals.

15 LIFE ON LAND

Lexmark participates in a number of worldwide reforestation projects to improve local watersheds and repair damage caused by natural disasters, invasive insects, and deforestation due to human activity. Lexmark employees support land and biodiversity preservation with volunteer efforts such as community, creek and road cleanups, and planting a pollinator garden at the headquarters property along with several rain gardens. Lexmark also provides native tree seedlings at no cost for employees to plant at their homes or in the community. Additionally, Lexmark has coordinated the removal of invasive species in impacted watersheds.

United Nations Sustainable Development Goals

Goal 1
End poverty in all its forms everywhere

Lexmark's progress
Global Citizenship

Goal 2
End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Lexmark's progress
Global Citizenship

Goal 3
Ensure healthy lives and promote well-being for all at all ages

Lexmark's progress
Global Citizenship, Employee Health & Safety

Goal 4
Ensure inclusive and quality education for all and promote lifelong learning

Lexmark's progress
Global Citizenship

Goal 5
Achieve gender equality and empower all women and girls

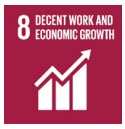
Lexmark's progress
Global Citizenship, Diversity, Benefits

Goal 6
Ensure access to water and sanitation for all

Lexmark's progress
Water Management
Annual Creek Clean Up, KPIs

Goal 7
Ensure access to affordable, reliable, sustainable and modern energy for all

Lexmark's progress
Energy Consumption, Product Energy, KPIs



Goal 8
Promote inclusive and sustainable economic growth, employment and decent work for all

Lexmark's progress
Human Rights, Supply Chain, Diversity, Benefits

Goal 9
Build resilient infrastructure, promote sustainable industrialization and foster innovation

Lexmark's progress
Global Citizenship, PCR, Circular Economy

Goal 10
Reduce inequality within and among countries

Lexmark's progress
Global Citizenship, Human Rights, Supply Chain, Diversity

Goal 11
Make cities inclusive, safe, resilient and sustainable

Lexmark's progress
Global Citizenship
Risks & Opportunities

Goal 12
Ensure sustainable consumption and production patterns

Lexmark's progress
Return & Recycle, KPIs

Goal 13
Take urgent action to combat climate change and its impacts

Lexmark's progress
GHG Emissions
KPIs

Goal 14
Conserve and sustainably use the oceans, seas and marine resource

Lexmark's progress
Land & Biodiversity, Cane Run Creek

Goal 15
Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

Lexmark's progress
Global Citizenship, Partnerships, Product Life Cycle

Goal 16
Promote just, peaceful and inclusive societies

Lexmark's progress
Global Citizenship, Supply Chain

Goal 17
Revitalize the global partnership for sustainable development

Lexmark's progress
UNGC Index, TonerPave

ISO 26000 Index

Subjects	Issues	References
6.2 ORGANIZATIONAL GOVERNANCE		
6.2	Organizational governance	Governance
6.3 HUMAN RIGHTS		
6.3.3	Due diligence	Human Rights, Supply Chain, Human Trafficking
6.3.4	Human rights risk situations	Human Rights
6.3.5	Avoidance of complicity	Human Rights
6.3.6	Resolving grievances	Human Rights
6.3.7	Discrimination and vulnerable groups	Human Rights, Human Rights Policy, Diversity
6.3.8	Civil and political rights	Human Rights
6.3.9	Economic, social and cultural rights	Human Rights
6.3.10	Fundamental principles and rights at work	Human Rights, Supply Chain, Human Trafficking
6.4 LABOUR PRACTICES		
6.4.3	Employment and employment relationships	Human Rights, Commitment to Employees, Supply Chain
6.4.4	Conditions of work and social protection	Human Rights, Commitment to Employees
6.4.5	Social dialogue	Human Rights
6.4.6	Health and safety at work	Health & Safety, Commitment to Employees
6.4.7	Human development and training in the workplace	Commitment to Employees
6.5 THE ENVIRONMENT		
6.5.3	Prevention of pollution	Greenhouse Gas Emissions, Water Management, Waste Management, Land & Biodiversity, Return & Recycle, Energy Consumption, Energy Use, Emissions
6.5.4	Sustainable resource use	Materials, Greenhouse Gas Emissions, Water Management, Waste Management, Land & Biodiversity, Energy Consumption, Energy Use, Product Life Cycle, Return & Recycle, Packaging

ISO 26000 Index (continued)

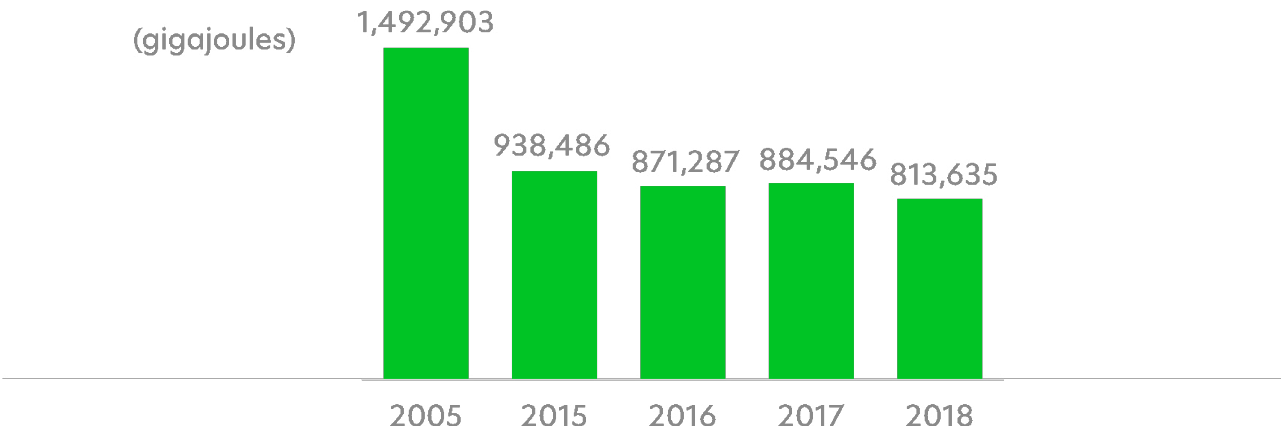
Subjects	Issues	References
6.5 THE ENVIRONMENT		
6.5.5	Climate change mitigation and adaptation	Greenhouse Gas Emissions, Energy Consumption, Energy Use, Risks, Opportunities & Impacts
6.5.6	Protection of the environment, biodiversity and restoration of natural habitats	Land & Biodiversity, Water Management
6.6 FAIR OPERATING PRACTICES		
6.6.3	Anti-corruption	Transparency & Ethics
6.6.4	Responsible political involvement	Governance
6.6.5	Fair competition	Transparency & Ethics
6.6.6	Promoting social responsibility in the value chain	Supply Chain, Materials, Energy Consumption, Packaging, Human Rights, Human Trafficking
6.6.7	Respect for property rights	Transparency & Ethics, Human Rights
6.7 CONSUMER ISSUES		
6.7.3	Fair marketing, factual and unbiased information and fair contractual practices	Transparency & Ethics, Product Health & Safety
6.7.4	Protecting consumers' health and safety	Product Health & Safety
6.7.5	Sustainable consumption	Product Health & Safety, Packaging, Waste Management, Materials, Product Life cycle, Return & Recycle, Energy Use, Energy Consumption
6.7.6	Consumer service, support, and complaint and dispute resolution	Product Health & Safety, Commitment to Customers
6.7.7	Consumer data protection and privacy	Security & Privacy
6.7.8	Access to essential services	Global Citizenship
6.7.9	Education and awareness	Product Health & Safety, Commitment to Customers
6.8 COMMUNITY INVOLVEMENT AND DEVELOPMENT		
6.8.3	Community involvement	Global Citizenship, Land & Biodiversity, Commitment to Employees, Partnerships
6.8.4	Education and culture	Commitment to Employees, Global Citizenship, Diversity
6.8.5	Employment creation and skills development	Commitment to Employees

ISO 26000 Index (continued)

Subjects	Issues	References
6.8 COMMUNITY INVOLVEMENT AND DEVELOPMENT		
6.8.6	Technology development and access	Commitment to Employees, Global Citizenship
6.8.7	Wealth and income creation	Commitment to Employees
6.8.8	Health	Commitment to Employees
6.8.9	Social investment	Global Citizenship

Data Dashboard / Energy

Total energy: Operations within organization



Total energy: Operations within organization (gigajoules)

2005	2015	2016	2017	2018
1,492,903	938,486	871,287	884,546	813,635

Total energy intensity: Operations within organization (gigajoules/square foot)

2005	2015	2016	2017	2018
0.179	0.206	0.189	0.191	0.207

Facility level energy (Scope 1 and 2): Operations within organization
(gigajoules)

	2015	2016	2017	2018
Lexington, KY, U.S.	267,881	256,735	241,309	202,494
Boulder, CO, U.S.	274,088	280,518	324,909	339,953
Juarez, Mexico	245,098	186,282	172,687	156,044
Cebu City, Philippines	44,219	42,337	36,402	30,668
Kolkata, India	12,063	10,686	9,479	7,896
Budapest, Hungary	6,649	5,894	5,593	3,826
Other	88,488	88,835	94,167	72,755

Data Dashboard / Energy (continued)

Energy consumption by type/location: Operations within organization (gigajoules)

Direct energy by type (Corresponds to Scope 1 emissions)	**2015**	**2016**	**2017**	**2018**
Natural Gas	326,879	284,539	319,685	320,027
Diesel/gas oil	35,007	33,862	39,723	29,988
Total	**361,886**	**318,401**	**359,408**	**350,015**
Indirect energy by type and location (Corresponds to Scope 2 emissions)	**2015**	**2016**	**2017**	**2018**
ELECTRICITY PURCHASED				
Lexington, KY, U.S.	153,763	142,552	129,559	105,194
Boulder, CO, U.S.	188,224	186,276	185,364	173,986
Juarez, Mexico	121,047	113,157	105,985	100,584
Cebu City, Philippines	40,911	40,302	35,502	30,283
Kolkata, India	9,973	9,973	9,200	7,354
Budapest, Hungary	4,626	3,327	3,284	1,986
Other	58,056	57,299	56,244	44,233
Total	**576,600**	**552,886**	**525,138**	**463,620**

Energy consumption boundary and accounting methodology

Organizational boundary
Reported data covers the 2018 calendar year. Energy use data represents approximately 100 percent of Lexmark's 2018 square footage of occupied space. Reported data 2015 -2017 has been re-calculated for the Lexmark Enterprise Software divesture. Data prior to the 2015 base year (including 2005) has not been recalculated for divestitures.

Data input and calculation methodology
Lexmark calculates energy usage for owned and operated sites and fuel used in company owned/leased vehicles under Scope 1. Data is calculated from utility bills, onsite refrigerant tracking, maintenance records, site fuel estimates or rental agency vehicle reports, and other documentation. For leased sites where metered data is available through utility bills and other invoices, the data is compared to the average intensity for the region and increased for HVAC energy support if higher, or left the same as a region otherwise. For leased sites where no metered data is available, current Commercial Buildings Energy Consumption Survey (CBECS) data is used to calculate energy for U.S. locations and International Energy Agency (IEA) data is used to estimate usage for leased locations in other parts of the world. All energy use (direct office use and HVAC support) is assumed to be electrically derived.

Energy intensity is calculated per Lexmark square footage.

Square footage

2015	2016	2017	2018
4,545,407	4,602,342	4,633,431	3,928,007

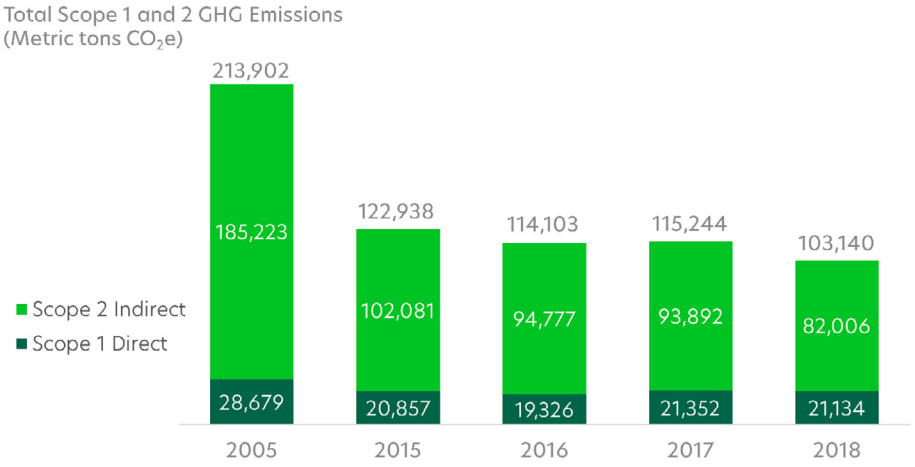
Direct energy consumption includes natural gas and diesel/gas oil use. We are not currently using renewable fuel sources or generating electricity.

Indirect energy consumption includes electricity purchased for use at Lexmark locations.

Lexmark uses the World Business Council for Sustainable Development (WBCSD) and World Resource Institute (WRI) Greenhouse Gas Protocol (GHG Protocol) methodology to track GHG emissions, as well as our use of natural gas, fuel oil, diesel, gasoline and electricity.

Data Dashboard / Emissions

Greenhouse gas emissions



Total Scope 1 and 2 GHG emissions (Metric tons CO_2e)

	2005	2015	2016	2017	2018
Scope 1 Direct	28,679	20,857	19,326	21,352	21,134
Scope 2 Indirect	185,223	102,081	94,777	93,892	82,006
Total Scope 1 and 2 GHG Emissions	**213,902**	**122,938**	**114,103**	**115,244**	**103,140**

Scope 1 and 2 GHG emissions intensity (Metric tons CO_2e/sq ft)

	2015	2016	2017	2018
Scope 1 Direct	0.0046	0.0042	0.0046	0.0054
Scope 2 Indirect	0.0225	0.0206	0.0203	0.0209
Total Scope 1 and 2 GHG Emissions	**0.0270**	**0.0248**	**0.0249**	**0.0263**

Data Dashboard / Emissions (continued)

Greenhouse gas emissions by scope and type (Metric tons CO_2e)

Scope 1 emissions	2015	2016	2017	2018
Natural Gas	17,409	15,288	17,431	17,723
Diesel/gas oil	152	144	95	42
Refrigerants	1,083	1,715	1,285	1,356
Owned vehicles/transportation fleet	2,213	2,179	2,541	2,013
Total	**20,857**	**19,326**	**21,352**	**21,134**
Scope 2 emissions	**2015**	**2016**	**2017**	**2018**
Electricity (purchased)	102,081	94,777	93,892	82,006
Scope 3 emissions	**2015**	**2016**	**2017**	**2018**
Purchased Goods and Services (Category 1)	-	251,795	266,474	171,717
Capital Goods (Category 2)	-	7,114	15,296	20,256
Upstream Transport (Category 4)	-	21,890*	11,615	10,101
Waste in Operations (Category 5)	-	Negligible	Negligible	Negligible
Business Travel (Category 6)	17,634	17,821	12,256	8,000
Employee Commuting (Category 7)	-	25,262	15,929	14,525
Use of Sold Products, Direct Emissions - Energy use of product	-	598,008	615,090	528,346
Use of Sold Products, Upstream Transport (Categories 11, 4) Direct and Indirect Emissions, Including Paper	-	14,164,318	14,607,209	14,511,763
Use of Sold Products, Upstream Transport (Categories 11, 4) Direct and Indirect Emissions, Excluding Paper	-	2,459,408	2,616,667	2,708,032
End of Life Treatment of Sold Products (Category 12)	-	2,202	2,356	2,468
Downstream Leased Assets (Category 13)	24,841	22,862	19,254	8,112

Data Dashboard / Emissions (continued)

GHG consumption boundary and accounting methodology

Organizational boundary
The boundary for GHG emissions covers Scope 1, Scope 2 and Scope 3 emissions.

Scope 1/Direct emissions include the use of fossil fuels, refrigerants and fleet vehicle transport based on available data.

- Scope 1 fossil fuel data was reported by the following Lexmark sites: Lexington, Kentucky; Boulder, Colorado; Cebu City, Philippines; Juarez, Mexico; Kolkata, India; Budapest, Hungary; and estimated for U.S. leased offices, representing 87 percent of Lexmark's 2018 square footage of occupied space. Scope 1 fossil fuel emissions for U.S. leased offices were estimated using current Commercial Buildings Energy Consumption Survey (CBECS) data.

- Scope 1 refrigerant usage was reported for Lexington, Kentucky; Boulder, Colorado; Juarez, Mexico; Cebu City, Philippines; and Kolkata, India, representing 84 percent of Lexmark's 2018 square footage of occupied space.

- Scope 1 vehicle data was provided from sites in the United States, Canada and Switzerland; Austria, Germany; Budapest, Hungary; Juarez, Mexico; Shenzhen, China; Kolkata, India; and Cebu City, Philippines. Leased/owned vehicle reports are provided by rental agencies and/or site estimations.

The Scope 2 emissions boundary represents indirect energy consumption/electrical power purchased for use at approximately 100 percent of Lexmark owned and leased locations using the operational control approach. Data prior to the 2015 base year will not be recalculated.

Scope 1 and 2 GHG emission intensity is calculated per Lexmark square footage.

Square footage

2015	2016	2017	2018
4,545,407	4,602,342	4,633,431	3,928,007

Data input and calculation methodology
Lexmark publicly reports GHG emissions that are related to the use of direct and indirect energy through the Carbon Disclosure Project. Using the World Business Council for Sustainable Development (WBCSD) and World Resource Institute (WRI) Greenhouse Gas Protocol (GHG Protocol) methodology, we track greenhouse gas emissions, as well as our use of natural gas, fuel oil, diesel, gasoline and electricity.

Scope 1 emissions
Scope 1 emissions data is received from site inputs such as onsite refrigerant tracking, natural gas utility bills and maintenance records.

Scope 2 emissions
Scope 2 emissions are calculated based on energy usage for all owned and operated sites. Data is calculated from utility bills or landlord billings where available. For leased sites where metered data is available through utility bills and other invoices, the data is compared to the average intensity for the region and increased for HVAC energy support if higher or left the same as a region otherwise. For leased sites where no metered data is available, current Commercial Buildings Energy Consumption Survey (CBECS) data and 2016 eGrid factors are used to calculate energy and emissions for U.S. locations and International Energy Agency (IEA) data is used to estimate usage and emissions for leased locations in other parts of the world. All energy use (direct office use and HVAC support) is assumed to be electrically derived.

Scope 3 GHG emissions

Category	Description	Scope/Methodology
Category 1	Purchased Goods and Services	Lexmark conducts Life Cycle Assessments (LCAs) of our imaging equipment in accordance to ISO 14040 and ISO 14044. The LCAs cover the emissions of our products from raw material extraction and processing through manufacturing and distribution through use and end-of-life and will be used to report estimated emissions for Purchased Goods and Services, as well as other Scope 3 categories. Assumptions and methodology behind our LCAs may be found in our EPDs, which are published according to ISO 14045 and third party verified for completeness and accuracy. A small amount of dot matrix printers and older laser models are not included. 2018 reporting does not include full cartridge impacts; but will be a goal of future reporting.

Data Dashboard / Emissions (continued)

Scope 3 GHG emissions (continued)

Category	Description	Scope/Methodology
Category 2	Capital Goods	Assessed using average-spend based method and emission factors from Embodied Energy and Emission Intensity Data (3E1D) published by the National Institute for Environmental Studies Center for Global Environmental Research.
Category 3	Fuel and energy related activities not accounted for in Scope 1 and 2	Not applicable to Lexmark at this time.
Category 4	Upstream Transport	Emissions calculated using the distance-based method for inbound, outbound and LCCP product logistics impacts in EMEA. *U.S. transport data as calculated through the US EPA SmartWay tool included in 2016 only.
Category 5	Waste in Operations	Emissions resulting from non-hazardous and hazardous waste disposal at Lexmark reporting locations (see Waste Management section/Waste Dashboard for locations) assessed using the waste-type-specific method where emissions factors are published (approximately 80 percent). The following sources were used: US Environmental Protection Agency's (EPA) Waste Reduction Model (WARM), Version 14, Waste Sector GHG Protocol Calculation Tool, Version 5, October 2013, and David A. Turner*, Ian D. Williams, Simon Kemp, "Greenhouse gas emission factors for recycling of source-segregated waste materials" (2015).
Category 6	Business Travel	Covers business travel worldwide based on availability of data. 2018 reporting covers data as reported for U.S. (rentals and fleet vehicles), Canada (rentals and fleet vehicles), Kolkata, Cebu, Shenzhen, Juarez, Switzerland, Austria, Germany and Budapest. Air travel is currently reported for locations worldwide using our primary corporate travel agencies. We estimate that the data not currently reported is minimal. Leased vehicle reports are provided by rental agencies. Travel agency partners provide reports for business travel via air.
Category 7	Employee Commuting	Estimated using the average data method. When available, average annual working days data was sourced for representative geographies. Vehicle types and average commute distances were primarily based on a U.S. transportation survey, with inputs from geographies where data existed. The World Resources Institute (2015) GHG Protocol tool for mobile combustion, Version 2.6 was used for calculation in 2016. The National Household Transport Survey was used for calculation in 2017 and 2018.
Category 8	Upstream Leased Assets	Not applicable at this time.
Category 9	Downstream Transport	Not applicable at this time.
Category 10	Processing of Sold Products	Not assessed at this time.
Category 11	Use of Sold Products	Calculated as part of the imaging equipment LCAs. Includes some assumptions for transport within the U.S. that are calculated in the LCAs.
Category 12	End of Life Treatment of Sold Products	Calculated as part of the imaging equipment LCAs. Emissions from processing cartridges returned to Lexmark through LCCP are captured in Scopes 1 and 2 for Lexmark-owned return facilities.
Category 13	Downstream Leased Assets	Data included for Lexmark owned space leased to tenants for which the tenant has operational control.

Data Dashboard / Emissions (continued)

Category 14	Franchises	Not applicable to Lexmark at this time.
Category 15	Investments	Not applicable to Lexmark at this time.

Regulated air emissions (U.S. short tons per year)

Methane	**2015**	**2016**	**2017**	**2018**
Lexington, KY, U.S.	0.12	0.11	0.12	0.10
Volatile organic compounds (non-methane)	**2015**	**2016**	**2017**	**2018**
Boulder, CO, U.S.	4.28	5.06	4.44	2.95
Lexington, KY, U.S.	0.31	0.29	0.31	0.23
Juarez, Mexico	34.04	16.60	19.08	22.66
SO_x	**2015**	**2016**	**2017**	**2018**
Lexington, KY, U.S.	0.06	0.04	0.05	0.03
Juarez, Mexico	0.03	0.02	0.02	0.02
NO_x	**2015**	**2016**	**2017**	**2018**
Lexington, KY, U.S.	5.49	5.15	5.52	4.23
Juarez, Mexico	3.15	1.86	1.69	1.41
CO_2	**2015**	**2016**	**2017**	**2018**
Boulder, CO, U.S.	347.90	379.00	428.00	433
Lexington, KY, U.S.	6,038.81	5,895.01	6,317.70	4,988.62
Juarez, Mexico	4,009.65	2,361.45	2,151.11	1,788.49
Particulate matter (PM10)	**2015**	**2016**	**2017**	**2018**
Boulder, CO, U.S.	0.06	0.06	0.06	0.06
Lexington, KY, U.S.	0.41	0.39	0.42	0.32
Juarez, Mexico	0.24	0.14	0.13	0.11
Hazardous air pollutants	**2015**	**2016**	**2017**	**2018**
Boulder, CO, U.S.	0.17	0.27	0.31	0.25
Lexington, KY, U.S.	0.09	0.09	0.08	0.08
Toxic release inventory (TRI)	**2015**	**2016**	**2017**	**2018**
Boulder, CO, U.S.	1.89	1.77	1.97	1.45
Registro de Emisiones y Transferencia de Contaminantes (RETC)	**2015**	**2016**	**2017**	**2018**
Juarez, Mexico	3,113.03	1,831.84	1,667.12	1,381.17

Data Dashboard / Emissions (continued)

Regulated air emission boundary and accounting methodology

Regulated air emissions are reported for our primary research and development and manufacturing locations, with the exception of Cebu City, Philippines.

Lexmark monitors regulated air emissions and submits the necessary reports to agencies requesting this information. The Lexmark manufacturing location in Boulder, CO falls in scope of Toxic Release Inventory reporting.

Our planned actions to reduce toxic materials under EPA TRI include, but are not limited to the following:

• Substitution of materials to safer materials, when alternatives are available, including those used in the manufacturing of toner.

• Utilization of ISO 14001 management program which ensures environmental aspects of manufacturing operations are evaluated, and proper controls put in place.

• Elimination of hazards to human health and the environment on a regular basis.

• Active use of process control(s) which include dust collectors, house vacuums and regenerative thermal oxidizer(s) to minimize the release of harmful materials.

• Optimization and regular review of manufacturing equipment control processes.

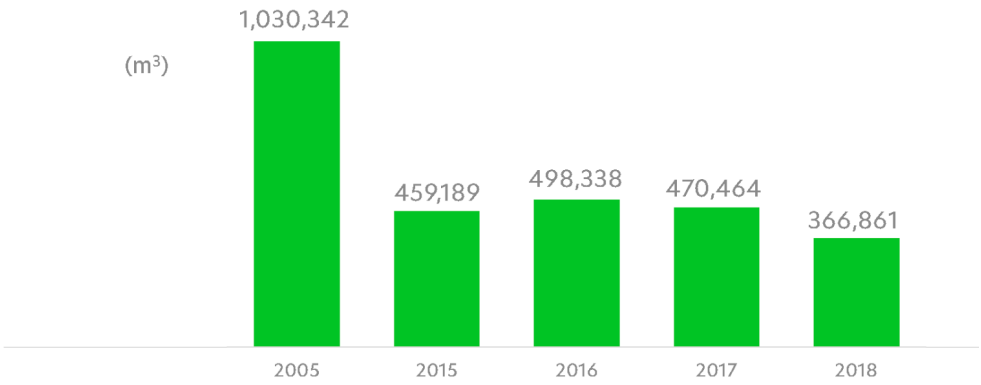
•Annual evaluation of the manufacturing processes, including yield and handling of solvents, to determine the optimum treatment method to reduce pollution. Process improvements managed through our ISO 14001 program result in an annual reduction of TRI materials released during the design and manufacture of our products.

As a result of our above planned actions, we reduced our Total TRI by 46 percent with a target to achieve 50 percent by 2025 since our baseline year of 2015.

An error was identified in the program that calculates Volatile Organic Compounds (non-methane), CO_2 and Hazardous Air Pollutant at the Boulder location. The 2016 data reflects the program change; prior years have not been recalculated.

Data Dashboard / Water

Total water withdrawal



Total water withdrawal (m³)

2005	2015	2016	2017	2018
1,030,342	459,189	498,338	470,464	366,861

Water reuse[1]

	2016	2017	2018
Amount of water reused (m3)	33,606	41,714	65,617
Percent reuse (based on total water use)	6.6	8.6	15.8

Water withdrawal by facility (m³)

	2015	2016	2017	2018
Lexington, KY, U.S.	188,421	179,958	177,153	103,543
Boulder, CO, U.S.	96,904	91,809	98,503	96,479
Juarez, Mexico	118,001	166,573	131,259	115,400
Cebu City, Philippines (LRDC)	23,109	26,337	27,286	22,257
Kolkata, India	28,654	29,401	29,322	23,456
Budapest, Hungary	2,976	3,224	3,774	2,539
Shenzhen, China	1,110	1,036	2,324	3,187
Other	14	-	843	-

Data Dashboard / Water (continued)

Water withdrawal by source (m^3)

	All areas	All areas with water stress
Surface water (total)	15,142	15,142
Ground water (total)	0	0
Seawater (total)	0	0
Produced water (total)	0	0
Third-Party (total)	351,719	325,724
Surface water		210,324
Groundwater		115,400
Seawater		0
Produced water		0
Total water withdrawal	366,861	340,866

*All water withdrawn is Freshwater (≤1,000 mg/L Total Dissolved Solids)

Water discharge by source (m^3)

	All areas	All areas with water stress
Water discharge by destination		
Surface water	0	
Groundwater	0	
Seawater	0	
Third-party water (total)	240,396	
Third-party water sent for use to other organizations	1,010	
Total water withdrawal	241,406	215,411

*Discharged water is Freshwater (≤1,000 mg/L Total Dissolved Solids) without treatment

Data Dashboard / Water (continued)

Water discharge by facility (m^3)

	2015	2016	2017	2018
Lexington, KY, U.S.				
Sanitary Sewer	94,712	98,925	100,116	75,102
Creek	10,606	10,908	5,826	0
Evaporation/Losses	83,103	70,125	71,211	28,441
Boulder, CO, U.S.				
Sanitary Sewer	30,681	22,130	37,843	37,465
Use in product/ evaporation/losses	66,223	69,679	60,271	58,479
Landfill	-	-	389	535
Juarez, Mexico				
Sanitary Sewer	118,001	58,486	95,819	77,400
Evaporation	-	54,636	35,440	38,000
Use in product/losses	-	53,451	-	-
Cebu City, Philippines (LRDC)				
Sanitary Sewer	23,109	26,337	27,286	22,257
Kolkata, India				
Sanitary Sewer	28,654	29,401	29,322	23,456
Budapest, Hungary				
Sanitary Sewer	2,976	3,224	3,774	2,539
Shenzhen, China				
Sanitary Sewer	1,110	1,036	2,324	3,187
Other				
Sanitary Sewer	14	-	843	-

Data Dashboard / Water (continued)

Water consumption (m^3)

	All areas	All areas with water stress
Total water consumption	125,455	125,455

Facilities with Water Stress	Water withdrawal		Water Consumption
	Surface water	Third-party water	Total
Juarez, Mexico	0	115,400	38,000
Shenzhen, China	0	3,187	0
Boulder, CO, U.S.	0	96,479	59,014
Cebu City, Philippines (LRDC)	0	22,257	0
Lexington, KY, U.S.	15,142	88,401	28,441

Water boundary and accounting methodology

Organizational boundary
Reported data covers the 2018 calendar year. Lexmark calculates water data for all owned and operated sites and includes a portion of leased spaces as data is available. The 2018 water data represents approximately 86 percent of Lexmark's 2018 estimated square footage of Lexmark occupied space.

Slight changes may occur in the reporting boundary for location changes and/or operational control. Available data for these locations will be placed in "Other".

Water risks have been assessed using the Aqueduct Water Risk Atlas.

Data input and calculation methodology
Water was sourced from local municipal water suppliers, unless reused from another process on site.

Metered readings and utility bills were used to calculate and/or estimate water withdrawal and water reuse. Water data was recalculated at the Boulder location between 2013 and 2016 as a new calculation methodology allowed for a better estimate of actual water withdrawal at this location, resulting in updated data for this individual location and total water reported. New meters were also installed at the facility in Boulder, allowing for greater accuracy in reporting. The 2005 Total Water Withdrawal has not been recalculated and represents the reporting boundary and calculation methodology used during that year.

Wastewater from Lexmark operations is primarily discharged to local utility systems (sanitary sewer) for treatment, but is not metered at many of our reporting locations; discharge to the local utility is assumed to be equivalent to withdrawal. Prior to 2016 reporting, Lexmark conservatively reported 100 percent discharge of wastewater to the local utility for Juarez and Boulder due to lack of metered wastewater data. Data was available in Boulder to allow for the delineation of wastewater discharge details. The reporting of data in Juarez began in 2016.

Meters are in place in Boulder, Lexington and Juarez for certain water use and/or discharge activities.

[1] Water reuse (also commonly known as water recycling or water reclamation) reclaims water from a variety of sources then treats and reuses it for beneficial purposes such as agriculture and irrigation, potable water supplies, groundwater replenishment, industrial processes, and environmental restoration.
https://www.epa.gov/waterreuse/basic-information-about-water-reuse

Data Dashboard / Waste

Total waste generation enterprise level (metric tons)

	2013	2014	2015	2016	2017	2018
Non-Hazardous	17,238	16,909	19,827	16,986	14,052	13,129
Hazardous	494	565	465	616	569	591
Total	17,732	17,474	20,292	17,602	14,621	13,721

Total waste generation facility level (metric tons)

	2013	2014	2015	2016	2017	2018
Lexington, KY, USA	1,988	1,521	1,228	1,253	1,190	1,030
Boulder, CO, USA	3,340	3,083	2,833	3,490	3,059	2,553
Juarez, Mexico, Manufacturing	4,768	5,104	4,815	4,507	4,040	3,771
Juarez, Mexico, LCCP Recycling Plant[1]	7,533	7,662	11,345	8,132	6,170	6,177
Cebu City, Philippines (Research & Dev)	104	105	70	144	163	189

Non-hazardous waste generation facility level (metric tons)

	2013	2014	2015	2016	2017	2018
Lexington, KY, USA	1,984	1,517	1,209	1,235	1,177	1,028
Boulder, CO, USA	3,311	3,057	2,794	3,438	3,041	2,535
Juarez, Mexico, Manufacturing	4,330	4,584	4,425	3,988	3,535	3,249
Juarez, Mexico, LCCP Recycling Plant[1]	7,530	7,655	11,332	8,124	6,163	6,176
Cebu City, Philippines (Research & Dev)	83	95	67	125	136	142

Data Dashboard / Waste (continued)

Hazardous waste generation facility level (metric tons)

	2013	2014	2015	2016	2017	2018
Lexington, KY, USA	4	3	19	17	13	2
Boulder, CO, USA	28	26	39	52	17	19
Juarez, Mexico, Manufacturing	438	519	390	519	505	522
Juarez, Mexico, LCCP Recycling Plant[1]	3	6	13	9	6	1
Cebu City, Philippines (Research & Dev)	21	9	4	19	27	47

[1] LCCP Recycling Plant processes empty toner cartridges from customers for recycle or reuse. This data includes facility operations in addition to cartridge processing.

Total waste generation enterprise level by disposal method (with LCCP)
(metric tons)

	2013	2014	2015	2016	2017	2018
Reuse	2,085	2,492	5,706	1,936	1,747	1,659
Recycling	11,161	10,680	11,133	10,549	9,088	8,801
Composting	20	13	10	12	10	8
Energy Recovery	1,732	1,626	847	1,527	810	721
Incineration	372	105	136	439	300	347
Deep well injection	-	-	-	-	-	-
Landfill	2,188	2,310	2,461	3,139	2,665	2,185
On-site storage	-	-	-	-	-	-
Water Treatment	176	248	-	-	-	-
Total	**17,732**	**17,474**	**20,292**	**17,602**	**14,052**	**13,721**

Data Dashboard / Waste (continued)

Waste generation for the Lexmark Cartridge Collection Program (LCCP) facility
(metric tons)

	2013	2014	2015	2016	2017	2018
Reuse	1,928	2,095	5,475	1,923	1,501	1,441
Recycling	5,453	5,348	5,564	5,801	4,381	4,536
Composting	-	-	-	-	-	-
Energy Recovery	3	4	6	8	37	80
Incineration	-	-	-	-	-	-
Deep well injection	-	-	-	-	-	-
Landfill	149	215	300	400	251	120
On-site storage	-	-	-	-	-	-
Water Treatment	-	-	-	-	-	-
Total	**7,533**	**7,662**	**11,345**	**8,132**	**6,170**	**6,177**

Total non-hazardous waste generation enterprise level by disposal method (with LCCP)
(metric tons)

	2013	2014	2015	2016	2017	2018
Reuse	2,084	2,492	5,706	1,936	1,747	1,659
Recycling	11,144	10,672	11,131	10,543	9,074	8,757
Composting	20	13	10	12	10	8
Energy Recovery	1,323	1,206	715	1,402	731	684
Incineration	370	102	134	437	299	344
Deep well injection	-	-	-	-	-	-
Landfill	2,161	2,270	2,130	2,656	2,191	1,677
On-site storage	-	-	-	-	-	-
Water Treatment	136	154	-	-	-	-
Total	**17,238**	**16,909**	**19,826**	**16,986**	**14,052**	**13,129**

Data Dashboard / Waste (continued)

Total hazardous waste generation enterprise level by disposal method (with LCCP)
(metric tons)

	2013	2014	2015	2016	2017	2018
Reuse	1	-	-	-	-	-
Recycling	17	8	2	6	15	43
Composting	-	-	-	-	-	-
Energy Recovery	408	420	132	125	79	37
Incineration	2	3	1	2	1	3
Deep well injection	-	-	-	-	-	-
Landfill	27	39	330	483	475	508
On-site storage	-	-	-	-	-	-
Water Treatment	40	94	-	-	-	-
Total	**494**	**565**	**465**	**616**	**569**	**591**

2018 Non-hazardous waste generation by type (metric tons)

	General	Recyclables	Ink/water mix or other liquid	Construction debris	Batteries	Electronic scrap
Lexington, KY, USA	160	569	11	-	1	287
Boulder, CO, USA	302	1474	730	24	0	4
Juarez, Mexico, Manufacturing	1647	1461	134	-	0.04	8
Juarez, Mexico, LCCP Recycling Plant[1]	614	5519	43	-	-	-
Cebu City, Philippines (Research & Dev.)	100	42	0.09	-	-	33

Data Dashboard / Waste (continued)

2018 Hazardous waste generation by type (metric tons)

	Ignitables/ solvents	Metals	Corrosive	Mercury/ Lamps	Other
Lexington, KY, USA	1	-	-	-	0.06
Boulder, CO, USA	11	0.2	2	-	5
Juarez, Mexico, Manufacturing	18	-	0.4	0.2	504
Juarez, Mexico, LCCP Recycling Plant[1]	0	-	-	-	1
Cebu City, Philippines (Research & Dev.)	1	-	10	2	1

Hazardous waste (HW) transported, imported, exported or treated under the terms of Basel Convention Annex I, II, III and VIII

(Metric tons)	HW Transported			HW Imported			HW Exported			HW Treated		
	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Lexington, KY, USA	17	13	2	-	-	-	-	-	-	17	13	2
Boulder, CO, USA	52	17	18	-	-	-	-	-	-	52	17	18
Juarez, Mexico, Manufacturing	519	505	522	-	-	-	-	-	-	519	505	522
Juarez, Mexico, LCCP Recycling Plant[1]	9	6	1	-	-	-	-	-	-	9	6	1
Cebu City, Philippines (Research & Dev.)	19	12	19	-	-	-	-	-	-	19	12	19

Hazardous waste shipped internationally

(%)	2016	2017	2018
Lexington, KY, USA	-	-	-
Boulder, CO, USA	-	-	-
Juarez, Mexico, Manufacturing	-	-	-
Juarez, Mexico, LCCP Recycling Plant[1]	-	-	-
Cebu City, Philippines (Research & Dev.)	-	-	-

Waste data is from 100% of Lexmark's owned development and manufacturing sites based on square feet.

Data Dashboard / Waste (continued)

Total electronics waste recycling (metric tons)

	2018	2018
	Voluntary	Regulated
USA	2957	753
Canada	-	159
EU	-	496
Mexico	12	-
India	2	-
Asia Pacific	112	142

Data Dashboard / Employees

2018 Global Workforce

	Employees	% Women	New Hires
Asia Pacific Total	2,258	50%	232
Europe, Middle East, Africa Total	1,076	39%	140
Latin America Total	2,779	47%	921
North America Total	2,021	24%	88
Total Employees	**8,154**	**41%**	**1,381**

By Job level	Employees	% Women
Vice President	28	25%
Director	102	22%
Senior Manager	88	30%
Manager	748	35%
Individual Contributor	7,188	42%
Total	**8,154**	**41%**

By Employment type	Employees	% Women
Full Time	8,108	41%
Part time	46	89%
Total	**8,154**	**41%**

Temporary Employees	65	54%
Contingent Workers	2,022	37%

*35% of contractors reported their gender

US Minorities	Workplace	Management	New Hires
	16%	16%	23%

Worldwide by Age	Workplace
30 and under	19%
31-50	65%
51 and over	15%

Lexmark's worldwide minimum age is 18.

Data Dashboard / Employees (continued)

2018 Continuing Training & Education

Employee Category	Number of Employees	Average Training Hours
Executive Vice President	28	21
Director	102	21
Senior Manager	88	35
Manager	748	35
Individual Contributor	7,188	35

The average number of hours for training is 34.9 for women, 34.7 for men.
Averages based on the corporate-level systems that capture employee development activities and do not include formal education supported by Lexmark.

2018 Injury Rate, Ill Health, Lost Work Day Rate, Absentee Rate and Work Related Fatalities by Region

Lexmark Location	Injury Rate		Ill Health		Lost Work Day Rate		Work Related Fatalities		Absentee Rate	
	Total	% Women	Total	% Women	Total	% Women	Total	% Women	Total	% Women
Boulder, Colorado	1.59	0%	0.53	0%	41.78	0%	0	n/a	Not Reported	
Juarez, Mexico	0.08	67%	0.04	100%	8.46	50%	0	n/a	Not Reported	
Lexington/U.S. sales & home offices	0.31	11%	0.04	0%	1.65	12.5%	0	n/a	Not Reported	
China TSC	0	0%	0	0%	0	0%	0	n/a	Not Reported	
Cebu, Philippines LRDC	0.04	0%	0	0%	0	0%	0	n/a	Not Reported	