Lexmark

Working together for our future

2016 Corporate Social Responsibility Report

Contents

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.

Executive Message

Lexmark experienced significant change in 2016. We transitioned from being a publicly traded company to a privately held firm with a renewed focus on imaging solutions and output technology. Our corporate culture and strong vision and values have carried our company through this exciting time.

These same guiding principles form the foundation on which Lexmark's corporate social responsibility (CSR) and sustainability initiatives and programs are built. These activities take place in support of our longstanding commitment to make the communities in which we live and work better—not only for the present but for the future as well. Lexmark has made tremendous progress in the sustainability area, earning a top 10 ranking in CR Magazine's 100 Best Corporate Citizens list in our final year as a public company.

This CSR report highlights many of the contributions made by Lexmark employees worldwide in their support of community improvement and aid, STEM education, sustainability innovation, and environmental activities. It also focuses on the progress we've made toward the many new CSR and sustainability-focused goals we established in 2015.

Moving forward, Lexmark will continue to focus on product sustainability, improved and expanded interaction with our supply chain, better understanding and reporting of our global energy footprint, and customer and community partnerships. A number of global trends have the potential to influence the path forward, including an expanding focus on the circular economy, rapid regulatory change, climate change and the pace of technology innovation.

In the face of these potential challenges, Lexmark will continue to pursue its goal to be a thought and action leader in sustainability and corporate social responsibility. This effort will be supported by a renewed focus on winning—as individuals, as a team and as a company.

Finally, as Lexmark enters this exciting next chapter, I would like to thank all Lexmark employees for their unwavering commitment to Lexmark's vision and values. Their dedication is the key to making a positive impact on the communities in which we all live and work, and beyond.

Brock Saladin
Chairman, Executive Management Committee

"Lexmark will continue to focus on product sustainability, improved and expanded interaction with our supply chain, better understanding and reporting of our global energy footprint, and customer and community partnerships."

—Brock Saladin

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.

Manufacturing

Retail

Healthcare

Banking

Insurance

Government

Education
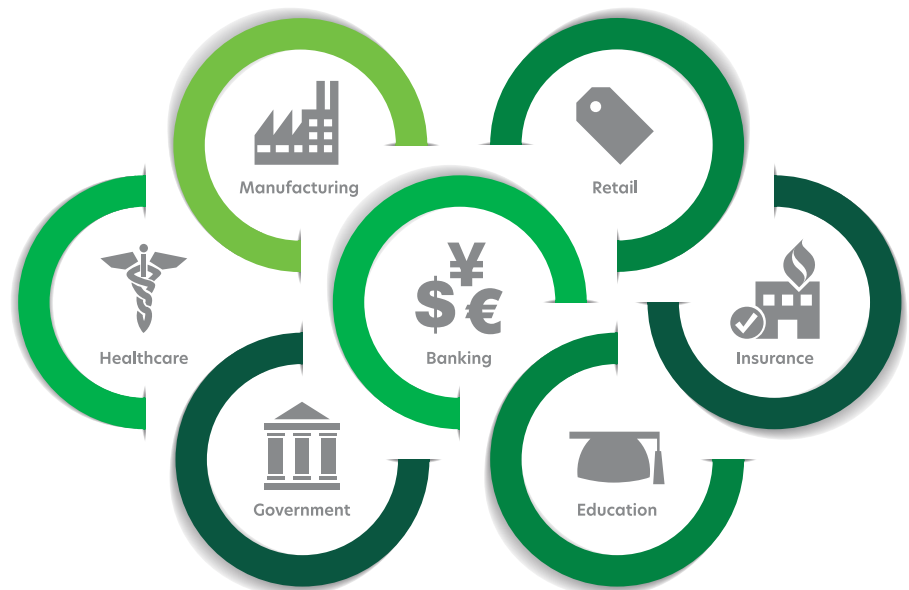
We operate our business in a manner that results in a better world by focusing on our people, our planet and the communities in which we live and work. As we strive to maintain best practices for sustainability, Lexmark's commitment to corporate social responsibility (CSR) is global in reach, balancing 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. Headquartered in Lexington, Kentucky, Lexmark is now a privately held company. On November 29, 2016, Lexmark International, Inc. was acquired by a consortium of investors comprised of Ninestar Corporation, PAG Asia Capital and Legend Holdings.

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 that they can be confident that Lexmark is being managed responsibly.

Sustainability initiatives are lead by Lexmark's Global Corporate Senior Manager of 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.

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.

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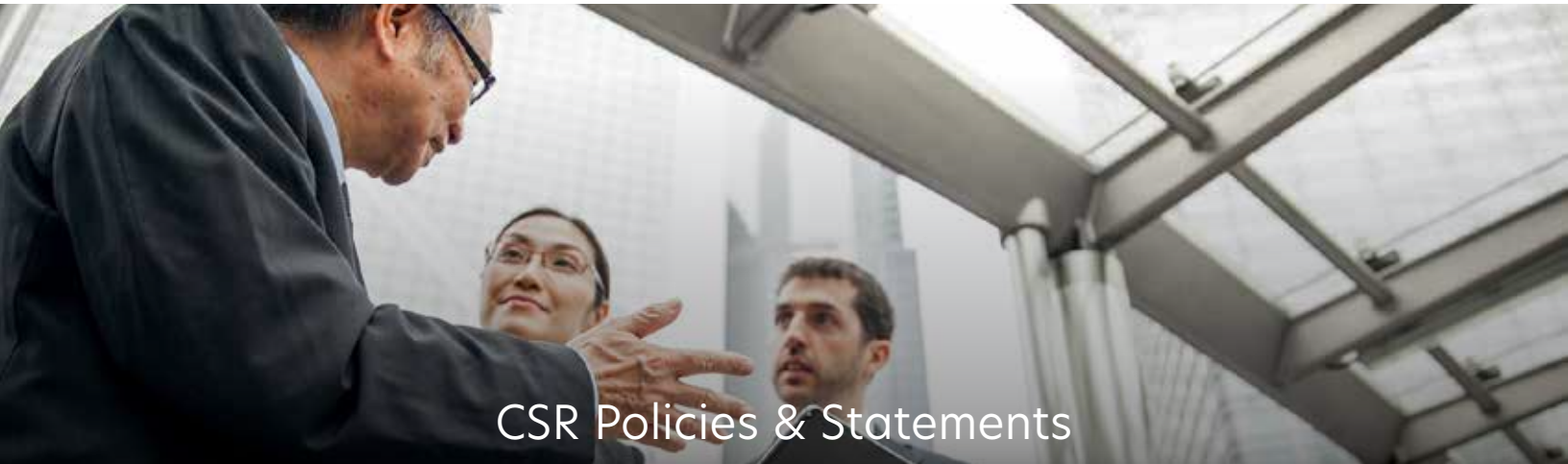
CSR Policies & Statements

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](#)
[EICC 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

Our Stakeholders

We believe that 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 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 Electronic Industry Citizenship Coalition (EICC)

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

Note: Lexmark does not engage significantly in lobbying.

We believe that stakeholder engagement is fundamental to determining our direction, not only as a business, but also as a global corporate citizen.

Stakeholder engagement

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	✓		✓	

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

- 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)
- Deutsches Institut für Normung (DIN)
- DIGITALEUROPE
- Ecma International
- 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
- U.S. Chamber of Commerce
- United Nations Global Compact
- University of Kentucky Center for Sustainable Manufacturing

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 way, we are able 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. We determine our material subjects 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. This is an 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 2016, all regular, worldwide employees and managers acknowledged their understanding of the 2016 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

Both 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. The planning phase for each audit includes a discussion and consideration of fraud risk. Based on the risk assessment for fraud, internal Audit evaluates controls in each area audited through test steps designed to address fraud risks. Specific audits are also planned to primarily focus on fraud risks. Key risks are revenue recognition, inventory, receivables, fixed assets, liabilities/disbursements and employee payables.

Lexmark has a zero-tolerance policy towards bribery and corruption among Lexmark employees and business partners. Lexmark terminates business relationships with business partners that operate in an unethical manner. Lexmark recently terminated its

relationship with an electronic component manufacturer after discovering that the company violated an environmental regulation and refused to take the required corrective actions. Incidents of corruption involving Lexmark employees are reported to Human Resources and Legal. No legal cases regarding corrupt practices were brought against Lexmark or our employees during 2016.

All allegations of employee corruption and/or 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 decided to dismiss certain employees during the reporting period based on nonsystemic, personal-level incidents 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) that prohibit business practices that unreasonably restrict the functioning of the competitive system.

Lexmark was a defendant in one pending anticompetitive behavior lawsuit during the reporting period. In U.S. federal court litigation, Static Control Components, Inc. has alleged that Lexmark engaged in anticompetitive behavior in violation of federal and state laws. The courts have not rendered any decision on the merits of these claims. Lexmark denies the allegations and is actively defending itself in court.

Monetary Fines
Because of our commitment to ethical business practices, 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.

Gift and Gratuity Policy
The Lexmark Gift and Gratuity Policy states that no Lexmark employee or member of his or her family may accept a gift or gratuity from a supplier or prospective supplier unless it is of nominal value (no more than $25). 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 has occurred or might be occurring. A third-party provider operates the Ethics Line. 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 reported to Lexmark for investigation and reviewed by Lexmark senior management.

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 product 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 2016.

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 2017 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

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.

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.

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.

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.

CSR Awards & Recognition

Our Approach to Citizenship

CR's 100 Best Corporate Citizens 2016

Lexmark was ranked 9th in Corporate Responsibility (CR) Magazine's annual listing. This publication recognizes top performing U.S. public companies. The Ratings are based on disclosure and performance data from publicly available information in Environment, Climate Change, Human Rights, Employee Relations, Corporate Governance, Philanthropy and Finance.

Global Compact 100

Lexmark is recognized in the top 100 companies in the United Nations Global Compact (UNGC) global stock index, which combines corporate sustainability and baseline financial performance. GC-100 was developed by UNGC in partnership with research firm Sustainalytics. Lexmark has been included since its first index in 2013.

EcoVadis Gold CSR Rating

Lexmark received gold recognition level based on the EcoVadis CSR rating for the third consecutive year. Lexmark is in the top 1% of suppliers assessed from 95 countries, 20,000 companies, across 145 business sectors on corporate policies, initiatives and achievements in areas concerning the environment, labor practices, fair business practices and supply chain.

Distinctive ESR® 2017 -Empresa Socialmente Responsable

Lexmark was awarded ESR Distinctive by the Mexican Center for Philanthropy (Cemefi) and the Alliance for Corporate Social Responsibility (AliaRSE), for the fourth consecutive year. This recognition is for companies committed to socially responsible management and continuous improvement.

European Business Awards National Champion 2016/17

Lexmark has been selected as a National Champion representing Italy in the 2016/17 European Business Awards, sponsored by RSM, in Environmental & Corporate Sustainability. This award considers business operations in a social, cultural, economic and environmental context. Corporations are recognized that operate transparently and support employee development and value the consumer and the environment.

Our Operations

2017 Most Sustainable Corporate Headquarters

CR Magazine selected Lexmark in their list of organizations that improve their sustainability track records in every way possible including the facilities in which they operate.

PEZA Outstanding Environmental Performer of the Year, 2017

Lexmark Cebu was recognized as the Outstanding Environmental Performer Award for institutionalizing its environmental management system, complying with environmental regulations, and fostering partnership between the government and the industry in caring for the environment while simultaneously sustaining economic growth.

Most Innovative and Best Company of the Year in Philippines

The International Information Communication and Technology (ICT) recognized Lexmark Cebu as the Most Innovative Company and Hall of Fame in 2017 for the 3rd consecutive year for this award. In 2016, Lexmark received the Best Company of the year outside the National Capital Region, in addition to Innovation. This was the second year for this award.

Green Check Partner

Lexmark is a Silver rated Green Check Partner. This certification program, by Lexington Environmental Quality and Public Works and Bluegrass Greensource, recognizes companies for outstanding sustainability initiatives.

2016 Commonwealth Supply Chain Innovation Award

The University of Kentucky's Gatton College of Business and Economics selected Lexmark for the inbound container optimization project, which was designed to optimize shipments of printer service parts from China to our European distribution center in Geel, Belgium.

2016 Shared Services and Outsourcing Network (SSON) Excellence Award

Lexmark Budapest won the Best Process Improvement and Innovation award in 2016 for the European region.

Bicycle Friendly Business award

Silver Class The League of American Bicyclists recognized Lexmark with a Silver award for leading America toward a greener future.

Top 10 Information Technology and Business Process Management Companies of Cebu

The Cebu Educational Development Foundation for Information Technology recognized Lexmark at the Cebu Tourism and IT-BPM Recognition event.

Our Imaging Solutions

2017 BLI Color Printer/MFP Line of the Year

Buyers Lab analysts chose Lexmark due to exceptional reliability, simple maintenance and high-yield supplies for minimal down time.

2017 Manufacturing Leadership 100 Awards

Lexmark was recognized in three categories: Collaborative Innovation Leadership, Manufacturing Leadership and Supply Chain Leadership.

2016 Highest Achievers - Manufacturing Leadership 100 Awards

Lexmark received the High Achiever award in Sustainability Leadership for the TonerPave project and in Enterprise Technology Leadership for the internal social networking project. Additionally, Lexmark was awarded an award for Customer Value Leadership.

Our People & Partners

2017 PEZA Outstanding Employer of the Year

Lexmark Cebu was recognized with the Outstanding Employer Award for the outstanding work and career opportunities that it has created over the years in the Philippines, as well as its regard and focus on employee welfare, and the credibility it has established as a business in keeping with labor standards and practices.

Military Friendly Employer 2017

Lexmark has been recognized in the technology industry by Victory Media Surveys for the second consecutive year. Lexmark's recognition is due to efforts such as: to recruiting veterans, offering military benefits and leave policies and global sourcing efforts with veteran-owned businesses.

2017 Forbes Best Midsize Employers

Lexmark was recognized by Forbes as one of the best midsize employers in 2017.

HRC's Best Places To Work 2017

Lexmark received a perfect score of 100 on the Corporate Equality Index by The Human Rights Campaign Foundation for commitment to equality in the workplace resulting in inclusion in their annual listing. Lexmark has been recognized on the index every year since 2005.

2017 Top Ten Happiest Tech Companies

CareerBliss, the leading online career community, ranked Lexmark 2nd in their annual top ten list based on data derived from employees who voluntarily submit reviews evaluating their company's leadership, culture, compensation and overall work environment.

2016 Working Mother 100 Best Companies

Lexmark has been recognized nationally for the ninth consecutive year for commitment to workplace flexibility.

Most Exemplary Company

Lexmark's Juarez campus has been recognized with several awards from the region's United Way—Fondo Unido Chihuahua— for employee involvement and direct benefits to the community.

The Generosity Award 2016

The American Chamber of Commerce Foundation in Budapest recognized Lexmark for volunteer work for supporting children.

Key Performance Indicators

Water

Goal

Reduce water withdrawal 8% from 2015 to 2020.

Progress

8%

increase from 2015

Waste Recycling

Goal

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

Progress

71%

recycling rate

Emissions

Goal

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

Progress

5%

reduction from 2015

Energy

Goal

Reduce energy consumption 10% from 2015 to 2020

Progress

8%

reduction from 2015

Regional manufacturing

Goal

Increase regional manufacturing of cartridges to 80% by 2017

Progress

78%

regional manufacturing

Return & Recycle

Goal

Increase total cartridge material reused to 50% by weight by 2018

Progress

29%

catridge material reused

Materials

Goal

Increase postconsumer recycled (PCR) plastic use to 25% from 2012 to 2018

Progress

18.5%

increase

Product Energy use

Goal

Reduce product energy use for laser products

Progress

93%

reduction in sleep power for color laser multifunction products since 2005

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 in Lexington, Kentucky; Boulder, Colorado; Budapest, Hungary; Cebu, Philippines; Juárez, Mexico; Shenzhen, China; the United Kingdom; Istanbul, Turkey; and the Netherlands 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

📄 [Lexington, Kentucky](#)

📄 [Boulder, Colorado](#)

📄 [Budapest, Hungary](#)

📄 [Cebu, Philippines](#)

📄 [Juarez, Mexico](#)

📄 [Shenzhen, China](#)

📄 [Istanbul, Turkey](#)

📄 [The Netherlands](#)

📄 [United Kingdom](#)

OHSAS 18001 Certificates

📄 [Lexington, Kentucky](#)

📄 [Boulder, Colorado](#)

📄 [Budapest, Hungary](#)

📄 [Cebu, Philippines](#)

📄 [Juarez, Mexico](#)

📄 [Shenzhen, China](#)

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 2016, we continued to make progress toward our 2020 goal to reduce energy 10 percent compared to the 2015 baseline.

Goal

Reduce energy consumption
10%
from 2015 to 2020

2016
8%
reduction

Total energy reductions

2005	2015	2016
1,492,903	1,017,627	938,775

Down 37% from 2005
Down 8% from 2015
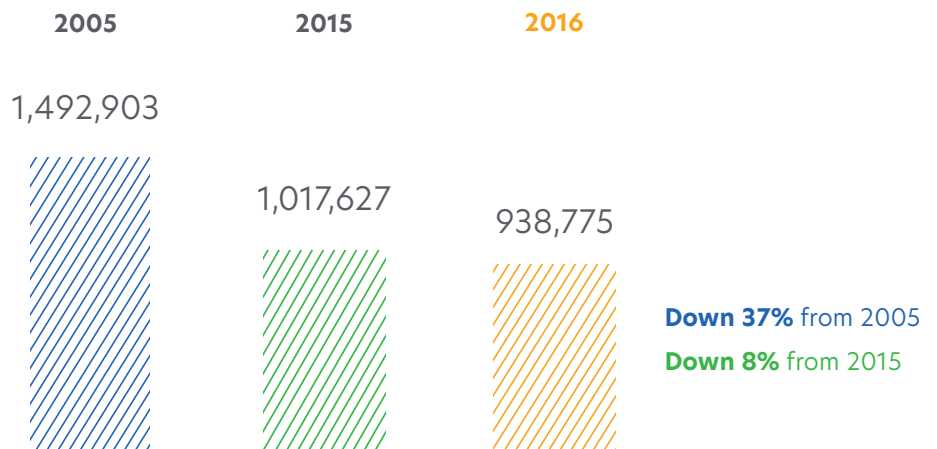
Total energy
Direct and indirect (Gigajoules)

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 the Lexmark Center for Children, 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
- Installation of energy efficient state-of-the-art chillers
- Increased insulation on steam piping systems
- A new, smaller summer boiler for steam
- Lighting upgrades to more efficient bulbs

We performed two large lighting upgrade projects—from T8 fluorescent to LED bulbs—in 2016. The lamp replacements in parking lots will save the Lexington site approximately 280,000 kWh annually. A relamping project performed within a large office space on campus will save an estimated 180,000 kWh annually.

The Facilities department at our headquarters location continues to assess space on campus, identifying unused areas that can be moved into a dormant state to minimize energy usage. Approximately 29,000 square feet of space was taken out of service in 2016. We anticipate a larger savings from closing out 10,000 square feet of data center space due to the reduction of the physical servers occupying this space. Approximately 416 physical servers were decommissioned in 2016, with the data consolidated, virtualized or moved to supplier equipment. The 2016 savings is estimated to be over 591,000 kWh. We are targeting project completion in 2017, with an additional 100 servers scheduled for move or decommission and a projected $140,000 savings due to reduced energy and maintenance needs.

Lenexa, KS, USA

Lexmark's newest facility in Lenexa, Kansas, is LEED certified, with the building showing a 14 percent improvement in energy as compared to the baseline building performance rating[1]. Heating and cooling units that minimize or eliminate the emissions of compounds that contribute to ozone depletion and climate change are also installed at the Lenexa location.

Cebu City, Philippines

Our facilities team in Cebu initiated projects in 2016 to help maintain low energy targets for future years. The variable frequency drive (VFD) installation and the three-year lighting installation to replace fluorescent T8 lighting with LED have already yielded savings. An estimated 276,480 kWh savings has been achieved as a result of the 2,500-bulb install progress. Over 9,000 tubes will be replaced over the course of three years, providing an estimated ongoing annual energy savings of 99,500 kWh at project completion.

Kolkata, India

In December 2015, we initiated a three-year energy conservation project to replace less efficient lighting with LED lamps at our Kolkata, India, building. The total project cost is estimated to be $10,700. Over 450 lamps have been replaced, saving over 15 kW per connected load. Our yearly energy savings is calculated to be over 4,000 kWh, equivalent to approximately $6,650.

📊

Energy data

Click here for detailed energy data

Juarez, Mexico

Our 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 gained significant monthly energy savings by eliminating the need for one of its chillers. During a lean assessment of water use on site, our employees identified that an extra chiller was being used for a toner manufacturing process due to an improper hydraulic balance.

We also identified ways to reduce energy waste in the compressed air system by adjusting pressure settings. Preventative and predictive maintenance programs were introduced to detect and correct compressed air leaks to gain further savings.

Energy awareness and education

Lexmark educates our employees on energy conservation in the workplace and discourages the use of space heaters, personal refrigerators, and personal printers, which increase energy use. 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 2016 to be 111,012 gigajoules[2], 18 percent of the total indirect energy used. The total electrical power used that is derived from nonrenewable sources is estimated to be 503,680 gigajoules.

Natural gas – Lexmark's main direct energy source

Lexmark operations make use of several direct energy sources that drive our Scope 1 emissions: 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] Baseline building performance according to Appendix G of ANSI/ASHRAE/IESNA Standard 90.1-2007.

[2] 360 gigajoules of renewable electrical power sourced from wind was purchased for use at the Boulder, CO, facility, which is included the total estimated 2016 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 scope 2 GHG emissions

10%
from 2015 to 2020

2016

5%
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 every day processes in all of the scopes reported. The separation of our Scope 3 emissions from Scopes 1 and 2 will allow us to expand our Scope 3 reporting and set goals to capture reduction efforts in our value chain.

Total GHG emissions

2005	**2015**	**2016**
213,902	133,733	126,830

Down 40% from 2005
Down 5% from 2015

Scope 1 and 2
Metric tons CO_2e)
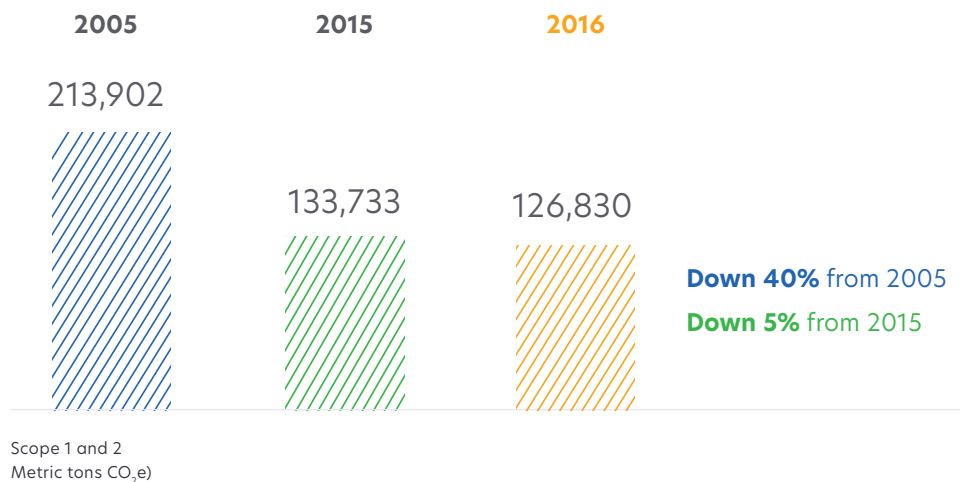
Emissions reporting

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 2016, only one reported refrigerant, R-22, had an ozone depletion potential greater than zero, generating 0.04 CFC-11 equivalent metric tons of emissions. In total, 1,715 CO_2e emissions were generated due to refrigerant losses.

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.

2016 Scope 3 emissions reported categories

Category 1
Purchased Goods and Services

Category 7
Employee Commuting

Category 2
Capital Goods

Category 11
Use of Sold Products

Category 4
Upstream Transport

Category 12
End of Life Treatment of Sold Products

Category 5
Waste in Operations

Category 13
Downstream Leased Assets

Category 6
Business Travel

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 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 and three stations at the Lenexa campus. Each station is equipped with two charging points for registered employees and clients to use free of charge.

- 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 health and wellness program "Live Well" also promotes alternative commuting through their Carless Commute challenge.

- Lexmark work-at-home programs are aimed at not only reducing the amount of miles commuted, but also providing work-life balance for our employees.

Lexmark employees often take the lead in helping promote environmentally-preferable commuting. Lexmark employees at several locations participate in carpools. For locations where public or community programs are available, employees often take part, such as the Kansas City RideShare program operated by Mid-America Regional Council.

After seeing billboards advertising South Florida Vanpools, a publicly funded program started in 1998 by the Miami-Dade Metropolitan Planning Organization, employees in Coral Gables, Florida, organized a meeting to start a vanpool. Two vanpools (or "guaguas" as the participants refer to them) are currently operating for commute to the Coral Gables office from Broward County. Together the vanpools save over 500 miles per day. In 2016, the use of vanpools avoided an estimated 65.1 metric tons of CO_2[1]. In addition, employees expressed that the vanpools offer other benefits, such as adherence to a schedule which promotes good work-life balance and the opportunity for members to keep up-to-date on strategies, projects and personal interests in a fun and relaxed environment.

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.

Lexmark utilizes the following transport initiatives to help reduce the impacts associated with product shipping worldwide:

- Cube utilization and product packaging—Lexmark develops robust products and efficient packaging that 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. For more information on packaging, click here.

- Direct Ship and Direct Replenishment models—Direct shipping from factory to customer destinations reduces the total miles products must travel, as well as handling and warehousing en route. Lexmark continues to use this strategy to be more sustainable and improve customer delivery. Lexmark also sees similar benefits from a direct replenishment strategy—whereby the factory can ship direct to the country distribution center, bypassing the centralized regional center and reducing miles, handling and cycle time.

- Intermodal freight transportation—Lexmark continues to employ intermodal freight transportation (a combination of ocean, rail, air, inland water and roadways, and so on) for inbound moves to realize savings of time, money and fuel. Lexmark targets and achieves 95 percent intermodal use inbound in the U.S.

- Transportation Management Systems—Lexmark utilizes multiple Transportation Management Systems (TMSs) from our global 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. In 2016, Lexmark TMS performed well and achieved cost savings and customer delivery improvements.

- Inbound Container Optimization strategy—Lexmark implemented the strategy to combine inbound vendor shipments in ocean containers into our distribution centers. This has resulted in an improvement of 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 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.

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

Brad Fruth, Lexmark Worldwide Customs and Compliance Manager, received the

Supply Chain Innovation Award from the University of Kentucky for Lexmark's Inbound Container Optimization project.

Brad and team launched a pilot of this project in April 2016 to consolidate the weekly shipments of service parts. Service parts were being shipped from China to Geel, Belgium, each week in a different container, typically only partially filled. As a result of the project, all shipments now arrive at one port in Yantian, China, where the parts are consolidated—filling the containers completely and reducing the number being shipped to our Belgium site.

"We're basically ride-sharing," Fruth said. "Instead of four people driving individually to work, they're all riding in one car, so to speak."

Not only is this saving money— an estimated annual cost savings of 17 percent—but also time. The container sharing has reduced the cycle time (the time it takes for the parts to be picked up at the vendors until they arrive at our distribution center) by three days.

The pilot was so successful it has now become "business as usual" for Lexmark.

- 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.

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

- Lexmark uses a late manufacturing/late customization process 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.

Regional manufacturing

Lexmark continued to make progress in the shift to regional manufacturing. We are on target to increase the number of cartridges manufactured in the region of consumption from 50 to 80 percent by 2017, reaching 78 percent worldwide in 2016. 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 2016, sourcing in geography eliminated the need to ship an estimated 682 air and ocean cargo containers from Hong Kong, China, to Europe, which would have generated approximately 1,267 metric tons of greenhouse gas[2].

Innovative methods of emissions avoidance

Product testing

We test our products throughout their lifecycle to ensure high quality. Realizing the impact of paper use on the environment, we are working to lessen this impact in our print testing. One way we minimize pages is to use files from local community organizations for print testing, providing a use for the printed test page and a cost benefit to the organization. Recently, we initiated "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 700 trees in 2016 and avoid over 77,000 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.

Model shop savings

Model shop employees purchased a SmartSkim product in 2016 to recycle the coolant used in the tooling area. This relatively inexpensive purchase has quickly provided a return on investment, allowing the coolant to be replaced once annually versus quarterly, in addition to the environmental benefits of using and disposing of less coolant.

2016 Remote fix by the numbers

Actual gasoline used (gallons)
177,023

Actual carbon emissions (kg)
1,577,022

Total gas saved (gallons)
57,321

Total CO_2 emissions avoided (kg)
510,650

Percent reduction

24.46%

[1] CO_2 emission factor for passenger cars: https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle-0

[2] Based on the carbon calculator at http://sustainability.log-net.com/

Water Management

Goal

Lexmark is focused on efficiently managing water usage at our facilities and has established a 2020 goal to reduce water use by 8 percent from 2015. We saw a slight increase in water use, up 8 percent, in 2016. Increased use primarily resulted from changes in water reuse activities at our cartridge manufacturing locations.

Reduce water use
8%
from 2015 to 2020

2016
8%
increase

Water withdrawal

Water is used as part of Lexmark operations for three primary purposes: manufacturing and development, sanitation and heating, and ventilation and air-conditioning (HVAC) systems. 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.
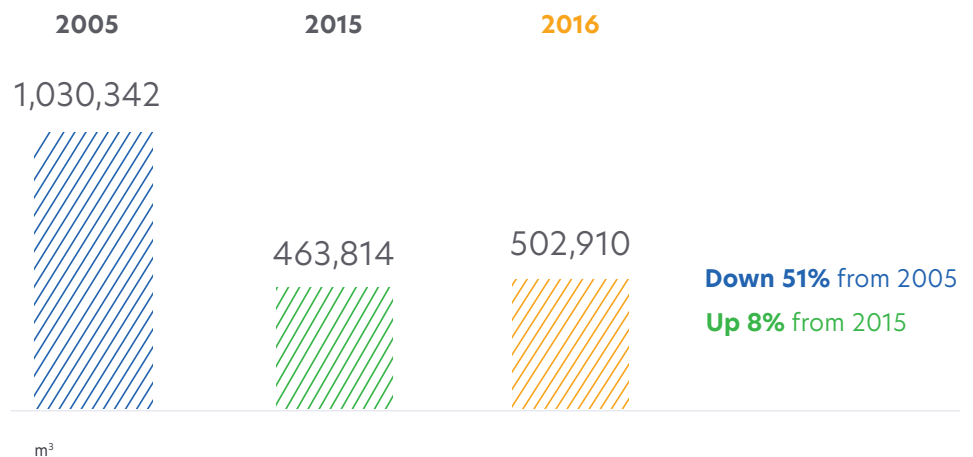
Lexmark has identified five of our reporting facilities to be overall medium to high risk water locations per the Aqueduct Water Risk Atlas. This information encourages us to focus on the regions highlighted as having the highest risk and work to reduce or maintain low consumption.

2005	**2015**	**2016**
1,030,342	463,814	502,910

Down 51% from 2005
Up 8% from 2015

m^3

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.

Project examples:
Update water-consuming equipment and processes to improve water use efficiency and water reuse

Reduce consumption
(intentional use of water)

Reduce losses
(accidental use of water)

Project examples:
Proactively manage losses associated with leaks from main pipes and plumbing

Awareness

Project examples:
Provide opportunities for employees and facility personnel to engage in water awareness activities

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 immediately. 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. A small portion of the reported usage represents water donated to community fire departments for emergencies. Using water donated by Lexmark Philippines allows them to respond more quickly.

- Lexmark's newest facility in Lenexa, Kansas, is LEED certified and has implemented strategies to reduce the amount of water used at this location by a minimum of 35 percent. Reduction strategies include the installation of water-efficient toilets, urinals, faucets and showerheads, and the installation of native landscaping that does not require permanent irrigation.

Water management data

Click here for detailed water management data.

- In Lexington, Kentucky, more efficient HVAC systems, installation of low-flow plumbing fixtures, upgrades to piping, reduction in the number of fire pumps and a successful partnership with GE Water services have contributed to water conservation. In the past three years, Lexmark has also reduced impermeable surfaces on site by 1,475,00 square feet through multiple activities, including building demolition, property sale and conversion of 256,665 square feet of parking space to green space in 2016.

- 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. Unfortunately, water reuse at our Boulder, Colorado, facility will cease in 2017 because the water quality needed for operations is not met by the current waste water treatment method. Water will be supplied by municipal sources going forward, providing the needed water quality as well as a cost savings.

The Lexmark campus in Juarez, Mexico, continues to utilize its robust on-site waste water treatment facility. In 2016, phase III of the project was completed. Shortly after implementation a filtration issue was discovered which affected reuse rates in 2016. The system was fully functioning by the end of the year, allowing water from chemically produced toner (CPT) production processes to be reused in the toner manufacturing process and cooling towers at a maximum rate. In spite of the setbacks, 30,194 m³ of water was reused in 2016, representing 18 percent of total water withdrawal on site.

In 2016, Lexmark broke ground on a bioretention and rainwater harvesting project 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 will act in much the same way. This depression in the ground will collect rainwater and filter it through a layer of sand. Water not needed for immediate use can be stored in one of two tanks—a three million gallon tank or a 500,000 gallon tank—for later use.

The naturally soft water can be used in Lexmark's cooling towers, boilers or chilled water system on site, reducing the need for chemically treated water in these processes.

Lexmark's rainwater retention area will have some bioremediation value and will also act 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 being removed for the project is being reused or recycled. Existing pipes and tanks already in place are being recommissioned for use in this project to gain further savings.

Water withdraws and discharges
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.

Planned discharges
Wastewater from Lexmark operations is primarily discharged to local utility systems for treatment. We discharge some water directly to nearby bodies of water in accordance with local laws and regulations. Lexmark's discharge of environmentally neutral water to the Cane Run Creek that flows through Lexmark property in Lexington, Kentucky, has had positive impact. The wildlife that depends on the Cane Run Creek (an impaired surface stream that is particularly vulnerable in times of drought) benefits from the occasional addition of water so that fish, birds and other wildlife can survive during times when the water level in the creek is otherwise detrimentally low.

Water discharges are often assumed to be equivalent to total water consumption; however, in Lexington, discharge monitoring has shown that only half of our usage is discharged to the sanitary sewer system. The majority of the remaining water sourced is evaporated from our cooling towers, diverted to Cane Run Creek to benefit that ecosystem, or absorbed into the soil when weather demands require care for landscaping and athletic fields.

Unplanned discharges
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 2016. 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 OHSAS 18001 management systems and other corrective and preventive action programs. All 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.

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)	The Buhisan Dam and 113 deep wells, and the diversion weir in Barangay
Kolkata, India	DLF IT Park via local municipality	Ganges River processed through osmosis water treatment plant
Shawnee/Lenexa, Kansas, United States	Water One	The Missouri River and Kansas River and wells along the Kansas River
Budapest, Hungary	Fövárosi 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
Richmond Hill, Ontario, Canada	City of Toronto, Toronto Water	Lake Ontario and municipal wells

*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.

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.

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 2016.

GOAL 75%

PROGRESS 71%

We achieved a 71% recycling rate for waste generated in 2016.

Food waste

Electronic waste
(computers, printers, telephones)

Batteries

Cell phones

Cartridges

Plastic

Metal

Glass

Paper

Cardboard

Aluminum cans

Fluorescent light bulbs

Toner

Wood

Waste generation and recycling statistics

Lexmark generated a total of 17,602 metric tons of waste in 2016, with 97 percent of the waste generated worldwide being non-hazardous[2]. Hazardous waste accounts for approximately 3 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

(Metric tons)

	2013	2014	2015	2016
Hazardous	494	565	465	616
Non-hazardous	17,238	16,909	19,827	16,986

■ Non-hazardous
■ Hazardous

Waste management data

Click here for detailed water management data.
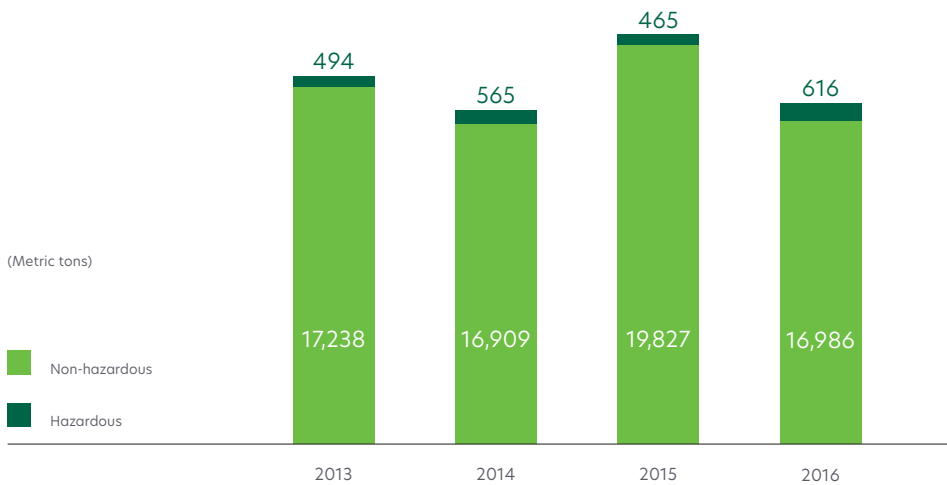
Development and production waste management and recycling

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 Lexmark cartridge packaging and paper products.

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

[2] Waste data is from 95% of Lexmark's owned development and manufacturing sites based on square feet.

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 71 percent. In 2016, Lexmark achieved a recycling rate of 71 percent with 11 percent of our total waste reused.

Waste treatment by disposal method

Incineration
2%

Water treatment
0%

Landfill
18%

Reuse
11%

Energy recovery
9%

Composting
0.07%

Recycling
60%
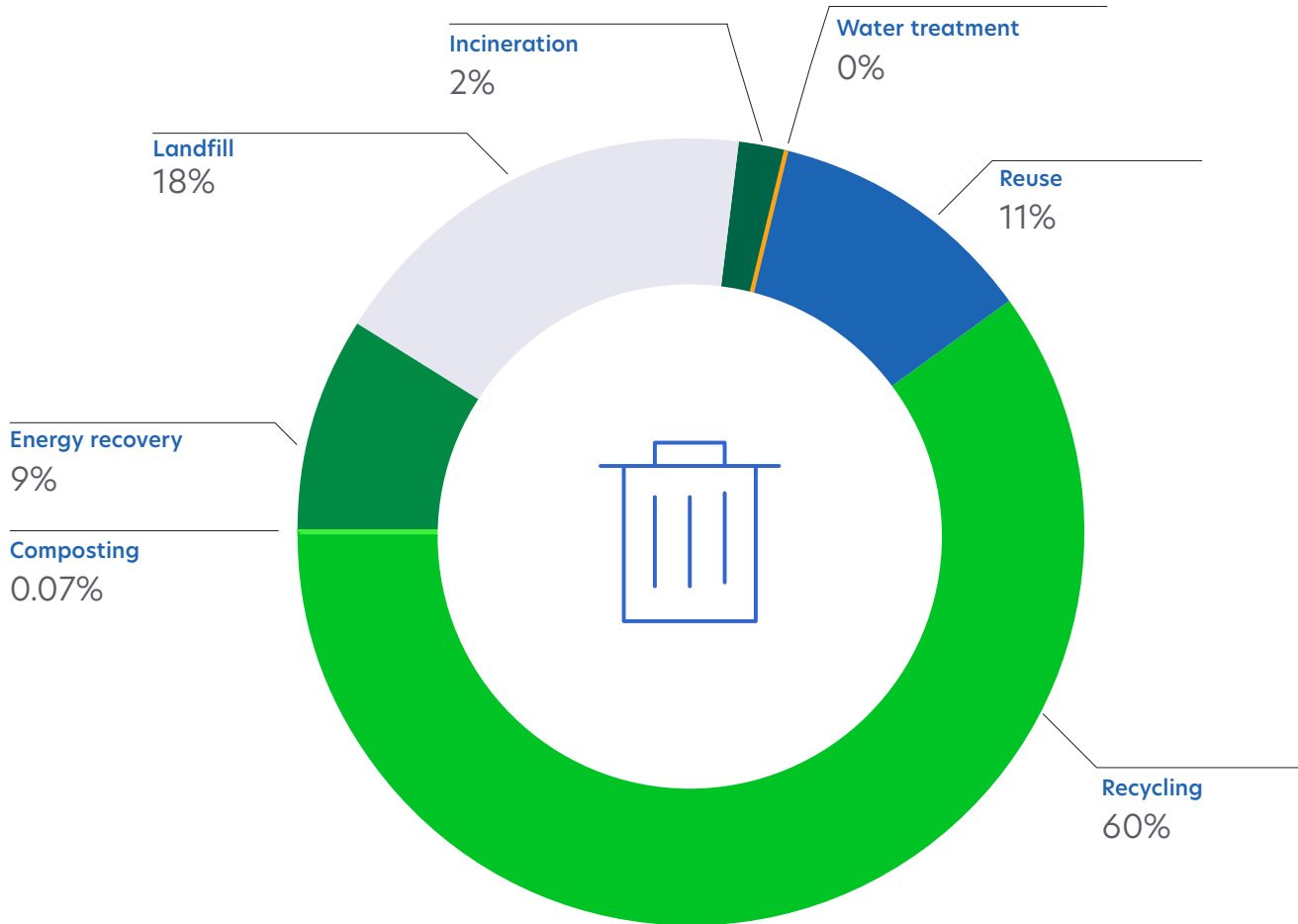
(Includes LCCP Recycle Facility)

Supply Chain Management

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 Electronic Industry Citizenship Coalition (EICC) 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 EICC 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 EICC 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 EICC 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 EICC and Lexmark Supplier Code of Conduct. In accordance with EICC 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 EICC 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 EICC 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 2016 spending, the 141 key and strategic suppliers make up about 40 percent of our purchases.[1]

Our goal is to regionally source 80% of our supplies by 2017.

GOAL
80%

PROGRESS
78%

We regionally sourced 78% of our supplies in 2016.

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

EUROPE
24 Suppliers

AMERICA
54 Suppliers

ASIA-PACIFIC
63 Suppliers
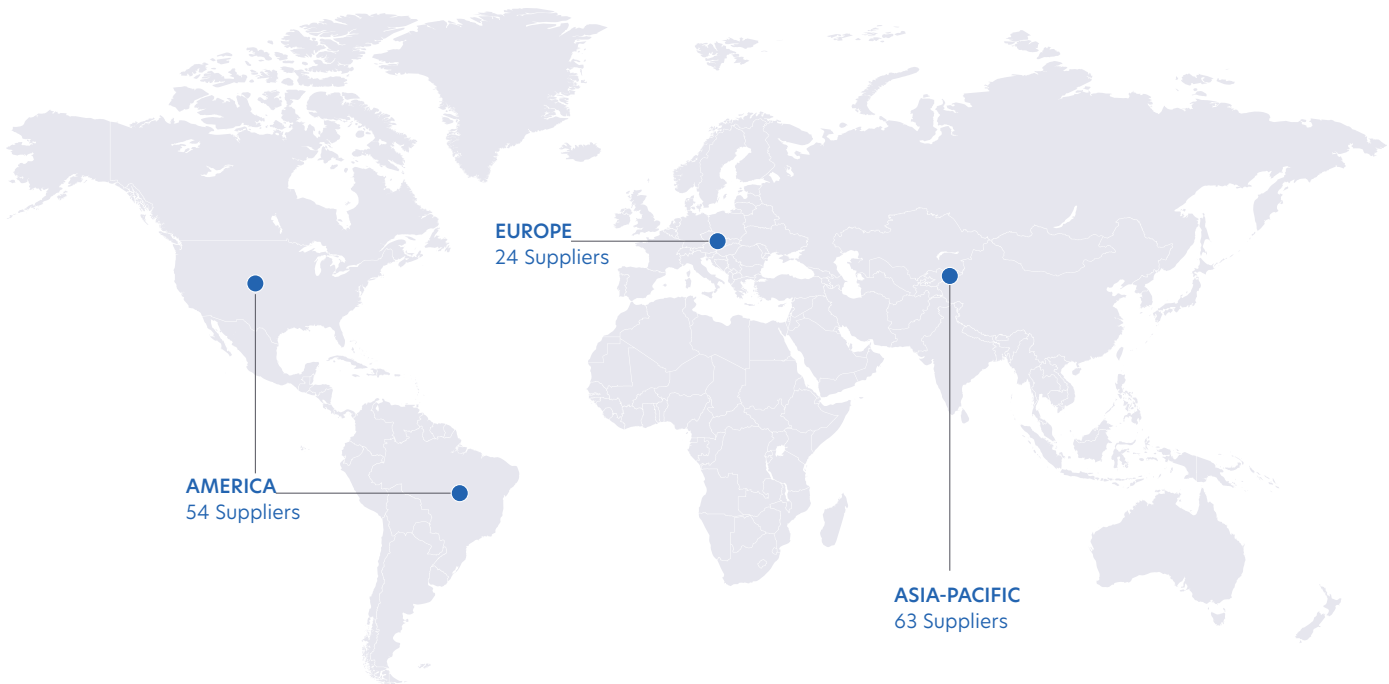
Accountability

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 four 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 9,000 suppliers, 1.5 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 EICC 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 EICC 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 EICC 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.

Lexmark collaborates with the EICC and CDP to encourage our suppliers to disclose their environmental information. Our goal is to disclose the energy consumption and emissions of our suppliers to improve the management of environmental risk, prevent climate change and protect our natural resources. Lexmark measures and discloses our environmental information and we request our key and strategic suppliers to collect and report their environmental data to drive action toward a more sustainable world.

Conflict minerals
On August 22, 2012, the U.S. Securities and Exchange Commission (SEC) released its final rules for the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") requiring SEC filing companies to report on the use of conflict minerals (tin, tantalum, tungsten and gold) in companies' products. Lexmark has filed such reports each year since the rules were established. Lexmark maintains a policy of responsible global sourcing including work toward a conflict-free supply chain.

In November of 2016, Lexmark was sold to a consortium of three investors. When that transaction closed Lexmark was no longer a publicly traded company, removing its reporting obligations to the SEC, including the obligation to prepare a Conflict Minerals Report. However, Lexmark remains committed to a conflict-free supply chain, and will continue its efforts around conflict minerals.

In support of that effort, Lexmark conducts a country of origin inquiry to determine whether a conflict mineral originated in the Democratic Republic of the Congo (DRC) or an adjoining country. Lexmark, as well 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 EICC template, or Lexmark-approved similar template. Lexmark has filed with the SEC a Conflict Minerals Report in 2016.

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 EICC 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. 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.

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

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*

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 to 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 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 133,000 mangrove trees in various coastal and watershed areas of Cebu and over 16,000 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.

An important part of our worldwide environmental assessment is the use of internationally accepted evaluation tools.

[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.

Innovation

Innovation is central to Lexmark's business strategy. We focus our efforts on seeking new ways to solve our customers' issues while benefiting society and the environment. Our hardware, software, tools and services comprise a set of innovative solutions that improve the operation of everyday tasks and processes in an environmentally conscious manner. Our employees are encouraged to discover effective and eco-friendly ways of helping our customers and safeguarding the environment. Whether it's improved energy efficiency in our facilities or new ways of creating, packaging and shipping our products, all employees are challenged to think outside the box.

Events encouraging innovation

We offer our interns, engineers, designers and other employees several opportunities to learn more about innovation and career development. To demonstrate the solutions that are produced by our creative participants, Lexmark holds the following events:

Tech Talks and Biz Talks
Monthly events to share new innovations, technical learning and customer insights with our research and development teams.

Student Showcase
A showcase of student-intern and new-employee work, as well as helpful career development information and networking opportunities for all attendees.

Problem-solving Hackathon
An annual design event in which our research and development team in Cebu, Philippines, collaborates to solve problems and showcase their creative solutions.

Products

Product innovation

The Lexmark CX725 Series of color printers and multifunction products continues our commitment to protecting the environment and helping our customers through innovation. This series incorporates our latest designs promoting sustainability, featuring improvements in power consumption, long life performance and more.

The CX725 includes features like a power-saving mode that uses less than a half of a watt and a sleep mode that uses less than 3 watts. The CX725 uses almost 50 percent less energy than its predecessor product according to the ENERGY STAR® Typical Electricity Consumption (TEC) metric. Our exclusive Unison Toner makes energy savings a reality, using less energy than Lexmark's previous toners by printing at a lower temperature.

The CX725 comes with a comprehensive set of environmentally friendly features. Printing on both sides of paper is set as the default to save paper. The unique ColorSaver feature saves toner by printing images at a lighter shade by default, while leaving text dark and readable. The included Scan Center solution lets users scan documents and automatically send the scanned images to multiple locations, including shared network folder, email, fax, cloud drive, internal hard disk or mobile device to further save paper.

The CX725 demonstrates significant improvements in page yield when compared to the previous product generation. Its long-life imaging components, which can last up to 150,000 pages depending on customer usage, minimize the need to replace parts. An ultra-durable coating used in the photoconductor unit provides excellent print quality throughout its extended life. Cartridge design improvements reduce toner waste by up to 50 percent, resulting in higher efficiency and yield. Plus, an advanced auto color retract feature pulls color printing components away during monochrome printing to prevent unnecessary wear. The long-life components of the CX725 save resources, reduce waste and require less maintenance, improving our customers' efficiency.

Designed with the environment in mind, the CX725 is manufactured using up to 50 percent post-consumer recycled plastic, one of the highest percentages among printers on the market. Remanufactured components from our award-winning Lexmark Cartridge Collection Program (LCCP) provide a second life to the CX725's cartridges, developer rollers and photoconductor units.

The CX725 includes advanced Section 508 and European Standard EN 301 549 accessibility features for those with varying levels of ability. Features such as a control panel that tilts from almost horizontal to almost vertical, paper trays that can be closed with less than five pounds of force, built-in voice-guided navigation with a headphone jack for private listening, and raised keypad icons provide a better user experience for all of our customers.

Numerous independent organizations certify Lexmark products' environmental credibility. The CX725 has earned the prestigious Blue Angel certification and is EPEAT Gold certified.

Thanks to Lexmark's commitment to designing products in the most environmentally efficient and socially responsible manner possible, our customers can quickly produce presentation-ready documents while reducing their environmental impact and costs.

The Lexmark CX725 Series
Pictured: CX725de

Features:

- Power saving mode
- Unison Toner saves energy
- Two-sided printing is default
- Color Saver saves toner
- Scan Center saves paper
- Improved cartridge design

Recycling

Innovations in recycling plastic

Lexmark's commitment to incorporating recycled materials into our products has been evident for over 20 years. Processes created by our engineers recover material from empty Lexmark cartridges through the Lexmark Cartridge Collection Program (LCCP). Cartridges returned by our customers are easily disassembled for possible reuse or remanufacturing. If remanufacturing is no longer an option, the cartridge is sent to be recycled.

Customer ships used cartridges to Lexmark

Customer installs and uses cartridge

Post-consumer recycled (PCR) closed-loop process

Lexmark Cartridge Collection Program (LCCP) facility disassembles parts for reuse

LCCP integrates PCR into new parts

LCCP separates plastic by type

LCCP grinds plastic into pellets
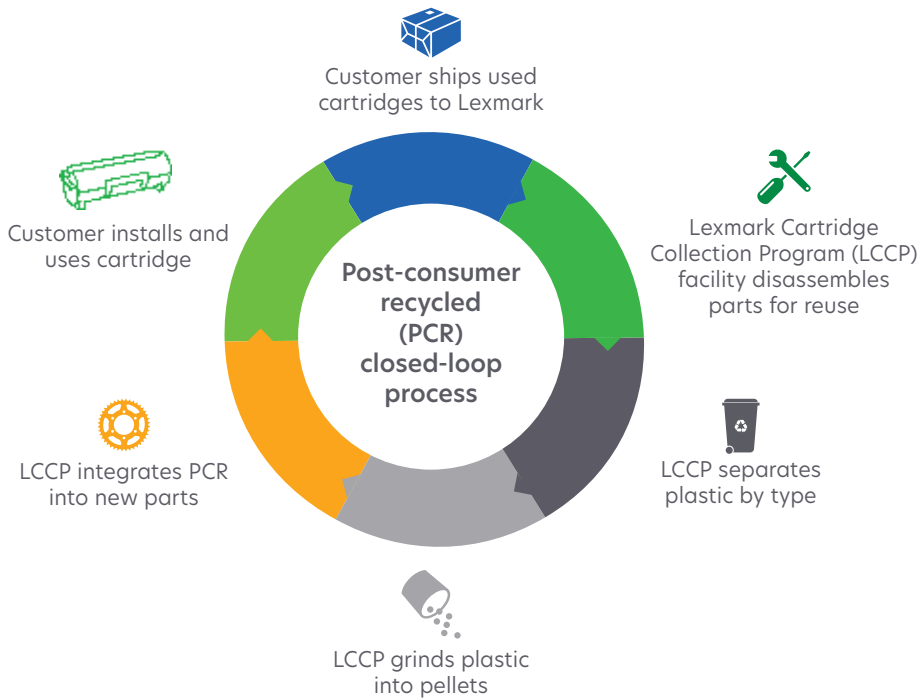
Lexmark engineers reclaim post-consumer recycled (PCR) plastic from cartridges and return the material to near virgin quality for use in printer components. The ingenuity behind our PCR closed-loop process involves every production step taking place at our Lexmark LCCP facility in Juarez, Mexico. The closed-loop recycling system at the LCCP facility removes the plastic, grinds it, and then integrates the PCR plastics into new parts. In 2016, 594 metric tons of plastic were extracted from our used cartridges and pelletized for reuse in new products

Detailed procedures and controls are in place to ensure we produce a safe and high-quality PCR plastic. In 2016, our 100 percent PCR plastic resin processed at LCCP achieved certification from the Underwriters Laboratory for use in Lexmark print cartridges. We incorporate the PCR material containing up to 100 percent closed-loop PCR plastic into 27 components.

The closed-loop recycling process demonstrates Lexmark's commitment to the environment by conserving plastics for reuse, resulting in fewer natural resources being mined or extracted. Locating all steps of the process at the same facility reduces the impact on the environment by increasing our resource efficiency and eliminating the need for fuel to transport the parts. Operating sustainably is part of Lexmark's corporate vision and values. Creating new processes to reuse supplies in an efficient manner is integral to every new product Lexmark designs.

Reuse

Innovations in cartridge reuse

Being a good environmental steward by preserving our natural resources is incorporated into the design of every Lexmark product, with preference placed on conserving and reusing product materials. Lexmark created an innovative process at our LCCP recycling plant in Juarez, Mexico, to reuse a major component of our laser cartridges. Prior to implementation of our newest process, the developer roller in a used laser cartridge was rarely part of our remanufactured cartridge. This roller possesses a difficult-to-clean film of toner on the rubber surface that inhibited its reuse. Testing revealed the roller had an extensive life improvement if the film of toner was removed. Lexmark engineers created a novel washing system to remove the toner film using ceramic agitators with scrubbing agents to clean the roller without damaging it or altering its properties.

Reuse of developer rollers results in substantial environmental savings for Lexmark. Using a reconditioned developer roller instead of a new one protects natural resources and prevents pollution caused by harvesting new raw materials. In 2016 over 200,000 rollers were reused in remanufactured cartridges. In addition, over 400,000 gallons of water was saved by incorporating a process to reuse the water during the cleaning. Lexmark was awarded a ML100 Award by Frost & Sullivan's Manufacturing Leadership Council in Sustainability Leadership for reconditioning our developer rollers.

Innovations in material reuse

Lexmark laser printers contain photoconductor units, which are imaging cylinders with photosensitive coatings. At our facilities in Boulder, Colorado, we replace the photosensitive coating on nearly two million photoconductors per year, saving energy and materials. In 2016, over 1.2 million photoconductors from our returned cartridges were collected and sent back to Boulder for recoating and reuse. An additional 300,000 photoconductors were recovered from the manufacturing line resulting in the reuse of 119 metric tons of aluminum.

Boulder stores and transports our photoconductors in reusable trays to reduce waste. The plastic trays are shipped from the United States to China and Mexico and then returned for reuse. In 2016, the continual utilization of our trays kept 94 metric tons of material out of landfills.

In 2016, over 1.2 million photoconductors from our returned cartridges were collected for recoating and reuse.

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 RAL-UZ 205, January 2017. The majority of Lexmark print systems announced after October 2012 received RAL-UZ 171 certification and are expected to meet the RAL-UZ 205 criteria and receive certification.

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 424-2008, 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. In June 2011, Lexmark signed the Industry Voluntary Agreement to Improve the Environmental Performance of Imaging Equipment Placed on the European Market, which requires manufacturers to make certain environmental improvements. Manufacturers are also required to make product environmental performance data publicly available, such as through The Eco Declaration (ECMA-370). To view Lexmark's declarations, click here.

IT Eco Declarations for our laser print supplies are available upon request.

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 standard as the basis for requirements of the program. Lexmark supports our customers in their goals of environmental stewardship, energy efficiency and resource

efficiency by registering products through EPEAT. In 2015, we listed our first EPEAT-registered Gold products—the MX710 Series MFPs and MX810 Series MFPs. In 2016, Lexmark launched the CS720, CX720, CS820, CX820, CX825 and CX860 Series printers and MFPs as EPEAT-registered Gold products. The remaining Lexmark EPEAT-registered products are Silver. For a list of these products, click here.

Lexmark is committed to continuing public disclosures and annual reporting as required by EPEAT, including toxics release reporting from selected suppliers.

Energy standards

ENERGY STAR®

Lexmark is committed to designing energy efficient products. A high percentage of Lexmark products maintain ENERGY STAR qualification year after year. 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 ENERGY STAR specification evolves requirements in order to drive continued energy improvements, and Lexmark seeks recertification to the latest available ENERGY STAR specification. In 2016, 90 percent of Lexmark products held the latest version of certification—ENERGY STAR V2.0. Lexmark is actively participating in ENERGY STAR Imaging Equipment Specification V3.0 development.

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

ENERGY STAR certified devices year to year

83.5%	92%	91%	90%
2010 Product Offerings ENERGY STAR V1.1	**2012** Product Offerings Energy Star V1.2	**2014** Product Offerings Energy Star V2.0	**2016** Product Offerings Energy Star V2.0
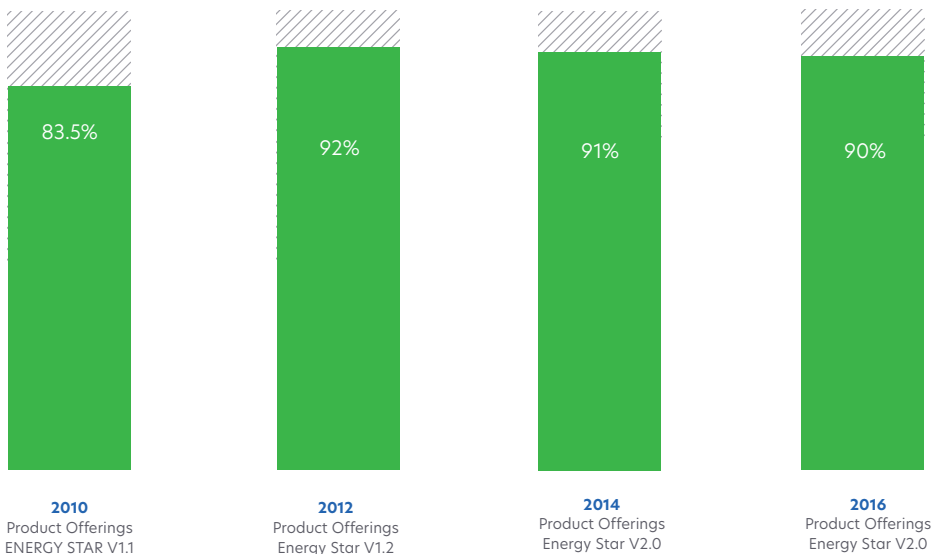
EC 801

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.

Product Segment	2010 Energy Efficiency Metric	2012 Energy Efficiency Metric	2014 Energy Efficiency Metric	2016 Energy Efficiency Metric
Laser Products[1]	Fleet Average of 0.153 ENERGY STAR TEC / ppm	Fleet Average of 0.104 ENERGY STAR TEC / ppm	Fleet Average of 0.089 ENERGY STAR TEC / ppm	Fleet Average of 0.077 ENERGY STAR TEC / ppm
Fleet Average Annual Energy Consumption (MJ / ppm)	28.642	19.469	16.603	14.485

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

Product Life Cycle

As part of Lexmark's commitment to sustainable products, Lexmark has conducted Life Cycle Assessments (LCAs) on 46 of its printer and MFP models as of January 2017.

Lexmark uses the data from the LCAs to create and publish ISO 14025 Type III Environmental Product Declarations (EPDs), which summarize the complex information in an LCA. LCAs technically evaluate the environmental impact of the product design, manufacturing, distribution, use and end-of-life of our products.

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) on Dec 12, 2012. The EPDs are third-party verified for accuracy and completeness. Click here to see a list of secondary data sources used in the Life Cycle Assessments.

Lexmark is committed to performing LCAs on future product models.

Environmental Product Declarations

Click here for all available Environmental Product Declarations.

Design
▸ Materials selection
▸ Long life components
▸ Energy efficient designs

Manufacturing
▸ Common components
▸ Recycled content, including closed loop PCR

Distribution
▸ Compact design
▸ Efficient packaging designs
▸ Regional manufacturing

Use
▸ Automatic duplex
▸ Energy saving modes
▸ High yield cartridges
▸ Proactive printer maintenance

End of Life
▸ Easy to use collection programs for reuse and recycling
▸ In-house remanufacture and recycling

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's LCAs have helped inspire an elite program offering for customers to reduce their printing impact through responsible print practices and tree planting offset.

Another way Lexmark works to reduce the environmental impact of our printers is to test them using recycled papers—specifically, papers made with 30 percent, 50 percent, and 100 percent postconsumer 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 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. The Lexmark CS820 Series printers and CX820, CX825 and CX860 Series MFPs showcase the efforts of the design teams, achieving significant improvements in energy, materials and supply items when compared to the previous generation of products.

Generation comparison[1]

Use phase **Energy**
Use phase **Maintenance**
Use phase **Cartridges**
Printer manufacturing

C792DE → CS820DE

Down 40%

Use phase **Energy**
Use phase **Maintenance**
Use phase **Cartridges**
Printer manufacturing

X792DTE → CX825DTE

Down 44%
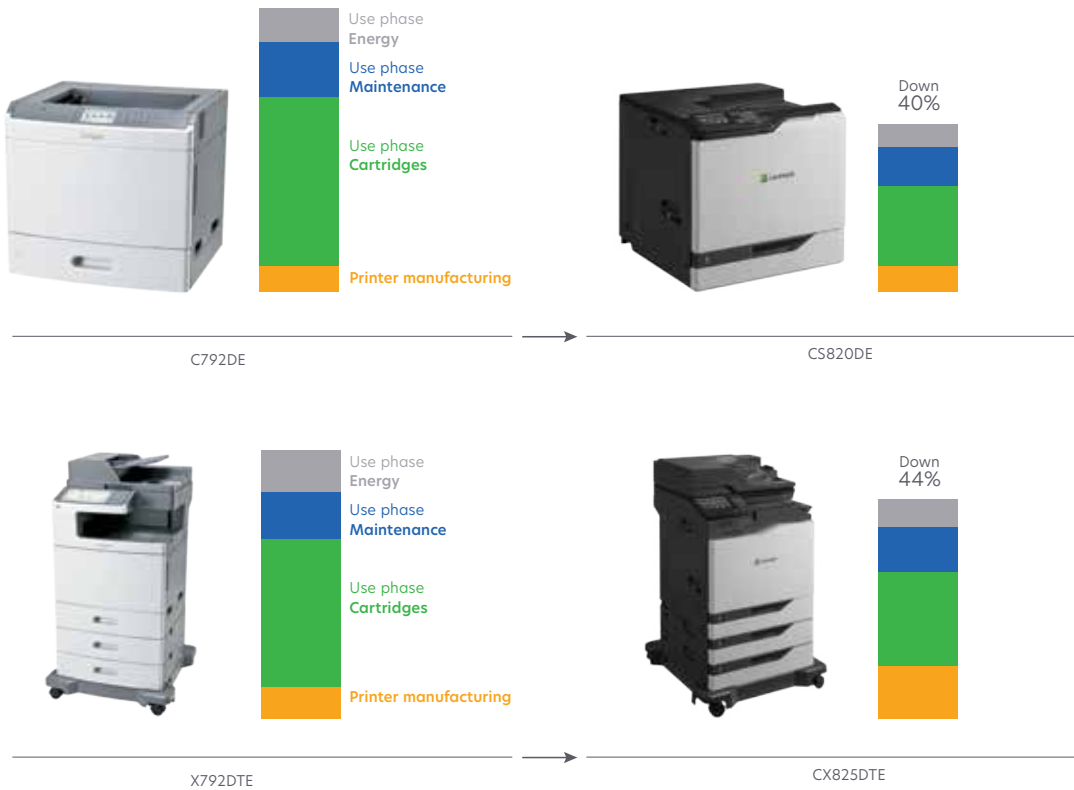
Further insight: cartridge LCAs

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.

Toner cartridge life cycle assessment

Down 41%

Down 47%

Down 46%

Down 47%

MX810 45K   MX810 25K   MX510 20K   MX510 15K

kg CO2 if cartridge is sent to municipal solid waste stream (landfill)

kg CO2 if cartridge is sent to Lexmark for recycling
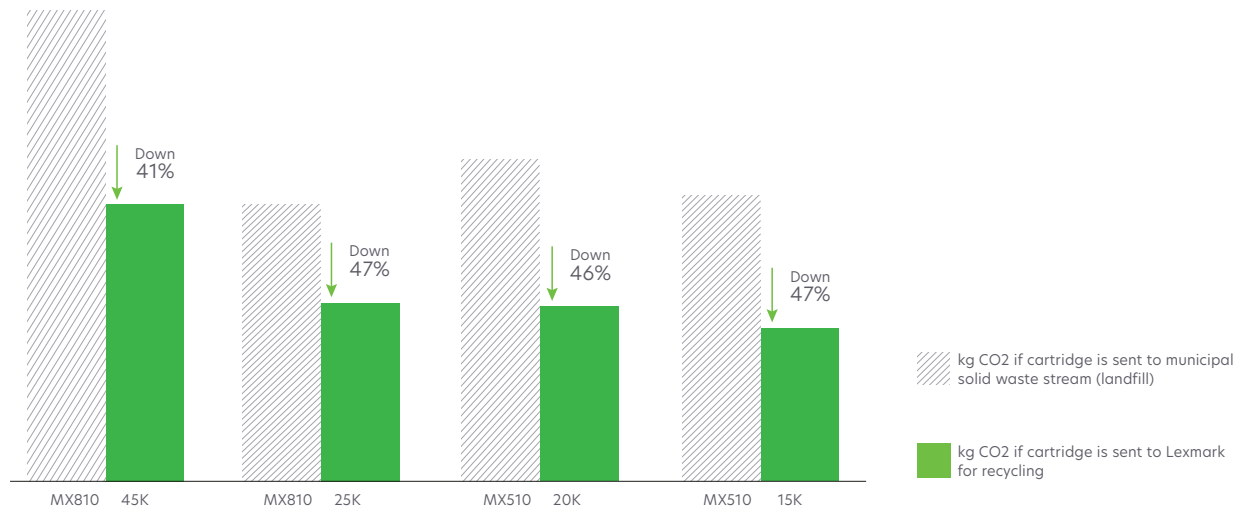
[1] Lifetime comparison of total global warming potential (kg CO_2 equivalent) during printer life cycle phases, excluding paper

Materials

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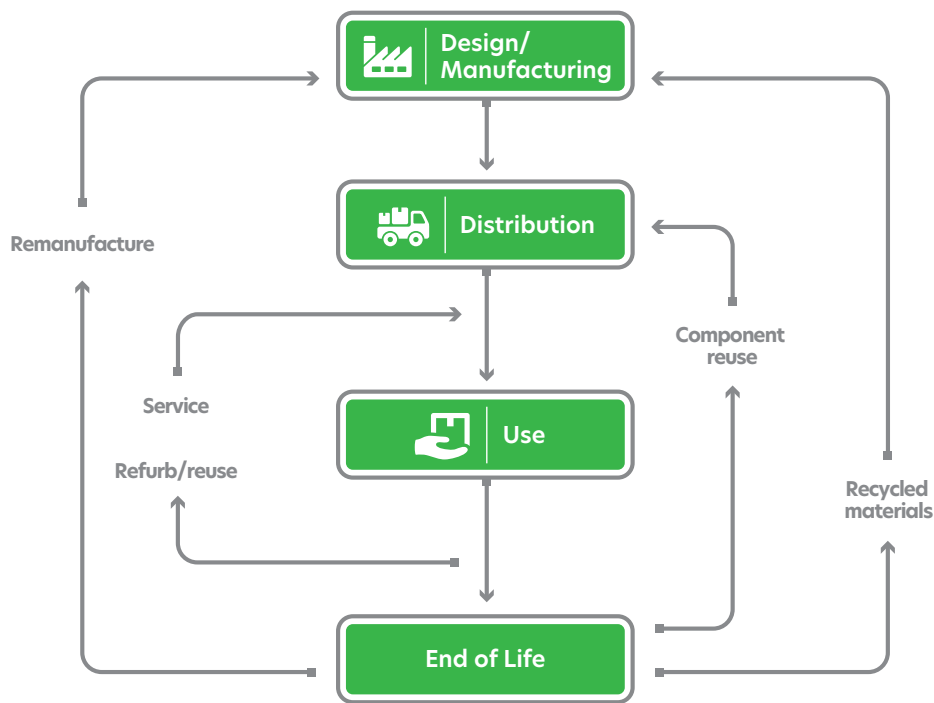
Lexmark's materials management approach
At Lexmark, we look at the environmental impact of our products throughout their life cycle. We see where we can deliver optimal environmental performance by incorporating innovative circular design concepts and material improvements.

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 the latest 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 certain suppliers in contract terms and to material suppliers during the development process.

Click here to read the Lexmark Product Environmental Specification.

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.

Estimated materials in Lexmark printers and MFPs[1] manufactured in 2016 (metric tons/$M associated hardware revenue):

Plastics
31.30

Metals
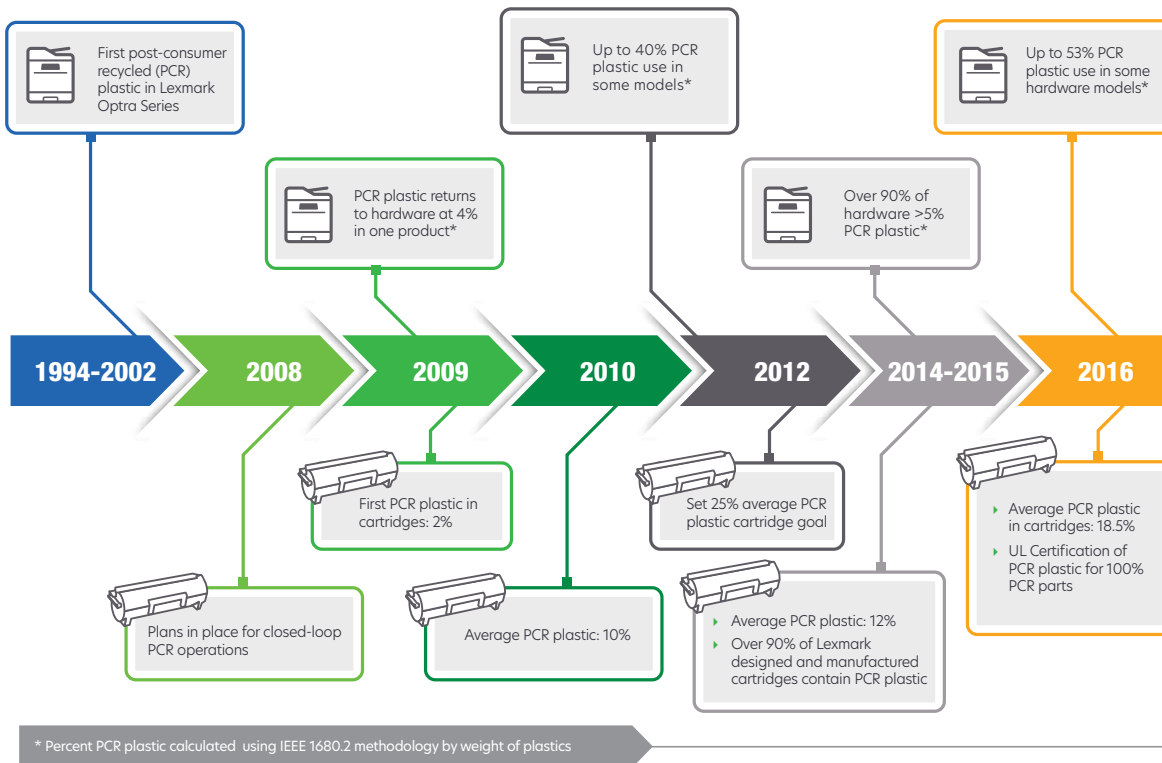27.61

Electronics
9.01

Glass and other materials
2.02

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

1994-2002

First post-consumer recycled (PCR) plastic in Lexmark Optra Series

Plans in place for closed-loop PCR operations

2008

PCR plastic returns to hardware at 4% in one product*

First PCR plastic in cartridges: 2%

2009

Average PCR plastic: 10%

2010

Up to 40% PCR plastic use in some models*

Set 25% average PCR plastic cartridge goal

2012

Average PCR plastic: 12%
Over 90% of Lexmark designed and manufactured cartridges contain PCR plastic

2014-2015

Over 90% of hardware >5% PCR plastic*

2016

Up to 53% PCR plastic use in some hardware models*

Average PCR plastic in cartridges: 18.5%
UL Certification of PCR plastic for 100% PCR parts

* Percent PCR plastic calculated using IEEE 1680.2 methodology by weight of plastics

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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. Currently 27 components are produced with up to 100 percent closed-loop PCR plastic, reducing the need for nearly 500 metric tons of virgin plastic.

Lexmark is an industry leader in the use of reclaimed plastic with 18.5 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 2018. In fact, 93 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. At least one Lexmark supplier declares their base resins are recovered 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. Our latest printer and MFP offerings are qualified to include up to 53 percent PCR by weight of plastics[3].

An estimated 1,800+ metric tons of post-consumer recycled plastic was used in the manufacture of the 2016 branded, in-house technology printers and MFPs[2]. That's over 15 percent of the total plastic!
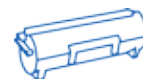
An estimated 650 metrics tons of post-consumer recycled plastic was used in the manufacture of the 2016 Lexmark branded cartridges. That's 18.5 percent of the total plastic!

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.

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.

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 a cartridge level, Lexmark toners are not classified as hazardous chemicals. Lexmark provides Safety Data Sheets (SDSs) for these toners, where Ames test results can be found.

Current SDSs are available on the Lexmark website.

[1] Based on the materials used in the cross section of Lexmark's primary imaging equipment for 2016 Lexmark branded, in-house technology.

[2] Based on the post-consumer recycled materials used in the cross section of Lexmark's primary imaging equipment for 2016 Lexmark branded, in-house technology. PCR calculated using IEEE.1680.2 methodology.

[3] 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 2016, through the efforts of Lexmark customers, more than 38 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.
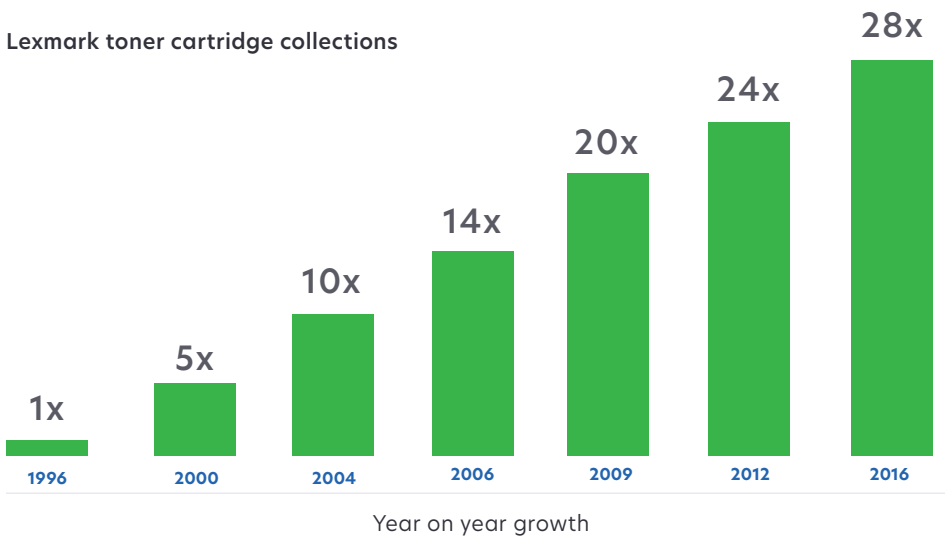
Our goal is to increase the cartridge material reused through our collection program to 50% (by weight) by 2018.

GOAL
50%

PROGRESS
29%
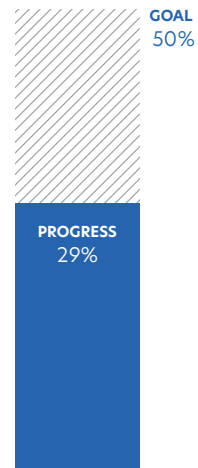
Approximately 29% (by weight) of the cartridge material returned were reused.

Lexmark toner cartridge collections

1x	5x	10x	14x	20x	24x	28x
1996	2000	2004	2006	2009	2012	2016

Year on year growth

Extending material life

Our products are designed and optimized for a cycle of disassembly and reuse. Lexmark develops 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, approximately 29 percent of the cartridge materials by weight returned to Lexmark were reused. We have established a goal to increase this to 50 percent by 2018.

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 23,000 empty toner cartridges per day. Select components in empty cartridges are removed and reprocessed for reuse. In the last 12 years, Lexmark has been able to incorporate more than 52 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.
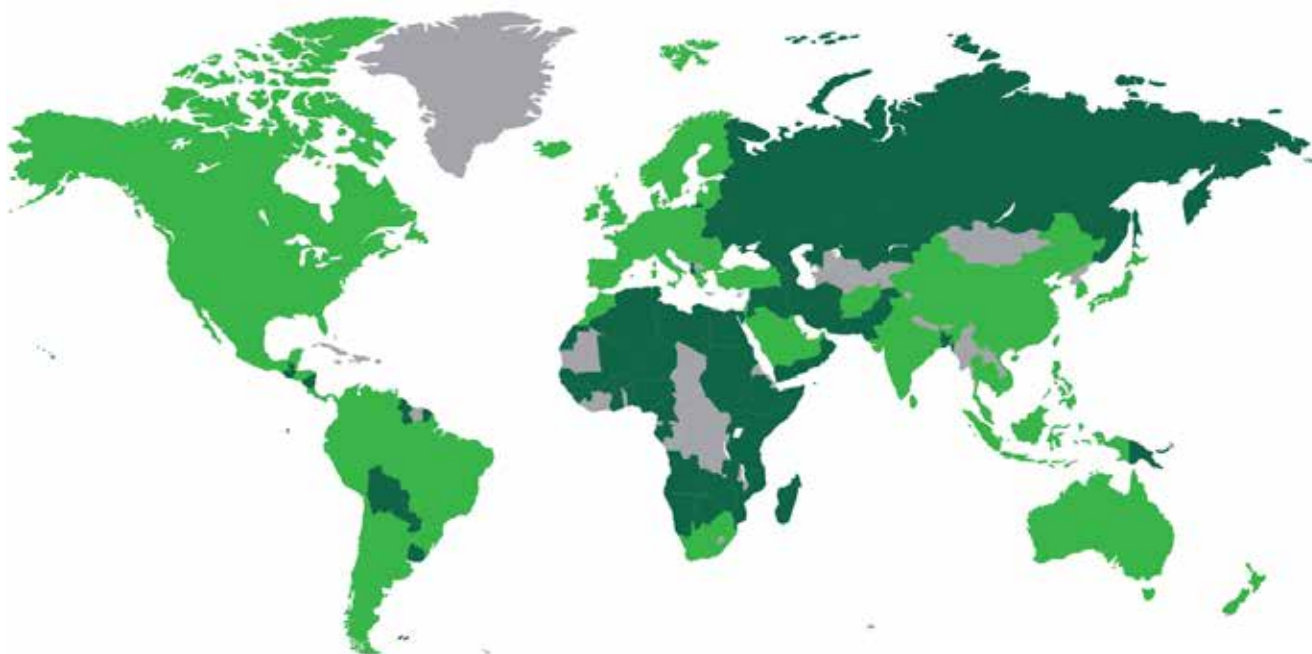
■ Where we sell and collect

■ Where we sell and may collect in the future

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 2016, LCCP collected 9,432 metric tons of returned cartridges from our customers. 97 percent or 9,121 metric tons of materials reclaimed from our customers' returned cartridges were reused or recycled. Energy was generated from 3 percent or 311 metric tons of toner waste collected in Brazil, Europe and Asia Pacific.

Reclaimed cartridge material disposal in 2016

Landfill	Waste to Energy	Recycle	Reuse
0 metric tons	311 metric tons	6,420 metric tons	2,700 metric tons

Least desirable   Most desirable
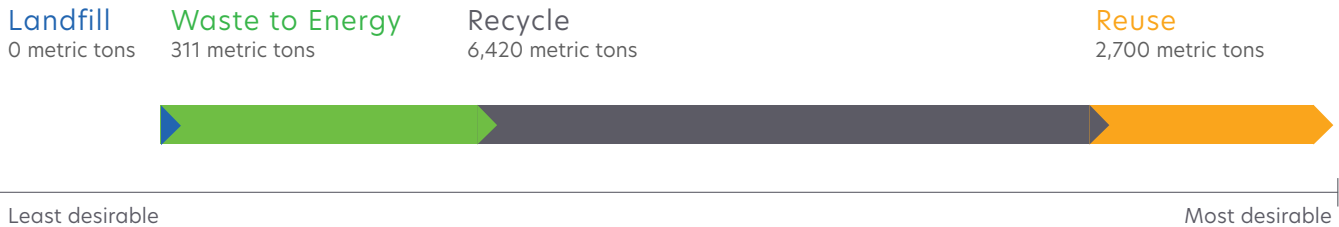
Since 1996, Lexmark has reused over 58 million pounds of recovered cartridge material by converting millions of used toner cartridges into Lexmark-certified reconditioned toner cartridges. The eligible cartridges are disassembled and cleaned, and then the critical components are replaced with genuine 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 and post-consumer recycled plastic integrated into new parts. In 2016, we recycled or reused more than 9,000 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.

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
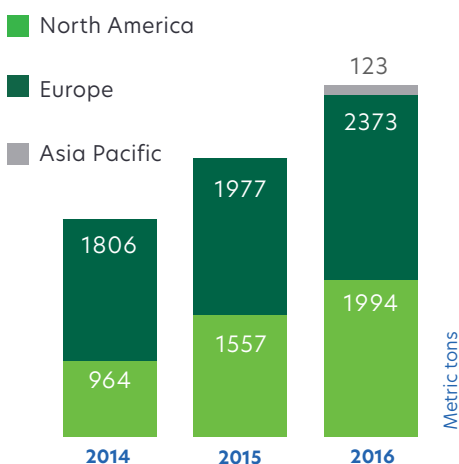
Lexmark partners with recyclers that offer a broad range of services and processing capabilities, have a proven record of compliance with government-mandated criteria for recycling facilities, are ISO 14001 certified (the environmental-management-system standard), and are certified R2 or e-Stewards.

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.

Our electronic waste from Mexico is handled by Global Electronic Recycling (GER). GER is an ISO 9001, ISO 14001 and R2/RIOS™ Certified Electronics Recycler. Our recyclers processed more than 4,400 metric tons of electronic waste on behalf of Lexmark in the United States, Canada, Mexico, Europe and Asia Pacific in 2016.

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 12 states and the District of Columbia with enacted extended producer responsibility (EPR) legislation that includes printers: Connecticut, Hawaii, Illinois, Maine, Michigan, Minnesota, 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.

Recycling programs in which Lexmark participates:

- 🟢 Alberta Recycling Management Authority (ARMA)
- 🔴 Electronic Products Recycling Association (EPRA)
- 🟠 Ontario Electronic Stewardship (OES) Program
- 🔵 No recycling program
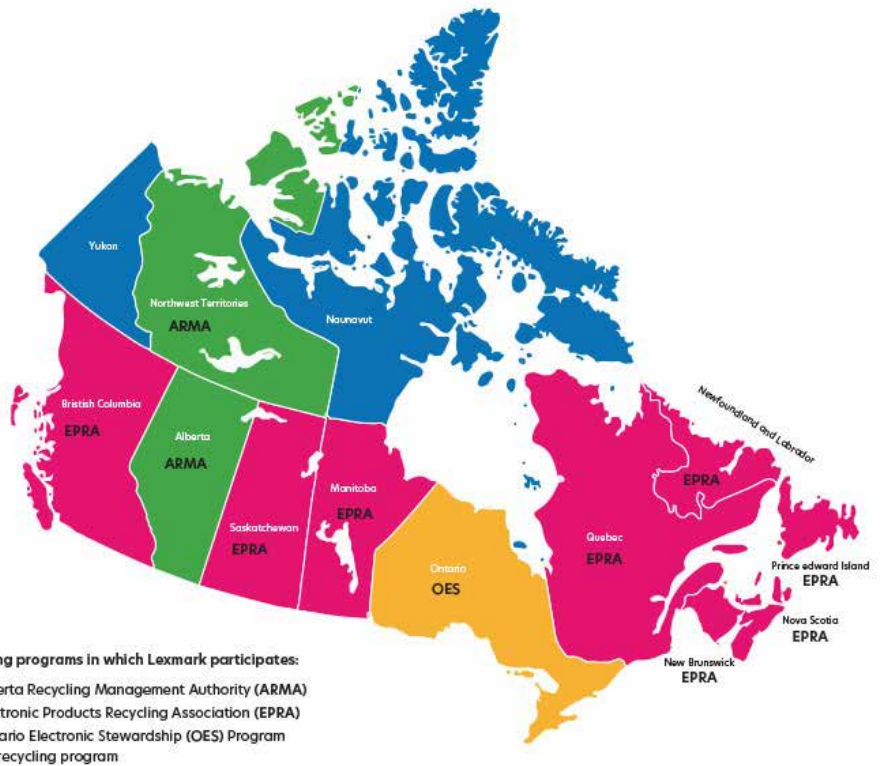
In this end-of-life program, all information technology manufacturers and importers are responsible for their shares of actual waste collected. Customers return their end-of-life electronic equipment to designated collection points from which the waste is taken to central consolidation and collection 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. Several countries and local governments, including Argentina (Buenos Aries Province), Brazil, Columbia, Costa Rica, Ecuador, Mexico,

Peru, Puerto Rico and Venezuela, have enacted forms of extended producer responsibility legislation. Lexmark is monitoring Latin America's electronic waste legislation and is working closely with our recycling partners to set up regional recycling centers to meet these new requirements.

Product Emissions

Chemical emissions and ultrafine particles

Laser printers emit small amounts of volatile and semi-volatile organic compounds (VOCs and SVOCs) 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 of individual countries for specific chemicals.

Lexmark printers are tested throughout the development cycle for emissions of styrene, benzene, ozone, dust, total and individual volatile organic compounds, and ultrafine particulates according to the protocols of the internationally recognized Blue Angel ecolabel. Results 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. In addition, the majority of Lexmark laser printers emit no more than trace amounts of ozone and all comply with the ozone limits set forth by Blue Angel.

Lexmark owns and operates a Blue Angel-certified and ISO 17025-accredited chemical emission test facility. This allows us to perform official 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.

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 RAL-UZ 171 and RAL-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 Section 508 Subpart B § 1194.25 (e) and (f) 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 multifunction 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.

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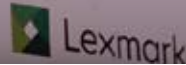
The demand for products that consume less energy, and ultimately result in lower emissions, is ever increasing. Our customers wish to lower their impact on the environment while also reducing operating energy costs. Lexmark invests in developing energy efficient products to not only fulfill our customer's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

Product Life Cycle Assessments (LCAs) confirm that improvements in energy efficiency can have a considerable effect on the use phase. For example, the Lexmark CS820 Series printers and CX820, CX825 and CX860 Series MFPs announced in 2016 demonstrate significant improvements in energy consumption as demonstrated by their LCAs— showing a 30–50 percent reduction in their Typical Electricity Consumption (TEC) values when compared to the previous generation of products.

With Lexmark Managed Print Services usage analytics and our LCA tool data, we are able to more accurately estimate the actual energy used during the customer use phase for Lexmark products. This custom estimate is substantially lower than the standard claim using the ENERGY STAR TEC calculations, which tend to overestimate actual usage.

External standards and specifications help Lexmark drive efficient designs. All product families announced 2012 or later meet the energy requirements of ENERGY STAR V2.0 and have a power consumption of 4 watts or less in sleep mode. Moving forward, Lexmark will continue to reduce sleep mode power for our future products, targeting 2 watts or less in anticipation of 2019 EU requirements (European Union EC 801/2013). Lexmark products also enable the Hibernate mode to automatically engage when the products are not in use and not connected to a network.

Lexmark CS820 Series printers and CX820, CX825 and CX860 Series MFPs announced in 2016 show a 30–50 percent reduction in their Typical Electricity Consumption values when compared to the previous generation of products.

Power savings evolution: sleep power

Monochrome laser printers

20 Watts	13 Watts	4.5 Watts	2.5 Watts
2005	2008	2012	2014–2016
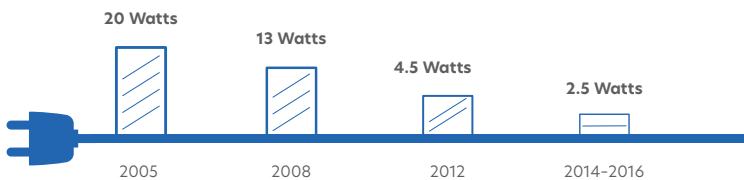
An 87.5 percent reduction in sleep power since 2005!

Color laser multifunction products

50 Watts	41 Watts	17 Watts	3.3 Watts
2006	2009	2012	2016
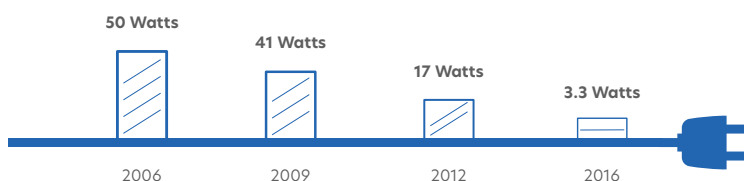
A 93 percent reduction in sleep power since 2005!

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.

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
Every Lexmark cartridge is print-tested to ensure superior quality. Instead of recycling these test pages, we use a process designed by our supplies-packaging engineers to convert them into molded pulp cushions. 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 Lexmark waste. Lexmark began using the pulp cushions in 2013. In 2016 we were able to convert 615 metric tons of test pages, which save the equivalent of over 16,200 trees[1].

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.

Estimated packing material in Lexmark and multifunction products in 2016:

Plastics
747

Paper-based board
3,295 metric tons

Metals
5 metric tons

Wood
1,193 metric tons

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.

[1] Data calculated using the Environmental Paper Network's Paper Calculator.

Minimum recycled content of packaging materials:

Corrugated fibreboard
35 percent
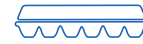
Molded pulp
100 percent

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 standard 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.

The Lexmark Accessibility Council has external relationships with accessible design experts such as the Bluegrass Council of the Blind.

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 2.0. 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 2.0 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 Foundation for the Blind (AFB), 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. For the last several years, Lexmark has sent a representative to the annual International Technology and Persons with Disabilities Conference sponsored by California State University, Northridge (CSUN), and has participated in monthly webinars sponsored by the U.S. Access Board.

Accessibility education

To increase awareness of accessibility challenges and inspire innovation, we host educational seminars and Lunch and Learn 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 sessions devoted to accessibility in annual product training events in Lexington, as well as participating in conference calls and hosting webinars for sales teams.

Educational material

In 2016, the Lexmark Accessibility Council refreshed and created additional training materials and presentations targeted for various groups including internal sales, development and technical support teams, and developed educational material for external customers. This information is maintained and made available on the company's internal network collaboration 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.

Lexmark Offer	Environmental Benefit	Description
Lexmark 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.
Customer Onboarding (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.
Applicant Onboarding (insurance)	Reduce Paper Consumption	Insurance 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.
Application Automation (gov't)	Reduce Paper Consumption	Government agencies 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.
Lexmark Enterprise Fax	Device Consolidation	Enterprise Fax helps organizations optimize their fax environment and maximize the potential of their existing technology for lower operating costs and greater efficiency.
Lexmark 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.

eSF - digital onramp (capture) apps	Reduce Paper Consumption	Lexmark provides a high-speed "on-ramp" to scan paper into document workflow and the leading document management systems
Downtime Reports	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.
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.
Eco Copy	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.
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.
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.
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.
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.
Testing Assistant	Reduce Paper Consumption	Lexmark's Testing Assistant solution saves time, reduces costs and supports student achievement. Conveniently available from virtually any web browser, Testing Assistant leverages the power of your Lexmark multifunction printers (MFPs) to create test answer sheets, scan and grade completed tests, and export results to virtually any learning management system.

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

Employees in Boulder, Colorado, supported the Cal-Wood Education Center by helping move firewood that is a byproduct of fire mitigation out of a heavily forested area. Profits gained from the sale of the firewood provide youth the opportunity to participate in the Cal-wood environmental education and camp programs.

Coral Gables, FL

Elderly residents of south Dade County, Florida, benefited from a visit and meal from Lexmark employees who volunteered their services at the Southwest Social Services community facility.

Lexington, KY

Employees in Lexington, Kentucky, participated in Care Day projects that included gleaning, grounds work/maintenance, building refresh and organizational projects.

Lenexa, KS

Lenexa employees organized and participated in multiple on-site events, such as packing lunches to feed hungry youth and a fall festival fundraiser to raise money for United Way organizations.

Juarez, Mexico

Employees in Juarez, Mexico, organized multiple events to help local schools, nursing homes and shelters, benefiting over 2,100 people in the local community.

Habitat for Humanity

Approximately 70 employees and retirees donated 750 hours to help build the 2016 Lexmark-sponsored Lexington Habitat for Humanity home.

Impact Message from Habitat for Humanity CEO, Rachel Smith Childress
Beginning in 1998, Lexmark's generosity has served 23 Homebuyer Families in partnership with Lexington Habitat for Humanity. They have served more families than any single entity in our history, investing over $750,000 and over 30,000 volunteer hours. The work we do with families in need of adequate, affordable housing has a significant impact on our local economy. It not only adds to the property tax base but it reduces housing costs for families with limited resources, enabling them to have funds available for things like healthy food and developmental activities for their children. Children who grow up in stable housing make better grades, are more likely to graduate from high school and go to college, make more money and are more likely to vote and be involved in their community. We are very grateful for Lexmark's commitment to helping Habitat work to accomplish our vision that everyone has a decent place to live.

Employees in Boulder, Colorado, supported the Cal-Wood Education Center by helping move firewood that is a byproduct of fire mitigation out of a heavily forested area.

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, youth science summits, Women in Engineering, and partnerships with universities are a few examples of the many ways Lexmark supports STEM education. Lexmark employee talent and Lexmark facilities are often used for these educational events providing increased opportunities for the local community to participate.

Through the Educating Excellence program, Lexmark sponsors awards that recognize outstanding Kansas City-area and Central Kentucky K-12 educators in the fields of science, technology, engineering and math. Monies awarded to educators are used to support classroom-based needs that improve the learning experience for students. For more information on Lexmark's Educating Excellence program, please click here.

Lexmark continues to support the University of Kentucky's efforts to improve STEM education and outreach initiatives. The UK/Lexmark Center for Innovation in Math and Science Education was established to provide professional development to Kentucky science and math teachers, a lab for fieldwork-based ecology education and a shared meeting room for community outreach. In addition, Lexmark is a sponsor of UK's annual Engineers Day, or E-Day.

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."

La Fondation MIRA is dedicated to helping disabled individuals by teaming them with dogs bred and fully trained to respond to their adaptation and rehabilitation needs. All of MIRA's services are made available free of charge to individuals with one or many visual or motor disabilities, and to children presenting an autism spectrum disorder (ASD).

In 2016, Lexmark's partnership with La Fondation MIRA resulted in the training and provision of 16 guide dogs to enable increased accessibility for individuals with visual or mobility impairments.

Contributions

2016 North America charitable giving

Community and volunteerism
$1.2 million
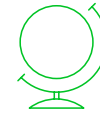
Education
$.7 million

Diversity
$.5 million

Total North America giving
$2.4 million

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.

Demographics by race, ethnicity and gender

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 the Lexmark community and culture. We have worldwide All Employee meetings in addition to regularly scheduled departmental staff meetings. These meetings allow all employees to hear directly from senior leaders and to have opportunities to ask direct questions. Senior leaders regularly post blogs and videos on our internal social media platform, and respond to comments and questions posted by Lexmark employees. These interactions keep employees informed and engaged.

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. Lexmark has a group of environmental advocates that are focused on promoting sustainability activities and education. In the US, a tool is available for employees to track health, wellness and sustainability tasks.

Employee feedback

Facilities in each geography support initiatives that are meaningful to their local employees. In Juarez, the human resources leadership team proactively involved employees in their strategy to be the employer of choice in the city. A cross-functional team received feedback from employees, and then formed a list of projects based on employee interest.

In line with local industry offerings, compensation in Juarez includes transportation to and from work and two meals. Lexmark now offers additional perks, as well. Many employees take advantage of on-site education and graduations, and participate in sports leagues in their own on-site sports arena. Couples who work different shifts have a convenient process for transitioning care of their children to one another, set in a safe space that provides nutritious snacks while children wait for their parents. Employees now have greater visibility to job openings, and employee candidates can receive feedback when not selected for a position.

> Employee engagement is an important part of the Lexmark community and culture.

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. Nearly 7,000 hours were devoted to training employees on human rights issues in the U.S., accounting for 97 percent of the U.S. workforce.

Lexmark employees are covered by collective bargaining agreements where required by law, including 567 employees or 4 percent of the total 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. 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 Electronic Industry Citizenship Coalition (EICC) 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 committed to equal employment opportunity (EEO) in all areas of our operations. All Lexmark 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.

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.

OHSAS 18001 is an international standard providing requirements for an occupational health and safety management system. Lexmark's 18001 management systems provide a framework for controlling occupational health and safety risks and improving health and safety performance. All Lexmark-owned and -leased manufacturing facilities in Boulder, Colorado; Cebu, Philippines; Lexington, Kentucky; and Juárez, Mexico, are 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 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 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 as well as address environmental- and safety-critical processes. 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 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.

The effectiveness of the Lexmark Safety Program is measured by completion of OHSAS 18001 objectives and targets as well as internal audits and senior management reviews.

Health & safety data

Click here for detailed health & safety data

Lexmark has corrective and preventive 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 14001/18001 corrective and preventive 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 2016 global Lexmark Occupational Safety and Health Administration (OSHA) reportable injury rate was 0.22 injuries per 100 full-time employees, which is significantly lower than the industry average of 1.0. Types of injuries reported most frequently include sprains, strains and lacerations. (Minor injuries are excluded from injury rate data.) The annual lost workday rate was 3.41 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 has not had any reported occupational diseases or work-related fatalities, and no workers involved in occupational activities have a high incidence or high risk of specific diseases.

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

Lexmark's 2016 OSHA reportable injury rate was 0.22 injuries per 100 full-time employees, which is significantly lower than the industry average of 1.0.

The annual lost workday rate was 3.41 lost workdays per 100 full-time employees.

Training & Development

At Lexmark, we encourage 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, strengths and development areas for employees in both the short and long term. Each year employees update their career goals and development plans in preparation for conversations with their managers. All of our worldwide employees work with their managers to create performance management objectives that support personal, department, business area and company goals. Success criteria are established for each objective. Managers and employees discuss performance progress at the end of each review period.

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 vary by Lexmark location, but the program provides financial assistance to employees who wish to continue their education by attending undergraduate or graduate courses. Funding for external training programs varies by location and is provided to develop employees' skills, knowledge and abilities. Transitional education is offered to employees during times of restructure. Retirement planning assistance is available through online and on-site workshops offered by our 401(k) partner.

Lexmark offers a Technical Rotation Program. The purpose of this program is to recruit and hire a diverse pool of top 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 both at the corporate level and through resources in various business areas. Learning occurs through instructor-led courses and around the clock through iLearn, the Lexmark worldwide online learning platform that offers extensive libraries of proprietary courses. At the corporate level, leadership training and company-wide development programs are offered. Employees work on projects such as operational excellence, change management and lean transformation competency.

All employees are required to complete the Code of Conduct, IT Security programs and EEO training 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. Courses with a focus on onboarding are offered as well. In the United States, new managers are required to attend at least 24 hours of structured training and similar standards are imposed worldwide.

In-house learning opportunities at Lexmark include extensive training in technical and business skills, delivered both at the corporate level and through resources in various business areas.

Benefits & 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 Shenzen, 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 option to work remotely (where applicable) and on-site or nearby child care let parents have positive work experiences.

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WHEN WORK WORKS AWARD
2016 WINNER

WORKING MOTHER
100 BEST COMPANIES
2016

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. In addition, Geriatric Care Management Services are offered in the U.S. benefits. Lexmark offers a backup care program for children, teens, adults and employees recovering from an illness or injury. Backup care is subsidized for up to 15 days per year.

The Lexington, Kentucky, location's health and wellness center offers health coaching, allergy injection programs, physical therapy, and wellness and sick visits. An interactive Live Well tool is also available for U.S. employees and their spouses or domestic partners providing a method of joining challenges and tracking 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, Lenexa and Lexington both have sports courts for their employees and offer group exercise classes. The headquarters site in Lexington, Kentucky, has a subsidized childcare center 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 employees living 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. There is no accrued vacation time based on years of service; it is simply unlimited. This applies to all U.S. employees other than California employees, 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 economies that surround our global locations. We provide competitive employee compensation, use local resources 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 United States a third party performs an analysis to ensure pay equity based on demographics. Lexmark's programs are designed to uphold its commitment to equal pay for equal work through promotion of educational and career advancement opportunities and salary adjustments.

A significant portion of Lexmark employees—including those in the United States, 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. By maintaining favorable salaries and benefits, we attract and retain employees. Moreover, providing above-average employee compensation has a favorable economic impact on the markets in which we do business.

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 Germany, Hungary, France 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.

Commitment to Customers
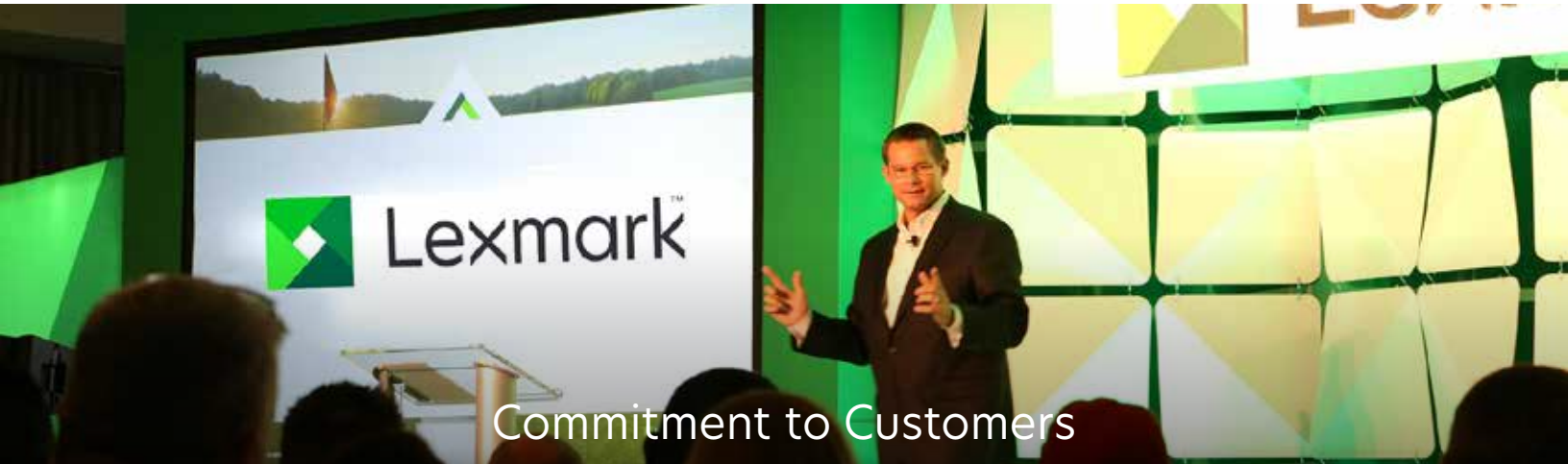
When our customers buy Lexmark products, they can be assured that they are purchasing from a company that is determined to provide a quality product and to deliver a positive long-term experience.

At Lexmark, we operate efficiently and 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 of it.

Our culture of inquiry, collaboration and responsiveness yields a level of customer care and engagement that anticipates customer needs. 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 also 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 understanding is about creating a clear and accurate picture of how customers truly feel following their interactions with a company. We employ a range of methods to learn what our customers think about their experiences and how they feel about overall partnership with Lexmark.

We use both surveys and interviews to gather feedback about how well we are meeting the diverse 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.

We host Executive Roundtables to gather candid feedback from a group of customer executives. Our executive team receives first-hand input relative to market direction, industry needs, business challenges, technology requirements and current performance, which helps guide our customer experience.

Our culture of inquiry, collaboration and responsiveness yields a level of customer care and engagement that anticipates customer needs.

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. We employ the Lexmark Quality Management System (QMS) to help minimize or eliminate both actual and potential customer problems. 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 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.

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.

Customer-focused employees

At Lexmark, our formal employee performance reviews worldwide include a process to measure the progress of customer-focused objectives. Employees set objectives to help them focus on improving the customer experience. These objectives are based on employees' understanding of how their performance connects to customers and how it is aligned with the strategy of their department and Lexmark. Each objective has specific success criteria: the difference that it makes to the customer. 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.

Lexmark's test equipment is calibrated annually and tracked via an ISO 9001 database. 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.

Product compliance cross functional team

Lexmark compliance engineers formed a cross functional team to share information and develop the internal tracking system to drive and monitor new and existing compliance activities. The team is comprised of representatives from multiple departments including Product Safety; EMC; Fax/Homologation; Sustainability/Environmental, Health and Safety; Energy; Acoustics; and Chemical Emissions.

These teams work to ensure Lexmark products conform to relevant national and international standards and ensure the documentation and 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.

In particular, the Product Safety team focuses on product safety and, in addition to its ongoing proactive efforts, investigates all reported safety incidents and takes appropriate action, which can include recommendations for design changes or modifications to manufacturing processes and procedures. The other teams follow a similar approach. This comprehensive evaluation supports our ultimate goal of protecting the health and safety of our customers.

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 information very seriously. We have no customer complaints regarding any breach of personal information collected through Internet marketing and sales activities.

Security of customer information

To protect against unauthorized access, misuse, disclosure or alteration of personal information, Lexmark uses appropriate physical, technical and administrative security measures. Physical security is designed to prevent unauthorized access to data center equipment and hard copies of documents. Electronic security measures—such as firewalls, access restrictions and encryption—provide protection from unauthorized access. Lexmark limits access to personal information to those persons in our organization, or agents of Lexmark, who have specific business purposes for maintaining and processing personal information and data. Lexmark regularly reviews privacy compliance.

Lexmark offers recourse to customers who feel there may have been a breach of their personal data. Designated email and postal addresses are available:
privacy@lexmark.com
Lexmark International, Inc.
Privacy Mailbox
740 West New Circle Road
Lexington, Kentucky 40550

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. Lexmark Turkey has ISO 27001 certification for its ISMS as well.

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.

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.

Examples of partnerships
Lexmark and The PGA of America achieved their goal to plant 2,016 trees by The PGA of America's 100th Anniversary in 2016. This partnership began with the initiative to offset the paper consumption from printing that took place during the Ryder Cup Championship in August 2012. The partnership has grown to be part of The PGA's community commitment where their championships are held. Lexmark and Grainger are continuing to plant trees in support of the PGA Championship and Senior PGA Championship.

Lexmark teamed up with Grainger to plant 3,500 trees in honor of Earth Day 2017 and nearly 6,000 trees in 2014.

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.

Lexmark partners with other universities as well. For example, Lexmark has many partnership initiatives with the University of Kentucky, such as supporting research related to development of radio-frequency identification (RFID) technology, hosting classes for technical demonstrations, mentoring the "#IamAWomaninSTEM" program, and supporting the student Hackathon Event.

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 2016) 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 May 2016. 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. Restatements of information provided in previous reporting is located here.

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
2016 General Disclosures					
General Disclosures	102-1	Name of the organization	Governance		
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		
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	Executive Message		
General Disclosures	102-15	Key impacts, risks, and opportunities	Risks, Opportunities & Impacts		
General Disclosures	102-16	Values, principles, standards, and norms of behavior	Transparency & Ethics		

GRI Index (continued)

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
2016 General Disclosures					
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	Our Stakeholders		
General Disclosures	102-22	Composition of the highest governance body and its committees		Lexmark became a privately held company in November 2016 and no longer has a public board of directors.	Not applicable
General Disclosures	102-23	Chair of the highest governance body		Lexmark became a privately held company in November 2016 and no longer has a public board of directors.	Not applicable
General Disclosures	102-24	Nominating and selecting the highest governance body		Lexmark became a privately held company in November 2016 and no longer has a public board of directors.	Not applicable
General Disclosures	102-25	Conflicts of interest		Lexmark became a privately held company in November 2016 and no longer has a public board of directors.	Not applicable
General Disclosures	102-26	Role of highest governance body in setting purpose, values, and strategy		Lexmark became a privately held company in November 2016 and no longer has a public board of directors.	Not applicable
General Disclosures	102-27	Collective knowledge of highest governance body		Lexmark became a privately held company in November 2016 and no longer has a public board of directors.	Not applicable

GRI Index (continued)

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

GRI Index (continued)

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
2016 General Disclosures					
General Disclosures	102-49	Changes in reporting	Governance, Supply Chain	Lexmark was acquired on Nov 29, 2016 and is now a privately held company.	
General Disclosures	102-50	Reporting period	Reporting Parameters		
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

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality		
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Environmental Management		
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Land & Biodiversity		
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	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	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	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	[Materiality](#)		
Water	303-1	Water withdrawal by source	[Data Dashboard Water](#)		
Water	303-2	Water sources significantly affected by withdrawal of water	[Water Management](#)		
Water	303-3	Water recycled and reused	[Water Management](#)		
MATERIAL TOPICS: OUR PEOPLE & PARTNERS					
Anti-corruption					
Management Approach	103-1	Explanation of the material topic and its Boundary	[Materiality](#)		
Anti-corruption	205-1	Operations assessed for risks related to corruption	[Transparency & Ethics](#)		
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	[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	[Materiality](#)		
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.	

GRI Index (continued)

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
Customer Health & Safety					
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 2016.	
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	Materiality		
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Security & Privacy		
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 2016.	
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 2016.	
Marketing and Labeling	417-3	Incidents of non-compliance concerning marketing communications	Transparency & Ethics		
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Transparency & Ethics		
Human Rights					
Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality		
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	Human Rights		

GRI Index (continued)

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
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		
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		
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	Human Rights		
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	Materiality		
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		

GRI Index (continued)

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
Labor					
Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits & Compensation		
Employment	401-3	Parental leave	Benefits & Compensation		
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	Training & Development		
Training and Education	404-3	Percentage of employees receiving regular performance and career development reviews	Training & Development		
Occupational Health and Safety					
Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality		
Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Data Dashboard Employees		
Occupational Health and Safety	403-3	Workers with high incidence or high risk of diseases related to their occupation	Health & Safety, Data Dashboard Employees		

MATERIAL TOPICS: OUR IMAGING SOLUTIONS

Innovation					
Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality		
Management Approach	103-2	The management approach and its components	Innovation		
Materials					
Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality		
Materials	301-1	Materials used by weight or volume	Materials		

GRI Index (continued)

GRI Standard Title	GRI Standard Number	Disclosure Title	Location	Remarks	Omission
Innovation					
Materials	301-2	Recycled input materials used	Materials		
Materials	301-3	Reclaimed products and their packaging materials	Materials, Packaging		
Product Compliance					
Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality		
Management Approach	103-2	The management approach and its components	Product Health & Safety, Materials, Product Energy Use, Product Certifications		
Supply Chain Responsibility					
Management Approach	103-1	Explanation of the material topic and its Boundary	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 Executive Management Committee Chairman, Brock Saladin, "Lexmark International has and will continue to support the initiatives and principles 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 2016 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](#)

United Nations Global Compact Index (continued)

Principle Number	Description	Report Section / Links
9	Encourage the development and diffusion of environmentally friendly technologies	Lifecycle Materials Emissions Energy Use Product Certifications Return & Recycle Packaging Innovation
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 and this page references sections of our Global Citizenship site that relate to these 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 & Compensation

Goal 6
Ensure access to water and sanitation for all

Lexmark's progress
Water Management

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

Lexmark's progress
Energy Consumption, Product Energy
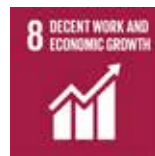
Goal 8
Promote inclusive and sustainable economic growth, employment and decent work for all

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

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

Lexmark's progress
Global Citizenship, Innovation

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

United Nations Sustainable Development Goals (continued)

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

Lexmark's progress
GHG Emissions

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

Lexmark's progress
Land & Biodiversity

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	[Executive Message](#)
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, Benefits & Compensation, Supply Chain](#)
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6.4.5	Social dialogue	[Human Rights](#)
6.4.6	Health and safety at work	[Health & Safety, Benefits & Compensation](#)
6.4.7	Human development and training in the workplace	[Training & Development](#)
6.5 THE ENVIRONMENT		
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6.5.4	Sustainable resource use	[Materials, Greenhouse Gas Emissions, Water Management, Waste Management, Land & Biodiversity, Energy Consumption, Energy Use, Product Lifecycle, 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 Lifecycle, 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, Benefits & Compensation, Partnerships
6.8.4	Education and culture	Training & Development, Benefits & Compensation, Global Citizenship, Diversity
6.8.5	Employment creation and skills development	Training & Development

Subjects	Issues	References	
6.8 COMMUNITY INVOLVEMENT AND DEVELOPMENT			
6.8.6	Technology development and access	Training & Development, Global Citizenship	
6.8.7	Wealth and income creation	Benefits & Compensation	
6.8.8	Health	Benefits & Compensation	
6.8.9	Social investment	Global Citizenship	

Data Dashboard / Energy

Total energy: Operations within organization
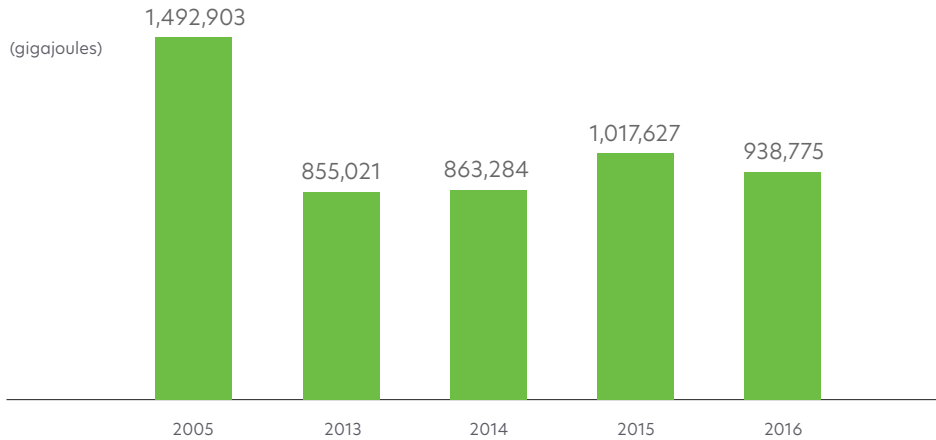
Total energy: Operations within organization (gigajoules)

2005	2013	2014	2015	2016
1,492,903	855,021	863,284	1,017,627	938,775

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

2005	2016
0.1792	0.1637

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

	2013	2014	2015	2016
Lexington, KY, U.S.	298,996	298,714	267,881	256,735
Boulder, CO, U.S.	264,734	255,340	274,088	280,562
Juarez, Mexico	190,125	196,012	245,098	186,282
Cebu City, Philippines	42,246	41,011	44,219	42,337
Lenexa, KS	-	11,360	18,162	16,016
Kolkata, IN	10,152	10,428	12,063	10,686
Budapest, Hungary	4,471	4,588	6,649	5,894
Other	44,297	45,830	149,467	140,263

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

Direct energy by type (Corresponds to Scope 1 emissions)	2013	2014	2015	2016
Natural Gas	282,783	280,925	327,697	285,354
Diesel/gas oil	3,421	34,112	35,076	33,876
Total	286,204	315,037	362,773	319,230
Indirect energy by type and location (Corresponds to Scope 2 emissions)	2013	2014	2015	2016
ELECTRICITY PURCHASED				
Lexington, KY, U.S.	175,529	172,573	153,763	142,552
Boulder, CO, U.S.	177,688	175,710	188,224	186,276
Juarez, Mexico	122,972	126,089	121,047	113,157
Cebu City, Philippines	39,857	38,827	40,911	40,302
Lenexa, KS	-	10,559	18,017	15,189
Kolkata, IN	6,427	6,346	9,973	9,973
Budapest, Hungary	2,706	2,828	4,626	3,327
Other	43,638	15,314	118,293	108,769
Total	568,817	548,246	654,854	619,545

Energy consumption boundary and accounting methodology

Organizational boundary
Energy use data represents approximately 100 percent of Lexmark's 2016 square footage of occupied space. Reported data covers the 2016 calendar year. As business needs change, reporting locations may change. For example, the lease of Shawnee, Kansas, ended at the end of 2015; therefore no energy data was reported for 2016. Historic data that has been reported for this location in previous years has moved to "Other." In addition to historic data of facilities no longer owned or controlled by Lexmark, data in the "Other" category also represents calculated information from our smaller leased locations. Data prior to the 2015 base year (including 2005) has not been recalculated.

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 International Energy Agency (IEA) data for the country is used to estimate usage, and all energy use (direct office use and HVAC support) is assumed to be electrically derived.

Energy intensity is calculated per Lexmark square footage. 2015 square footage: 5,680,257 and 2016 square footage: 5,734,639.

Direct energy consumption includes natural gas and diesel/gas oil use. We are not currently using nonrenewable 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)
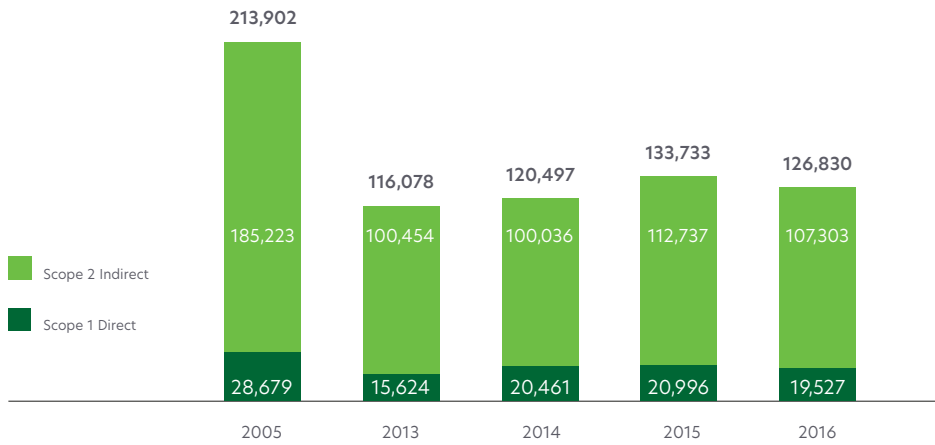
Total Scope 1 and 2 GHG emissions (Metric tons CO_2e)

	2005	2013	2014	2015	2016
Scope 1 Direct	28,679	15,624	20,461	20,996	19,527
Scope 2 Indirect	185,223	100,454	100,036	112,737	107,303
Total Scope 1 and 2 GHG Emissions	213,902	116,078	120,497	133,733	126,830

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

	2015	2016
Scope 1 Direct	0.0037	0.0034
Scope 2 Indirect	0.0198	0.0187
Total Scope 1 and 2 GHG Emissions	0.0235	0.0221

Data Dashboard / Emissions (continued)

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

Scope 1 emissions	2013	2014	2015	2016
Natural Gas	15,371	15,243	17,543	15,489
Diesel/gas oil	253	157	157	144
Refrigerants	-	2,838	1,083	1,715
Owned vehicles/transportation fleet	-	2,223	2,213	2,179
Total	**15,624**	**20,461**	**20,996**	**19,527**
Scope 2 emissions	**2013**	**2014**	**2015**	**2016**
Electricity (purchased)	100,454	100,036	112,737	107,303
Scope 3 emissions	**2013**	**2014**	**2015**	**2016**
Purchased Goods and Services (Category 1)	-	-	-	251,795
Capital Goods (Category 2)	-	-	-	7,114
Upstream Transport (Category 4)	-	-	-	16,723
Waste in Operations (Category 5)	-	-	-	150
Business Travel (Category 6)	7,974	11,553	17,634	17,821
Employee Commuting (Category 7)	-	-	-	24,569
Use of Sold Products, Upstream Transport (Categories 11, 4)	-	-	-	14,164,318
End of Life Treatment of Sold Products (Category 12)	-	-	-	2,202
Downstream Leased Assets (Category 13)	-	-	22,862	24,841
Total	**7974**	**11,553**	**40,496**	**14,509,533**

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; Lenexa, Kansas; Cebu City, Philippines; Juarez, Mexico; Kolkata, India; Budapest, Hungary; and Basingstoke, United Kingdom, representing 77 percent of Lexmark's 2016 square footage of occupied space.

- Scope 1 refrigerant usage was reported for Lexington, Kentucky; Boulder, Colorado; Juarez, Mexico; and Kolkata, India, representing 60 percent of Lexmark's 2016 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. 2015 square footage: 5,680,257 and 2016 square footage: 5,734,639.

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 International Energy Agency (IEA) data for the country is used to estimate usage, and 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. 2016 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. Assumptions for transport within the U.S. are calculated as part of the imaging equipment LCAs and reported through Category 11, Use of sold products
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. Tools used for calculation include the US Environmental Protection Agency's (EPA) Waste Reduction Model (WARM), Version 14 and Waste Sector GHG Protocol Calculation Tool, Version 5, October 2013. Avoided emissions are not included.
Category 6	Business Travel	Covers business travel worldwide based on availability of data. 2016 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.
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.
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.
Category 14	Franchises	Not applicable to Lexmark at this time.
Category 15	Investments	Not applicable to Lexmark at this time.

Data Dashboard / Emissions (continued)

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

Methane	2013	2014	2015	2016
Lexington, KY, U.S.	0.13	0.12	0.12	0.11

Volatile organic compounds (non-methane)	2013	2014	2015	2016
Boulder, CO, U.S.	4.58	4.39	4.28	5.06
Lexington, KY, U.S.	0.33	0.31	0.31	0.29
Juarez, Mexico	11.9	23.53	34.04	16.60

SO_x	2013	2014	2015	2016
Lexington, KY, U.S.	0.06	0.05	0.06	0.04
Juarez, Mexico	0.03	0.03	0.03	0.02

NO_x	2013	2014	2015	2016
Boulder, CO, U.S.	0.01	-	-	-
Lexington, KY, U.S.	5.93	5.44	5.49	5.15
Juarez, Mexico	2.44	2.66	3.15	1.86

CO_2	2013	2014	2015	2016
Boulder, CO, U.S.	372.10	358.05	347.90	379.00
Lexington, KY, U.S.	6,922.00	6,097.00	6,038.81	5,895.01
Juarez, Mexico	3,090.85	3,382.96	4,009.65	2,361.45

Particulate matter (PM10)	2013	2014	2015	2016
Boulder, CO, U.S.	0.06	0.06	0.06	0.06
Lexington, KY, U.S.	0.45	0.41	0.41	0.39
Juarez, Mexico	4.34	0.25	0.24	0.14

Hazardous air pollutants	2013	2014	2015	2016
Boulder, CO, U.S.	0.24	0.25	0.17	0.27
Lexington, KY, U.S.	0.10	0.09	0.09	0.09

Toxic release inventory (TRI)	2013	2014	2015	2016
Boulder, CO, U.S.	1.85	1.53	1.89	1.77

Registro de Emisiones y Transferencia de Contaminantes (RETC)	2013	2014	2015	2016
Juarez, Mexico	-	4,165.95	3,113.03	1,831.84

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. Meeting our goals to reduce or eliminate toxic release inventory (TRI) chemicals on site, Lexmark works to maintain minimal emissions.

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
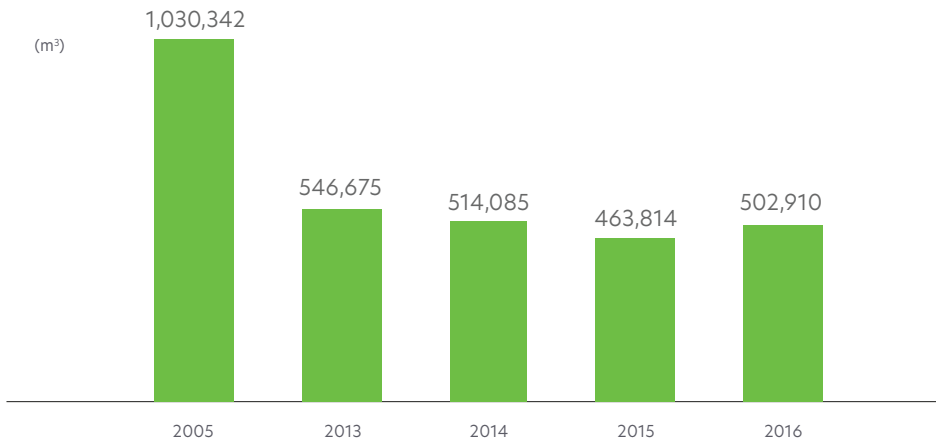
Total water withdrawal (m³)

2005	2013	2014	2015	2016
1,030,342	546,675	514,085	463,814	502,910

Water reuse (m³)

	2016
Juarez, Mexico	30,194

Water withdrawal by facility (m³)

	2013	2014	2015	2016
Lexington, KY, U.S.	193,986	188,665	188,421	179,958
Boulder, CO, U.S.	154,710	150,271	96,904	91,809
Juarez, Mexico	93,432	107,944	118,001	166,573
Cebu City, Philippines (LRDC)	23,504	25,465	23,109	26,337
Kolkata, India	15,423	22,846	28,654	29,401
Lenexa, KS, U.S.	-	5,879	4,624	4,572
Budapest, Hungary	2,098	2,719	2,976	3,224
Shenzhen, China	1,348	1,520	1,110	1,036
Other	63,174	8,776	14	-

Data Dashboard / Water (continued)

Water discharge by facility (m³)

	2013	2014	2015	2016
Lexington, KY, U.S.				
Sanitary Sewer	93,098	90,606	94,712	98,925
Creek	10,030	9,894	10,606	10,908
Evaporation/Losses	90,858	88,165	83,103	70,125
Boulder, CO, U.S.				
Sanitary Sewer	79,680	77,617	30,681	22,130
Use in product/ evaporation/losses	75,030	72,654	66,223	69,679
Juarez, Mexico				
Sanitary Sewer	93,432	107,944	118,001	58,486
Evaporation	-	-	-	54,636
Use in product/losses	-	-	-	53,451
Cebu City, Philippines (LRDC)				
Sanitary Sewer	23,504	25,465	23,109	26,337
Kolkata, India				
Sanitary Sewer	15,423	22,846	28,654	29,401
Lenexa, KS, U.S.				
Sanitary Sewer	-	5,879	4,624	4,572
Budapest, Hungary				
Sanitary Sewer	2,098	2,719	2,976	3,224
Shenzhen, China				
Sanitary Sewer	1,348	1,520	1,110	1,036
Other				
Sanitary Sewer	63,174	8,776	14	-

Data Dashboard / Water (continued)

Water boundary and accounting methodology

Organizational boundary
Lexmark calculates water data for all owned and operated sites and includes a portion of leased spaces as data is available. The 2016 water data represents approximately 75 percent of Lexmark's 2016 estimated square footage of Lexmark occupied space. Lexmark's acquisitions have accounted for increased total leased space worldwide. Reported data covers the 2016 calendar year.

Slight changes may occur in the reporting boundary for location changes. The lease in Shawnee, Kansas, ended in 2015; therefore, water withdrawal is not reported for this location in 2016 and this data, as well as historic data for other sites that are no longer under Lexmark control, have been moved to "Other." Water was sourced from local municipal water suppliers, unless reused from another process on site.

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

Data input and calculation methodology
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 was not 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. Data was unavailable for previous years in Juarez and will be reported for 2016 and moving forward.

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

Data Dashboard / Waste

Total waste generation enterprise level (metric tons)

	2013	2014	2015	2016
Non-Hazardous	17,238	16,909	19,827	16,986
Hazardous	494	565	465	616
Total	17,732	17,474	20,292	17,602

Total waste generation facility level (metric tons)

	2013	2014	2015	2016
Lexington, KY, USA	1,988	1,521	1,228	1,253
Boulder, CO, USA	3,340	3,083	2,833	3,490
Juarez, Mexico, Manufacturing	4,768	5,104	4,815	4,507
Juarez, Mexico, LCCP Recycling Plant[1]	7,533	7,662	11,345	8,132
Cebu City, Philippines (Research & Dev)	104	105	70	144
Lenexa, Kansas, USA[2]	-	-	-	76

Non-hazardous waste generation facility level (metric tons)

	2013	2014	2015	2016
Lexington, KY, USA	1,984	1,517	1,209	1,235
Boulder, CO, USA	3,311	3,057	2,794	3,438
Juarez, Mexico, Manufacturing	4,330	4,584	4,425	3,988
Juarez, Mexico, LCCP Recycling Plant[1]	7,530	7,655	11,332	8,124
Cebu City, Philippines (Research & Dev)	83	95	67	125
Lenexa, Kansas, USA[2]	-	-	-	76

Hazardous waste generation facility level (metric tons)

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

[1] LCCP Recycling Plant processes empty toner cartridges from customers for recycle or reuse. This data includes facility operations in addition to cartridge processing.
[2] Waste for the Lenexa, Kansas facility is estimated using the U.S. EPA's volume-to -weight conversion factors.

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

	2013	2014	2015	2016
Reuse	2,085	2,492	5,706	1,936
Recycling	11,161	10,680	11,133	10,549
Composting	20	13	10	12
Energy Recovery	1,732	1,626	847	1,527
Incineration	372	105	136	439
Deep well injection	-	-	-	-
Landfill	2,188	2,310	2,461	3,139
On-site storage	-	-	-	-
Water Treatment	176	248	-	-
Total	17,732	17,474	20,292	17,602

Data Dashboard / Waste (continued)

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

	2013	2014	2015	2016
Reuse	1,928	2,095	5,475	1,923
Recycling	5,453	5,348	5,564	5,801
Composting	-	-	-	-
Energy Recovery	3	4	6	8
Incineration	-	-	-	-
Deep well injection	-	-	-	-
Landfill	149	215	300	400
On-site storage	-	-	-	-
Water Treatment	-	-	-	-
Total	7,533	7,662	11,345	8,132

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

	2013	2014	2015	2016
Reuse	2,084	2,492	5,706	1,936
Recycling	11,144	10,672	11,131	10,543
Composting	20	13	10	12
Energy Recovery	1,323	1,206	715	1,402
Incineration	370	102	134	437
Deep well injection	-	-	-	-
Landfill	2,161	2,270	2,130	2,656
On-site storage	-	-	-	-
Water Treatment	136	154	-	-
Total	17,238	16,909	19,826	16,986

Data Dashboard / Waste (continued)

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

	2013	2014	2015	2016
Reuse	1	-	-	-
Recycling	17	8	2	6
Composting	-	-	-	-
Energy Recovery	408	420	132	125
Incineration	2	3	1	2
Deep well injection	-	-	-	-
Landfill	27	39	330	483
On-site storage	-	-	-	-
Water Treatment	40	94	-	-
Total	494	565	465	616

2016 Non-hazardous waste generation by type (metric tons)

	General	Recyclables	Ink/water mix or other liquid	Construction debris	Batteries	Electronic scrap
Lexington, KY, USA	294	591	10	-	-	340
Boulder, CO, USA	372	1766	1198	15	81	6
Juarez, Mexico, Manufacturing	1816	1923	238	-	0.04	11
Juarez, Mexico, LCCP Recycling Plant[1]	863	7221	40	-	-	-
Cebu City, Philippines (Research & Dev.)	79	46	-	-	-	5
Lenexa, Kansas, USA[2]	39	23	14	-	0.2	0.5

Data Dashboard / Waste (continued)

2016 Hazardous waste generation by type (metric tons)

	Ignitables/ solvents	Metals	Corrosive	Mercury/ Lamps	Other
Lexington, KY, USA	2	-	-	-	16
Boulder, CO, USA	46	0.1	0.2	-	6
Juarez, Mexico, Manufacturing	60	-	1	0.4	458
Juarez, Mexico, LCCP Recycling Plant[1]	8	-	0.03	-	0.8
Cebu City, Philippines (Research & Dev.)	3	-	1	0.3	9
Lenexa, Kansas, USA[2]	-	-	-	-	-

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		
	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
Lexington, KY, USA	3	19	17	-	-	-	-	-	-	3	19	17
Boulder, CO, USA	26	39	52	-	-	-	-	-	-	26	39	52
Juarez, Mexico, Manufacturing	519	390	519	-	-	-	-	-	-	519	390	519
Juarez, Mexico, LCCP Recycling Plant[1]	6	13	9	-	-	-	-	-	-	6	13	9
Cebu City, Philippines (Research & Dev.)	9	4	19	-	-	-	-	-	-	9	4	19
Lenexa, Kansas, USA[2]	-	-	-	-	-	-	-	-	-	-	-	-

Hazardous waste shipped internationally

(%)	2014	2015	2016
Lexington, KY, USA	-	-	-
Boulder, CO, USA	-	-	-
Juarez, Mexico, Manufacturing	-	-	-
Juarez, Mexico, LCCP Recycling Plant[1]	-	-	-
Cebu City, Philippines (Research & Dev.)	-	-	-
Lenexa, Kansas, USA[2]	-	-	-

Waste data is from 95% of Lexmark's owned development and manufacturing sites based on square feet.

Data Dashboard / Waste (continued)

Total electronics waste recycling (metric tons)

	2016	2016
	Voluntary	Regulated
USA	1134	569
Canada	-	281
EU	-	2373
Mexico	10	-
India	7	-
Asia Pacific	-	116

Data Dashboard / Employees

2016 Global Workforce

	Employees	% Women	New Hires
Asia Pacific Total	3,677	44%	585
Europe, Middle East, Africa Total	2,516	34%	316
Latin America Total	3,411	46%	2,108
North America Total	3,992	25%	357
Total Employees	**13,596**	**37%**	**3,366**

By Job level	Employees	% Women
Vice President	41	20%
Director	156	21%
Senior Manager	96	26%
Manager	1,403	33%
Individual Contributor	11,900	38%
Total	**13,596**	**37%**

By Employment type	Employees	% Women
Full Time	13,429	37%
Part time	167	74%
Total	**13,596**	**37%**

	Employees	% Women
Temporary Employees	140	55%
Contingent Workers	2,205	55%

*43% of contractors reported their gender

US Minorities	Workplace	Management	New Hires
	17%	8%	27%

Worldwide by Age	Workplace
30 and under	22%
31-50	64%
51 and over	14%

Lexmark's worldwide minimum age is 18.

Data Dashboard / Employees (continued)

2016 Continuing Training & Education

Employee Category	Number of Employees	Average Training Hours
Executive Vice President	41	26
Director	156	26
Senior Manager	96	40
Manager	1,403	40
Individual Contributor	11,900	40

The average number of hours for training is 39.9 for women, 39.3 for men.
Averages based on the corporate-level systems that capture employee development activities and do not include formal education supported by Lexmark.

2016 Injury Rate, Occupational Diseases, Lost Work Day Rate, Absentee Rate and Work Related Fatalities by Region

Lexmark Location	Injury Rate		Occupational Diseases		Lost Work Day Rate		Work Related Fatalities		Absentee Rate	
	Total	% Women	Total	% Women	Total	% Women	Total	% Women	Total	% Women
Boulder, Colorado	1.34	0%	0	0%	26.89	0%	0	0%	Not Reported	0%
Juarez, Mexico	0.21	50%	0	0%	9.04	30%	0	0%	Not Reported	0%
Lexington/North America	0.15	25%	0	0%	0	0%	0	0%	Not Reported	0%
China TSC	0	0%	0	0%	0	0%	0	0%	Not Reported	0%
Cebu, Philippines LRDC	0.04	0%	0	0%	0.12	0%	0	0%	Not Reported	0%