



# Striving for a Better World

2015 CORPORATE SOCIAL RESPONSIBILITY REPORT

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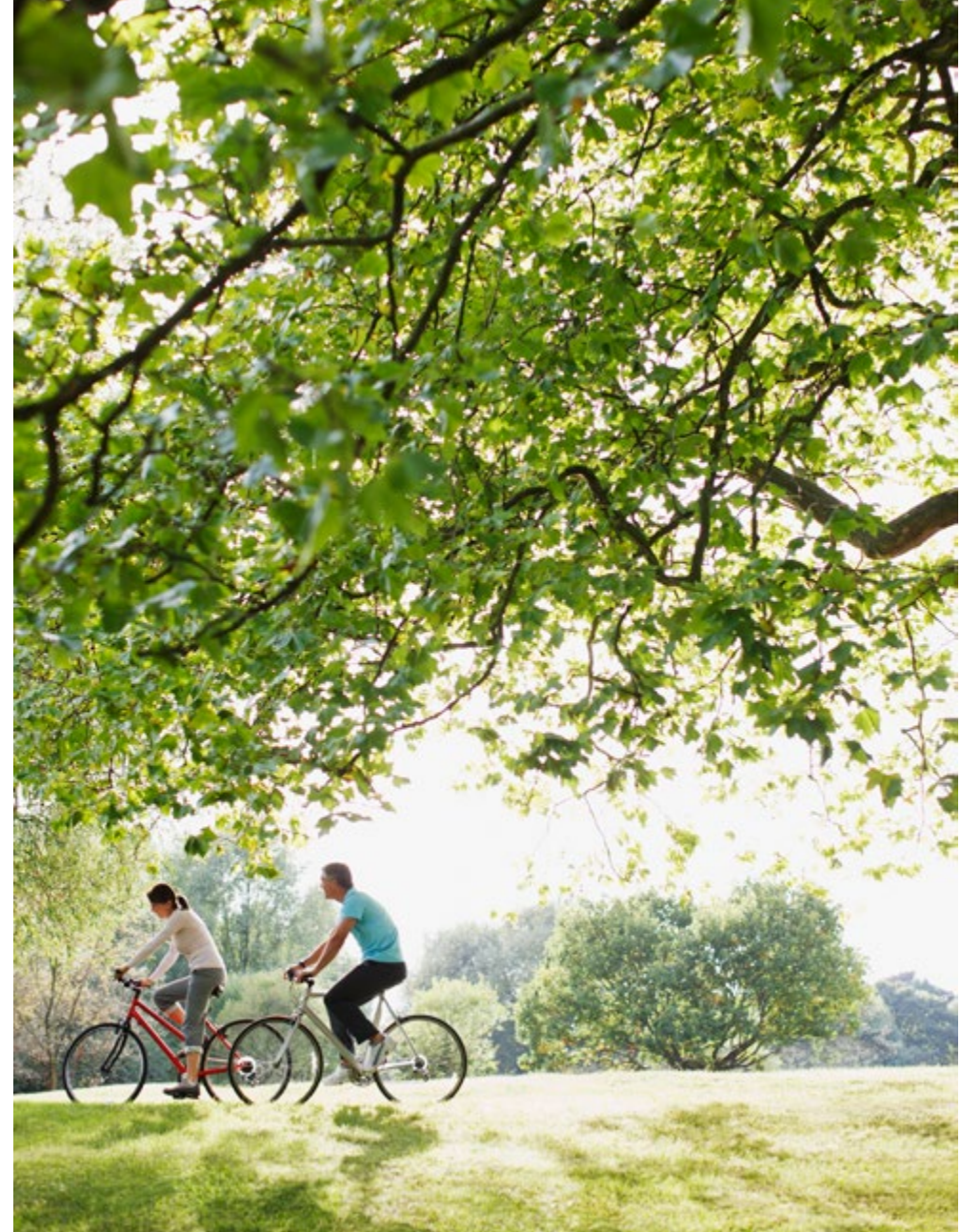
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# Our Approach to Citizenship



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

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

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

# Message from the CEO

**Paul Rooke**  
Chairman and  
Chief Executive  
Officer



**In 2015, Lexmark continued to move forward in our transformation from a printing provider to a solutions provider offering hardware, software and services to customers across the globe.** While the pace of change at Lexmark has been rapid, our continued commitment to be a thought and action leader in CSR and sustainability has been unwavering. This dedication has driven continual improvement throughout our business and guided us in identifying challenging goals as we move our business forward. Throughout the history of our company, the Lexmark Vision and Values have formed the basis of our commitment to the communities in which we live and work. Our goal is simple, but powerful – to make the communities better places to be for all and for the generations to come.

While the pace of change at Lexmark has been rapid, our continued commitment to be a thought and action leader in CSR and sustainability has been unwavering.

Examples of our community efforts include ongoing participation and support for Habitat for Humanity, United Way, local teachers, schools and universities, food banks, improved health care, STEM education, reforestation activities and disaster relief. All of these efforts help drive positive community level change by bringing together local civic organizations, non-governmental entities and customers for the common good.

The 2015 report contains many accomplishments that are a result of our long-standing focus on CSR, sustainability, and innovation, but it also highlights goals we have set for the years ahead. In all of these areas, Lexmark looks to “Open the Possibilities” for future improvements that will positively impact our customers, our employees, our local communities and the larger global community. Goals have been established for many areas of our business including product sustainability, improved and expanded interaction with our supply chain, better understanding and reporting of our global energy footprint and expanded customer and community partnerships that not only bring value to the customer and Lexmark, but to the shared community as well.

For those that have worked with us on these important initiatives, I thank you. As we look to the future, there are many broader trends that have the potential to influence the path forward including an enhanced focus on the

circular economy, sustainable innovation, climate change, global regulatory change as well as the pace of technology innovation. These trends, however, will not change our dedication to our communities and our unwavering commitment to be a thought and action leader in CSR and sustainability.

Finally, to all of our Lexmark employees for your continued dedication to the Lexmark Vision and Values, I thank you. Your support is powerful on an individual basis and the collective benefits of your efforts are beyond measure.

**Paul Rooke**  
Chairman and Chief Executive Officer

# Company Profile

Lexmark International, Inc. sells its products and services in more than 170 countries and is a recognized global leader by many of the technology industry's leading market analyst firms. Lexmark has also acquired and integrated several strategic software companies since 2010, further expanding the company's breadth of offerings to include innovative software solutions.



Today the company competes in key growth markets that include managed print services, intelligent capture, enterprise content management, healthcare content management, financial process automation and enterprise search—all focused on helping Lexmark customers connect their employees to the most relevant information at the moment they need it.

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 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. As of year-end 2015, Lexmark employed approximately 14,000 people and had revenue of approximately \$3.6 billion. Lexmark is publicly traded under LXX on the New York Stock Exchange and is headquartered in Lexington, KY.

# CSR Policies & Statements

## Vision and values

→ [Vision and Values](#)

## Environmental

- [Corporate Environmental, Health and Safety Policy](#)
- [Environmental and Social Justice Policy](#)
- [Climate Change Policy](#)

## Ethics

- [Code of Business Conduct](#)

## Human rights

- [Human Rights Policy](#)
- [Human Trafficking and Slavery](#)

## Supply chain

- [Lexmark Supplier Code of Conduct](#)
- [EICC Code of Conduct](#)
- [Lexmark Political Contribution Policy](#)

# Materiality



**We believe that stakeholder engagement is fundamental to the process of determining our direction as a business and as a global corporate citizen.**

Lexmark identifies critical social issues within our sustainability strategy through communications with stakeholders, which includes a dozen defined groups that are impacted or influenced by the actions of our company.

We believe that stakeholder engagement is fundamental to the process of determining our direction, not only as a business, but also as a global corporate citizen. To derive the most benefit, we engage on an ongoing basis. The feedback we get from regular interaction with our stakeholders is utilized throughout our decision-making process.

We regularly engage with the following stakeholder groups throughout the year:

- Analysts/Journalists
- Regulators/Legislators
- Non-governmental organizations (NGOs)
- Customers
- End users
- Supply chain
- Reseller chain
- Employees and Board
- Shareholders/Investors
- Other corporations
- Local communities

Lexmark identifies these groups as key stakeholders through business judgment of their impact on our organization. When identifying stakeholders, we also consider the groups' ability to engage with us in a meaningful way.

Throughout the year, we gather information through many methods and with varying frequency, depending on the source of feedback:

- Biannual employee survey information
- Quarterly investor feedback through earnings calls, in addition to annual Investor Days, shareholder meetings and third-party investor conferences

- Ongoing employee forums (internal chat sites and Diversity Network Groups)
- Ongoing customer feedback through face-to-face meetings, trade shows, Technical Support Center calls, and the Web (including social media and blogs)
- Ongoing community feedback through active participation in local organizations
- Ongoing analyst and press feedback through published reports, articles and briefings
- Ongoing conference participation, which provides feedback from NGOs, analysts, academia and peer groups
- Ongoing Lexmark Ethics Committee and Risk Committee feedback
- Ongoing market research: peer group materiality assessments, industry trends, global issues and opportunities for improvement
- Ongoing meetings and briefings with government and regulatory bodies
- Ongoing review of and participation in both voluntary and regulatory standards
- Ongoing 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 a wide range of individual issues of interest.

*Note: Lexmark does not engage significantly in lobbying.*

## Stakeholder engagement

The table below is a broad summary of the category of topics on which our stakeholder groups are most engaged.

	Citizenship	Governance	Workplace	Products
Analysts/Journalists	✓	✓	✓	✓
Regulators/Legislators		✓	✓	
NGOs	✓		✓	
Customers	✓	✓	✓	✓
End users	✓			✓
Supply chain		✓	✓	✓
Reseller chain		✓		✓
Employees and board	✓	✓	✓	✓
Investors	✓	✓	✓	✓
Other corporations	✓	✓	✓	✓
Local community	✓		✓	

One method of engagement for Lexmark is through our involvement in industry coalitions, trade associations, and externally developed environmental and social charters. Some of the prominent groups or standards for Lexmark are:

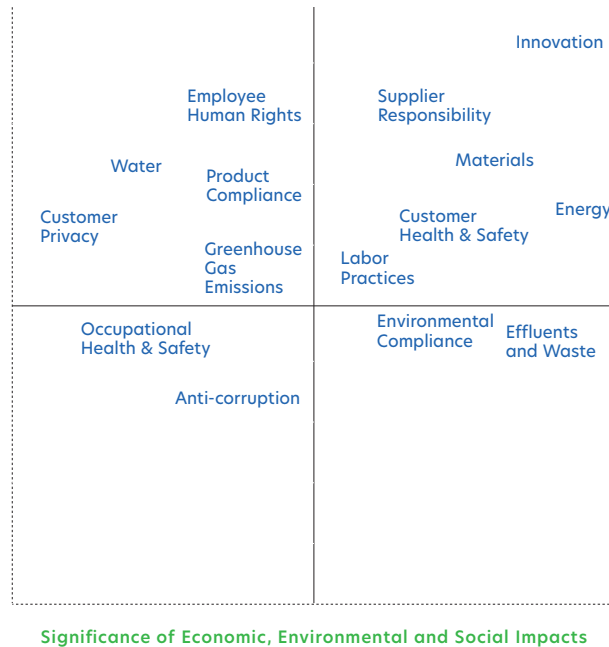
- Information Technology Industry Council (ITI) and ITI Environmental Leadership Council
- National Arbor Day Foundation
- The Nature Conservancy (TNC) and TNC of Kentucky Corporate Sustainability Council
- Ellen MacArthur Foundation
- United Nations Global Compact
- Manufacturing Leadership Council
- Carbon Disclosure Project
- GreenBiz Executive Network
- Maquiladora association (INDEX Juarez)
- DIGITALEUROPE
- Bundesverband Informationswirtschaft, Telekommunikation und neue Medien (BITKOM)
- U.S. National Chamber of Commerce
- American National Standards Institute (ANSI)
- ECMA International
- Deutsches Institut für Normung (DIN)
- Mid-America Gay and Lesbian Chamber of Commerce
- Australian Information Industry Association
- Employers and Manufacturers Association (Asia Pacific)
- IT-BPO Tripartite Council (Department of Labor and Employment, Philippines)
- Business Imaging Association of Australia (BIAA)
- Information Technology Association of Canada (ITAC)
- University of Kentucky Center for Sustainable Manufacturing

We value 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 potentially 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 used pairwise comparison analysis in our research methodology to add clarity to our focus. We determined our material subjects with this enhanced process.

### Materiality matrix

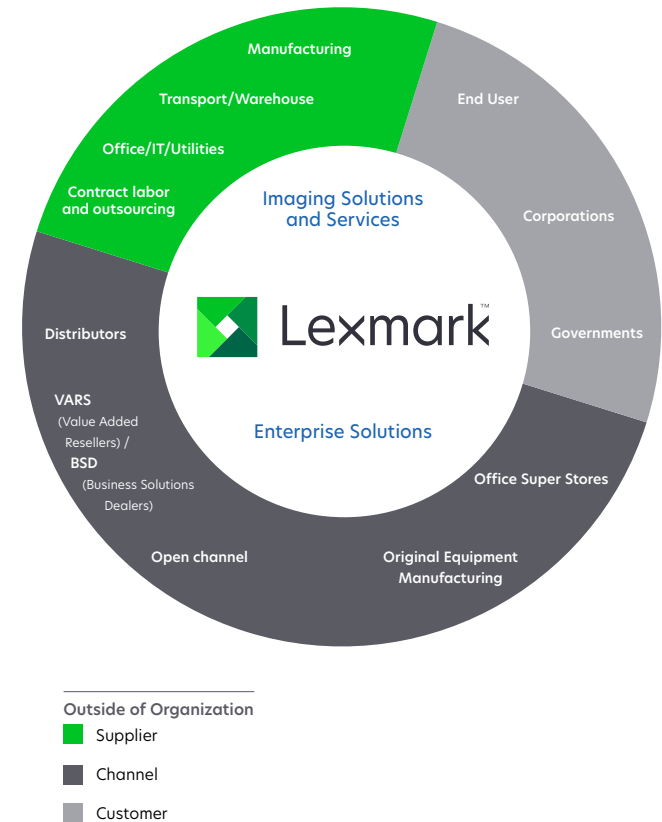


This allows our organization to see what is most meaningful to our broad set of stakeholders and to align our efforts accordingly. This is an ongoing process and we continue to monitor for changing sentiment.

These material subjects drive action within our operations. To manage the advancement in these areas effectively, it is beneficial to map Lexmark's organizational groups to the subjects most relevant to them. While this report represents the first publication describing our organization in this manner, the scope of this analysis and boundaries described here have not significantly changed from previous years.

### Lexmark's organizational groups

The diagram below represents our organization. The inner circle represents our internal organization and the outer circle represents groups external to our organization:





## Relevance of material aspects/subjects to lexmark's organizational groups

Material Aspect	Brief Description of Aspect	Impact Area
Innovation	Fostering a culture of discovery and advancement.	All internal and external to the organization
Materials	Materials used by weight or volume. Approach to using recycled content and recycling.	Manufacturing and transport/warehouse; corporations and government, OEM, Lexmark ISS
Products and Services	Extent of mitigation of environmental impacts of products and services.	All customers, all channels, Lexmark internal organization
Anti-corruption	Established policies on anti-corruption. Communication and training on anti-corruption policies and procedures.	All internal and external to the organization
Energy	Reporting energy consumption, targets, and use reduction progress.	Manufacturing and transportation/warehouse; all customers, Lexmark internal organization
Product Compliance	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	All customers, Lexmark internal organization
Effluents and Waste	Total water discharge by quality and destination. Total weight of waste by type and disposal method. Total number and volume of significant spills. Documentation of any hazardous waste.	Lexmark ISS, all customers
Employment (Labor)	Description of current and new employee base in terms of age, gender and region. Description of benefits provided.	Lexmark internal organization, end users and corporations
Customer Health and Safety	Health and safety assessments for products and services, and any incidents of noncompliance with regulations and voluntary codes concerning the health and safety impacts.	All internal and external to the organization
Human Rights	Focus on nondiscrimination, freedom of association, child labor, security practices and forced labor.	Lexmark internal organization, end users and corporations
Emissions	Disclosure of all greenhouse gas emissions, as well as other significant air emissions, including trends.	All customers, all channels, Lexmark internal organization
Supplier Responsibility	Overall assessments of suppliers' performance on environmental practices, labor practices, human rights and impacts on society.	All internal and external to the organization
Water	Total water use, water sources, and water recycling efforts.	Lexmark ISS, end user and corporations
Customer Privacy	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Lexmark internal organization, all customers
Environmental Compliance	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations.	All internal and external to the organization
Health and Safety	Injury rates and lost workdays, committee and any union representation.	Lexmark internal organization

# Governance



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

**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.**

Extensive supporting documentation on Lexmark's governance structure, process, and composition is available in our [Investor Relations web page](#), [Annual Report/Form 10-K](#), and [Proxy Statement](#).

## Governance highlights

- Our Board of Directors' Corporate Governance and Public Policy Committee periodically reviews the Corporation's key public policy issues, including its sustainability initiatives and its engagement in the public policy process, in addition to other duties.
- Our executive compensation program includes an annual advisory stockholder vote to approve executive compensation (commonly referred to as "Say on Pay"). The shareholder-approved Board Declassification is now complete; all Directors elected in 2016 will serve one-year terms.
- Our Board of Directors consists of 12 Directors: eleven are independent non-executive directors and one non-independent - Lexmark Chairman and CEO, Paul Rooke - and 2 (17%) are women. Directors have limited membership on other public company boards, and all directors attended more than 75 percent of all Board and Committee meetings in 2015.

- No former employees currently serve as directors.
- A vote is held annually to ratify independent auditors.

The Board of Directors is actively engaged in corporate social responsibility topics and has access to executive-level leadership with responsibility for those topics. Sustainability initiatives are lead by Global Corporate Senior Manager of Sustainability, John Gagel; he formally reviews and approves Lexmark's annual CSR report.

Lexmark's Corporate Social Responsibility program management is directed by the Lexmark Corporate Sustainability Department and the Sustainability and Corporate Social Responsibility Cross-Functional Council, which is comprised of representation from numerous business areas, such as: Development, Facilities, Human Resources, Supply Base Management, Supply Chain and Marketing.

# Transparency & Ethics



**Lexmark's success is driven by building trust and maintaining integrity in all of our business dealings as well as by the commitment we have to our customers.**

## 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 2015, nearly all regular, worldwide employees and managers (99 percent) acknowledged their understanding of the 2015 Code of Business Conduct confirming that they conduct themselves and Lexmark business in accordance with the Code's requirements.

Lexmark requires targeted anti-corruption and anti-bribery training courses that educate select employee groups about risks of corruption specific to their job functions. The Code of Business Conduct is reviewed on an annual basis. Possible updates and employee review statistics are shared with the Lexmark Ethics Committee and the Corporate Governance Committee of the Board of Directors. All modifications to the Code of Business Conduct are reviewed and approved by the Ethics Committee.

Any officer, director, employee, agent or stockholder 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. Lexmark publicly reports infractions of the Business Code of Conduct that impact investors.

## Preventing corruption

Both Lexmark business units (Imaging Solutions and Services [ISS] and Enterprise Software [ES]) 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 Finance and Audit Committee of the Lexmark Board of Directors 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 Lexmark's Ethics Committee and to the Finance and Audit Committee of the Lexmark Board of Directors. No legal cases regarding corrupt practices were brought against Lexmark or our employees during 2015.

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. For additional information, see the Lexmark [10-K form](#).

## 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.

## Contact for finance and audit committee

The Lexmark contact line (1-866-484-7895) for the Finance and Audit Committee of the Board of Directors is a 24-hour, international toll-free telephone number for employees to question accounting or auditing matters, or to report possible unethical or illegal conduct to the Finance and Audit Committee. A third-party provider operates the contact line. The third-party provider of the telephone lines is prohibited from providing a caller's identity to Lexmark without the caller's permission. Call information is forwarded to the Finance and Audit Committee for review and further investigation.

## 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 2015.

# Finance & Economics



**Employing members of the local communities and using local resources when possible help Lexmark have a positive impact on the economies that surround our global locations.**

**Any business must position itself to thrive well into the future. The same long-term perspective that ensures our continued success also drives our keen interest in sustainability. Forces like climate change, natural resource depletion and human rights can have a material impact on our ability to conduct business in an increasingly interconnected world.**

Investors today seek companies who understand the diverse set of risks in their business and who are proactive about addressing them. At Lexmark we go beyond typical risk mitigation. We not only seek a thorough awareness of the world in which we operate, we also strive to make it a better place. This is deeply infused in our corporate culture, and we are a stronger company for it.

Lexmark is committed to delivering shareholder value to our investors. Our focus on environmental sustainability yields significant operational efficiencies. By reducing waste in all its forms, we can pass more value on to our shareholders.

## Significant investments—ongoing commitment to human rights

Since 2010, Lexmark has acquired 14 software companies. Claron and Kofax were acquired in 2015. During due diligence of the target companies, Lexmark confirmed that each of these companies prohibit discrimination based upon race, color, religion, gender, sexual orientation, gender identity, national origin, disability, age or veteran status. These acquisitions are enabling Lexmark to transform from a hardware provider to a higher value solutions provider.

## Financial transparency

To ensure full financial transparency, the [Lexmark Investor Relations](#) page provides a range of information about the financial performance and market presence of our companies, our financial reporting covers all of Lexmark's legal entities.

## Government assistance and presence in shareholding structure

Lexmark received no significant financial assistance from the U.S. or any other government in 2015. No government is part of Lexmark's shareholding structure.

## Indirect economic impacts

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.

A significant portion of Lexmark employees—including those in the United States, Mexico and the Philippines—work in locations that have minimum-wage rules. Lexmark is committed to rewarding our employees for their hard work. Lexmark and its subsidiaries worldwide offer salaries and benefit plans that are highly competitive; and 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.

## Political contributions and lobbying

Lexmark is committed to transparency in its political dealings and relationships. To view Lexmark's policy on political contributions click [here](#).

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/or 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/or stakeholders.

# CSR Awards & Recognition

## Our approach to citizenship

### 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. GC100 was developed by UNGC in partnership with research firm Sustainalytics.



### CR's 100 Best Corporate Citizens 2015

Lexmark was ranked 23rd 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.



### EcoVadis Gold CSR Rating

Lexmark received gold recognition level based on the EcoVadis CSR rating. Lexmark is in the top 1percent of suppliers assessed from 99 countries and across 150 business sectors on corporate policies, initiatives and achievements in areas concerning the environment, labor practices, fair business practices and supply chain.



### Distinctive ESR® 2015 -Empresa Socialmente Responsable

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



### Industry Leader in the field of sustainability

Congressman Andy Barr (KY6) recognized Lexmark as an industry leader in the field of sustainability.

## Our operations

### CSR Hungary 2015 Award

Lexmark was honored in the Sustainable Large Company category, which recognizes the most prominent responsible and sustainable initiatives, products, services and products of companies operating in Hungary.



### European Business Awards National Champion 2015/16

Lexmark has been selected as a National Champion representing France in the 2015/16 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.



### Industria Limpia (Clean Industry)

The Mexican Federal Environmental Protection Agency (PROFEPA) granted certification to Lexmark Juarez after a rigorous audit process. This certification is for manufacturers who demonstrate significant environmental responsibility.



### Bicycle Friendly Business award

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



### Quality Innovative Company 2015

The European Organization for Quality recognized Lexmark based on the six completed projects that the Lexmark Budapest Competence center submitted.



## Our solutions

### Manufacturing Leadership 100 Awards 2015

Lexmark received three awards: Sustainability Leadership for reconditioning of laser cartridge developer rolls, Operational Excellence Leadership for Lean Sourcing Leadership, and Supply Chain Leadership for Global Sourcing Contracts Process Improvements.



### Family Friendly Workplace

Lexmark Budapest has been recognized by Három Királyfi with Három Királylány movement (a widely recognized nonprofit organization in Hungary) for integrating family-friendly activities into the site's CSR programs.



## Our people

### HRC's Best Places To Work 2015

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.



### Você S/A Magazine's Top 150 places to work in Brazil

Lexmark has been recognized on Você S/A Magazine's annual list which is considered among the most prestigious awards for companies in Brazil. The list criteria is based on topics including human resources practices, leadership, career, health practices and work environment.



### When Work Works Award

Lexmark has been recognized nationally for commitment to workplace flexibility.



# Risks, Opportunities & Impacts



**Lexmark has made great progress reducing the environmental impacts of our operations.**

**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](http://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 have become more 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.

Community initiatives improve the communities in which we live and work by interacting environmentally and socially.

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. In addition, as Lexmark acquires more companies, we focus on learning from these new communities that we now share, and look for opportunities to combine corporate and community resources to create stronger and more effective community programs.

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 2016 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.



## 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 (a number of which are noted in our annual SEC filings) include the following:

### 1. Environmental and regulatory matters

Lexmark operations are subject to numerous laws and regulations; specifically, those relating to environmental matters that impose limitations on the discharge of pollutants and that establish protocols for the treatment, storage and disposal of solid and hazardous wastes. For more information about the impact of Lexmark regulatory topics, see Lexmark [Form 10-K](#).

### 2. Electronic waste obligation

The Waste Electrical and Electronic Equipment (WEEE) Directive issued by the European Union requires producers of electrical and electronic goods to be financially responsible for specified collection, recycling, treatment and disposal of past and future products. Our estimated liability for these costs involves a number of uncertainties, and we consider certain assumptions and judgments that include average collection costs, return rates, and product life cycles. Should actual costs and activities differ from our estimates, revisions to the estimated liability might be required. For more information about the impact of waste, see Lexmark [Form 10-K](#).

### 3. 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. As Lexmark continues to consolidate certain functions in shared service centers and moves other functions to countries with lower-cost labor, the probability and impact of business disruptions might increase over time. For each of its sites, Lexmark has a business continuity plan that describes the risks of climate change. For more information about the impacts of operational risks, see Lexmark [Form 10-K](#).

### 4. Product opportunities

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

# Key Performance Indicators

Our key performance indicators (KPIs) define the environmental factors that matter the most to Lexmark. Based on our priorities, we set operational targets and measure our progress toward achieving these goals.

## WATER

**GOAL:** Reduce water consumption by 58% from 2005 to 2020.



**PROGRESS:** 59% reduction

## WASTE RECYCLING

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



**PROGRESS:** 83% recycling rate

## EMISSIONS

**GOAL:** Reduce Scope 1 and Scope 2 emissions 10% by 2020 (from base year 2015)



**PROGRESS:** 42% reduction from 2005-2014

## SUPPLIES

**GOAL:** Regionally source 80% of our supplies by 2017.



**PROGRESS:** 73%

## RETURN & RECYCLE

**GOAL:** Increase total cartridge material reused to 50% by weight by 2018.



**PROGRESS:** 36%

## ENERGY

**GOAL:** Reduce energy consumption 10% by 2020 (from base year 2015)



**PROGRESS:** 42% reduction from 2005-2014

## PRODUCT ENERGY USE

**GOAL:** Reduce product energy use for laser products



**PROGRESS:** 93% reduction in sleep power for color laser multi-function products since 2005

## RETURN & RECYCLE

**GOAL:** Increase the postconsumer recycled (PCR) plastic percentage to 25% by 2018



**PROGRESS:** 18% PCR plastic by weight in our toner cartridge product line

# Our Sustainable 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












**Environmental goals include reducing energy consumption, improving water conservation, generating less waste, and improving emergency preparedness and response planning.**

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. Lexmark spends up to \$84,000 per facility on services provided by external consultants, including environmental testing, wastewater sampling and storm water sampling. Over \$100,000 is spent annually for corporate services such as legislative tracking and SDS management.

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

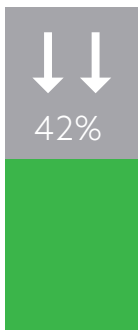
-  Lexington, Kentucky
-  Boulder, Colorado
-  Budapest, Hungary
-  Cebu, Philippines
-  Juarez, Mexico
-  Shenzhen, China
-  Istanbul, Turkey
-  The Netherlands
-  United Kingdom

## OHSAS 18001

-  Lexington, Kentucky
-  Boulder, Colorado
-  Budapest, Hungary
-  Cebu, Philippines
-  Juarez, Mexico
-  Shenzhen, China

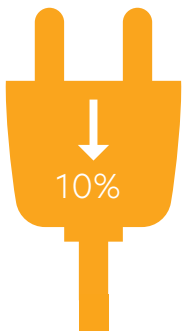
# Energy Consumption

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 which resulted in over 40 percent reduction in total energy use during the 2005 to 2014 time period. Lexmark's evolution as a leading total portfolio solutions provider has brought several new acquisitions to the business. To reflect this growth, we reviewed the structural changes in 2015 and facility footprint, resulting in an expansion of our reporting boundary to include the acquisitions and the leased office spaces that have not been traditionally reported. As a result, we are setting a new base year for energy comparison and energy reduction targets.



## HISTORIC PROGRESS

**42%** reduction in total greenhouse gas emissions between 2005-2014.



## NEW GOAL IN 2015

Reduce energy consumption **10%** by 2020.

## Investments in energy efficiency

Energy management programs at our Lexmark facilities assess the site's energy usage and target projects that can help reduce consumption at facilities. As equipment reaches end of life and building upgrades are necessary, Lexmark will invest in more energy efficient replacements.

### Lexington, KY, USA

Lexmark's investments in energy efficiency over the years include significant facilities projects at headquarters:

- 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 replacements, including more efficient T8 fluorescent and LED lighting in the Lexmark Center for Children daycare, pilot office spaces, and parking lots.

### Lenexa, KS, USA

Lexmark's newest facility in Lenexa, Kansas, is Leadership in Energy & Environmental Design (LEED) certified, with the building showing a 14 percent improvement in energy as compared to the baseline building performance rating<sup>1</sup>. The Lenexa construction also installed heating and cooling units that minimize or eliminate the emissions of compounds that contribute to ozone depletion and climate change.

### Cebu City, Philippines

The management systems in Cebu City focus on the following activities: operational control of the chiller, air conditioning unit improvements, heater load control, vampire/phantom load management and efforts to ensure lighting and equipment is turned off when not in use. The cost of the operational control improvement projects, including a major project undertaken December 2015 through January 2016, is

approximately \$55,000. These power use control activities helped the facility save nearly 600,000 kWh in 2015 compared to the established target.

### Kolkata, India

In December 2015, a three-year energy conservation project to replace less efficient lighting with LED lamps was initiated for our Kolkata, India, location. The total project cost is estimated to be \$10,700 (\$2,300 in 2015). Over 450 lamps have been replaced, saving 15.628 kW per connected load. The yearly energy savings is calculated to be 4,125.79 kWh, equivalent to approximately \$6,648.

Lexmark also educates employees about conserving energy in the workplace and discourages the use of space heaters, personal refrigerators, and personal printers, which increase energy use. Energy conservation is included in some incentive programs at Lexmark, providing a monetary incentive for employees when the overall annual energy goal is achieved. Other 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. Electricity used at Lexmark facilities is primarily purchased 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. Lexmark estimates the electrical power derived from renewable sources in 2015 to be 107,321 gigajoules<sup>2</sup>, 16 percent of the total indirect energy used. The total electrical power used that is derived from non-renewable sources is estimated to be 546,124 gigajoules.

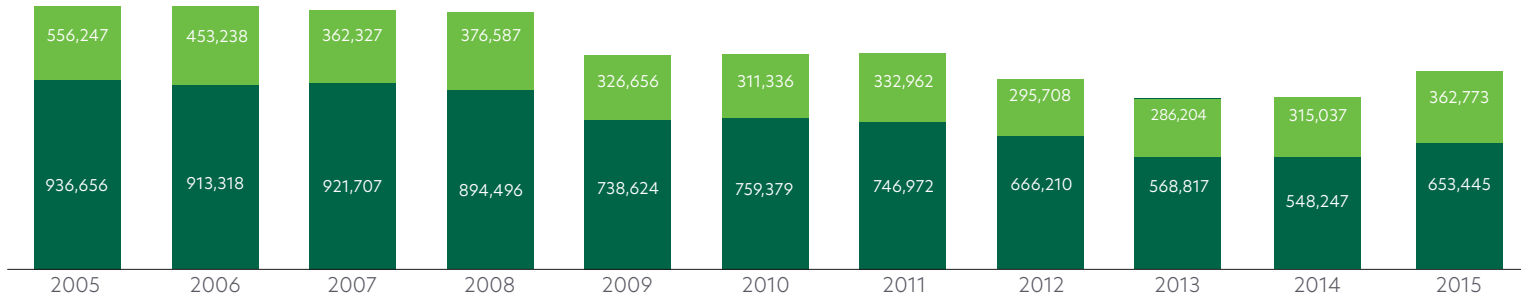
<sup>1</sup> Baseline building performance according to Appendix G of ANSI/ASHRAE/IESNA Standard 90.1-2007.

<sup>2</sup> 829 gigajoules of renewable electrical power sourced from wind was purchased for use at the Boulder, CO, facility, which is included the total estimated 2015 indirect renewable energy use derived from the area power grids.

## Total energy

### Gigajoules

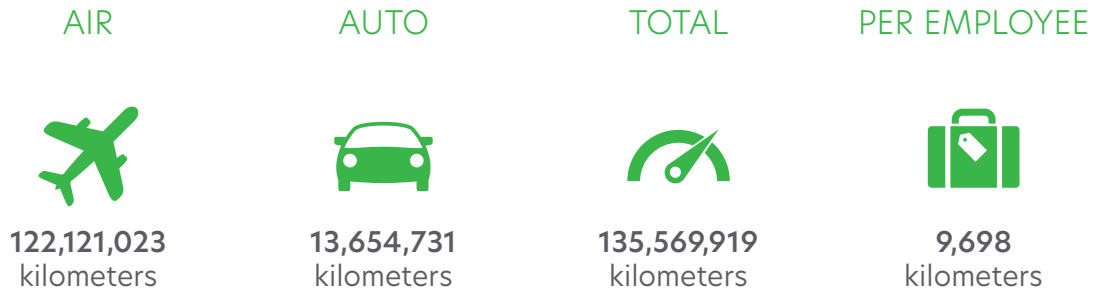
■ Scope 1 / Direct  
■ Scope 2 / Indirect



## Natural gas—Lexmark’s main direct energy source

Lexmark operations make use of several direct energy sources in our operations, which 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. Lexmark does not currently use renewable direct-energy sources such as biofuels (ethanol, for example) or hydrogen. Lexmark does not produce renewable or nonrenewable primary energy sources for internal use or for external markets.

## Kilometers traveled in 2015



## Other energy consumption

### Travel-related energy consumption

Lexmark is conscious of the impact business travel can have on the environment. Lexmark, in collaboration with our vehicle provider and travel partner, calculates miles traveled with Lexmark-owned, -leased, and -rented vehicles. Air travel is also tracked through Lexmark’s travel partner, which has considerably expanded its scope of reporting. This expansion in reporting, as well as Lexmark’s business transitions and development work for a new product launch, have resulted in an increase in travel for 2015.

Employees are provided with lower-impact, real-time alternatives such as conference calls, Web-based meetings and videoconferencing to help avoid unnecessary travel. In 2015, Lexmark installed new audiovisual equipment in many conference locations to provide better communication through Web-based services. Lexmark also encourages employees to combine business trips and use public transportation rather than taxis and rental cars.

### 2015 Worldwide logistics, product transportation and distribution

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

### Transportation awards

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 greenhouse gases and decrease air pollution.



### 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 Replenishment model—Direct shipping from factory to customer destinations helps Lexmark reduce the total miles products must travel, as well as handling and warehousing en route. Lexmark has continued to increase the volumes that are shipped direct over the past three years. Lexmark also sees similar benefit from the implementation of a direct replenishment process—the factory can ship to the country distribution center, bypassing the centralized regional center.
- 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 (TMS)—Lexmark utilizes multiple Transportation Management Systems (TMSs) 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 travel distance and cuts logistics expenses. In 2015, Lexmark TMSs achieved a logistics cost savings of approximately 10 percent.

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

- Lexmark makes efforts to reduce the space required for warehousing our products.
- Lexmark's Reverse Logistics and Returns operations improved returns processing and the capability to reduce the number of shipments and mileage, thereby reducing energy use related to returned goods in 2015.

- 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 manage their overall CO<sub>2</sub> footprint, which includes recycling activities.

### 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, progressing to 73 percent worldwide in 2015.** Regional manufacturing improves supply chain efficiency and helps Lexmark respond more quickly to customer needs.

It also has a tangible benefit to the environment by reducing greenhouse gas emissions as well as providing jobs for people in the regions where our cartridges are used most. Regional manufacturing in Poland has eliminated the need to ship 531 ocean cargo containers from Hong Kong, China, to Europe, which would have otherwise generated approximately 864 metric tons of greenhouse gas<sup>3</sup>.

<sup>3</sup> Based on carbon calculator from <http://www.log-net.com/sustainability/>.

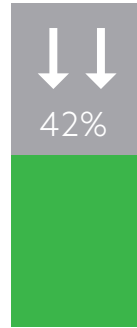


## Energy data

Click [here](#) for more detailed Energy data

# Greenhouse Gas Emissions

Lexmark is committed to responsible operations, which includes tracking and reporting greenhouse gas emissions (GHG), as well as taking action to reduce them. We have reduced total greenhouse gas emissions by over 40 percent between 2005 and 2014. We will be using 2015 as our new base year for GHG emissions targets to account for our recent acquisitions and expansion of reporting boundary for energy consumption, the primary driver of our Scope 1 and 2 emissions. Additionally, we are investigating increased reporting for Scope 3 emissions to be more transparent and provide a baseline for additional GHG gas reduction goals.



## HISTORIC PROGRESS

**42%** reduction in total greenhouse gas emissions between 2005-2014.

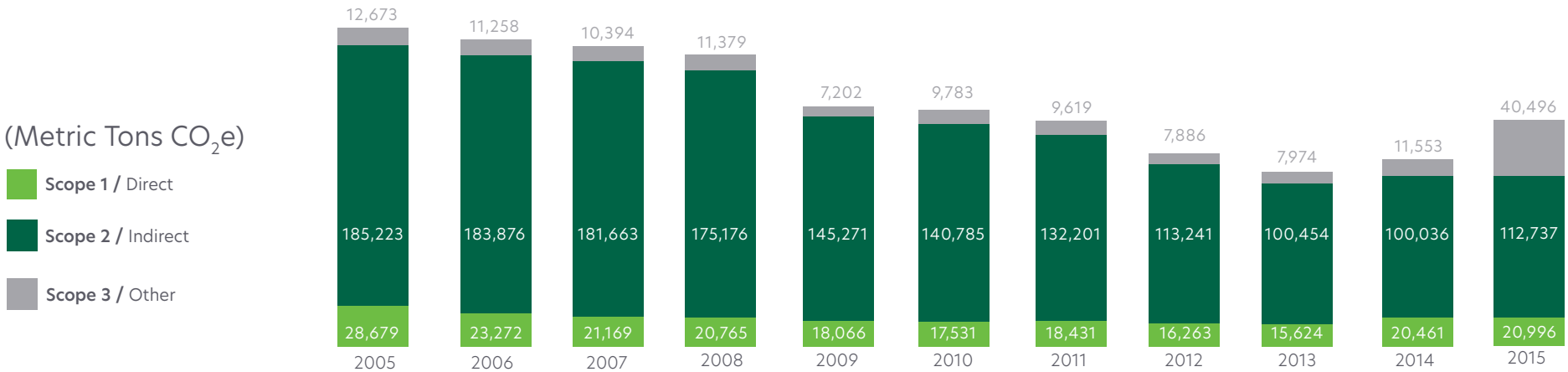


## NEW GOAL IN 2015

Reduce Scope 1 and Scope 2 greenhouse gas emissions **10%** by 2020.

## Total Scope 1, Scope 2 & Scope 3 emissions

The following chart shows the Lexmark Scope 1 (Direct), Scope 2 (Indirect) and Scope 3 (Other) greenhouse gas emissions for the years 2005 through 2015 in metric tons of CO<sub>2</sub>e.



Lexmark is committed to the Montreal Protocol, an international treaty aimed at reducing the use of ozone-depleting chemicals. Lexmark prohibits the use of such chemicals in the manufacture and development of our products. We do 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 monitor systems for leaks with stand-alone sensors.

In 2015, only one reported refrigerant, R-22, had an ozone depletion potential greater than zero, generating 0.02 CFC-11 equivalent metric tons of emissions—a 50 percent reduction in refrigerant emissions reported from the previous year.





Four electric car charging stations are in use at the Lexington campus and three stations at the Lenexa campus.



### Greenhouse gas emissions data

Click [here](#) for more detailed Greenhouse Gas Emissions data



### Regulated air emissions

Lexmark monitors regulated air emissions and submits the necessary reports to agencies requesting this information.

For detailed information on Lexmark regulated air emissions click [here](#).

## EMPLOYEE COMMUTE

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

- 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 promoted 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.



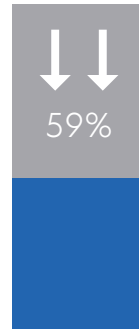
After seeing billboards advertising South Florida Vanpools, a publicly funded program started in 1998 by the Miami-Dade Metropolitan Planning Organization, employees in Coral Gables, Florida, organized a meeting to start a vanpool. Two vanpools (or "guaguas" as the participants refer to them) are currently operating for commute to the Coral Gables office from Broward County. Together the vanpools save over 500 miles per day, eliminating an estimated 45.8 metric tons of CO<sub>2</sub> annually<sup>1</sup>. 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.

<sup>1</sup> CO<sub>2</sub> emission factor for passenger cars:  
<https://www3.epa.gov/otaq/consumer/420f08028.pdf>

# Water Management

## Lexmark commitment to water conservation and protection

Lexmark is focused on efficiently managing water usage and water conservation at our facilities. Lexmark reported 59 percent less total water use in 2015 as compared to 2005, meeting our 2020 goal five years ahead of schedule.



### HISTORIC PROGRESS

**59%** reduction in total water consumption since 2005.



### NEW GOAL IN 2015

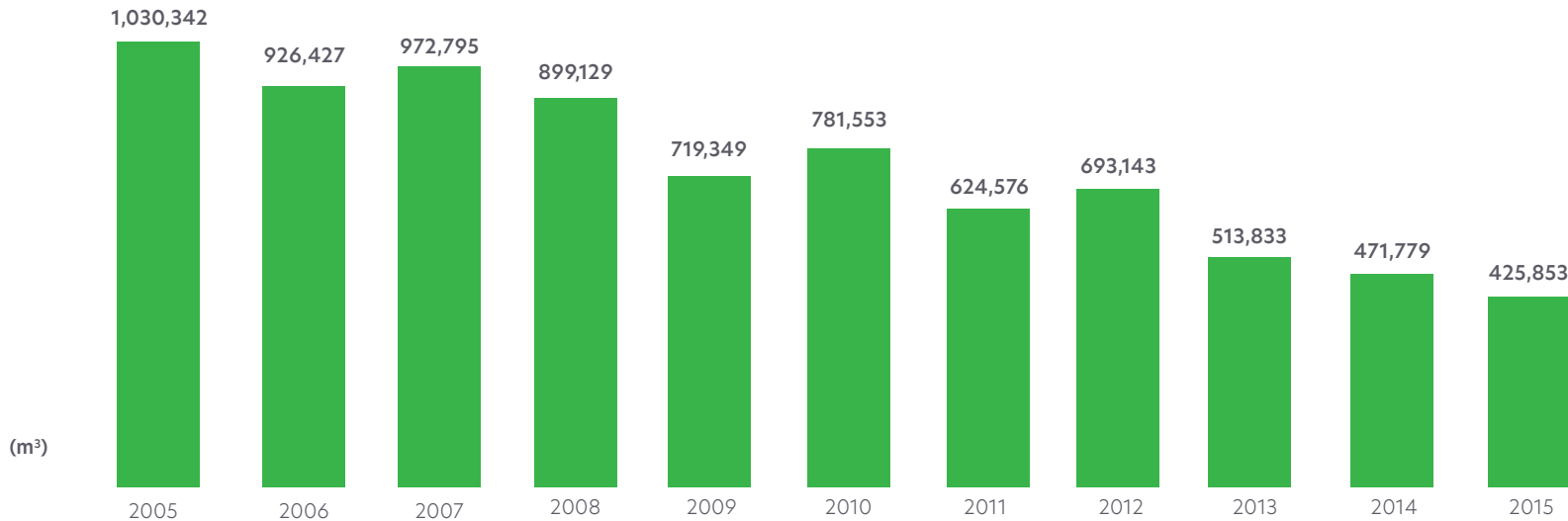
Reduce total water consumption **8%** by 2020.

## Water usage

Lexmark manufacturing and research and development operations, both owned and leased, have an impact on water consumption. Lexmark uses water for three main 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, we use more water in our HVAC systems to cool our facilities. We cannot control the underlying primary variable in our cooling-driven water usage—external temperature.

Lexmark has identified five of our reporting facilities to be in overall medium to high risk water locations per the [Aqueduct Water Risk Atlas](#). We aggressively monitor, control and reduce water usage where opportunities exist. Using newly available water tools will help us focus on the regions highlighted as having the highest risk and work to reduce or maintain low consumption.

### Total water usage

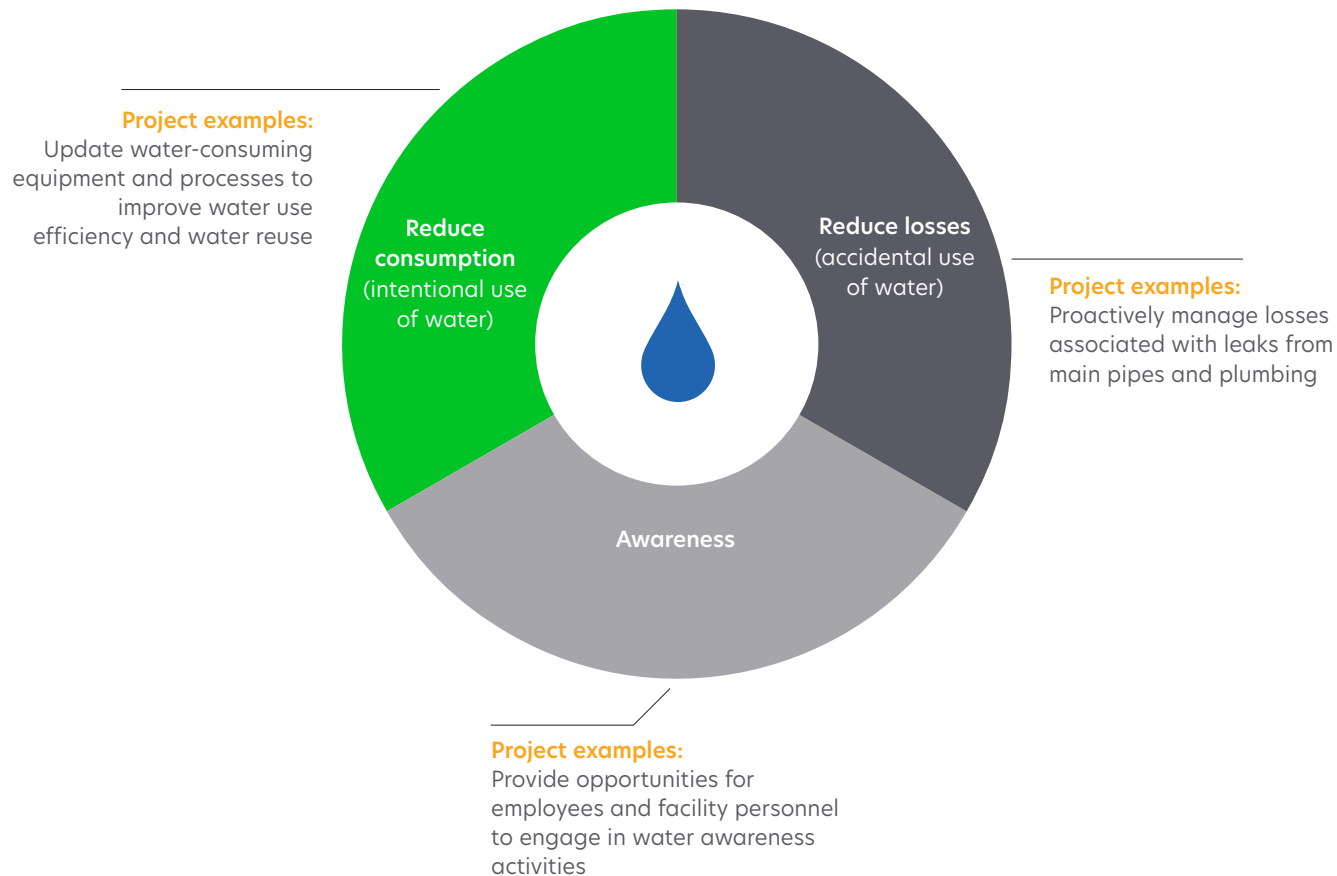


## Water management program

Through the years, Lexmark has initiated several programs at our facilities to reduce consumption of water. Based on our corporate water plan which was initiated in 2009, Lexmark is driven toward achieving significant and sustained reductions in water usage. We regularly establish water usage objectives, and performance against these objectives

may affect annual performance reviews and related salary adjustments for facilities managers.

As Lexmark assesses boundaries for operational reporting, new contacts or methods of educational awareness surrounding water use at new or changed locations may be required.



### Cebu City, Philippines

Lexmark Cebu City, Philippines, demonstrates the corporate water plan in action. This site 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. In 2015, a water project was undertaken to connect the water supply between the buildings on site to eliminate water waste, with a project cost of approximately \$4,300. This site achieved a 5,981 m<sup>3</sup> water savings in 2015 as compared to the previous year, in part due to the water management projects on site. A small portion of the reported usage represents water donated to the local fire department for emergencies in neighboring communities, rather than use for activities on site.

### Kolkata, India

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.

### Lexington, KY, USA

In Lexington, Kentucky, more efficient HVAC systems, installation of low-flow plumbing fixtures and a successful partnership with GE Water services have contributed to water conservation. Lexmark completed the most recent water reduction project at Lexmark headquarters in 2015. The project started in 2011, with a \$1 million investment in piping upgrades and \$20K expenditures in 2012, 2013 and 2014 to help reduce leaks and improve reliability. Lexmark spent approximately \$365,000 in 2015 to remove four main site fire loop pumps and add one zoned fire pump to lower pressure on the underground site fire piping loop and minimize leaks.



#### Lenexa, KS, USA

Lexmark's Lenexa, Kansas, facility is LEED certified and has implemented strategies to reduce the amount of water used at this location by a minimum of 35 percent. Some of the projects implemented include the installation of water-efficient toilets, urinals, faucets and showerheads. This site additionally contributed to LEED certification by reducing water consumption via the installation of all native landscape plantings not requiring permanent irrigation.

#### Boulder, CO, USA

Our Boulder, Colorado, site has initiated a water reuse program. The site uses a reverse osmosis cleaning process to recycle a portion of water generated by manufacturing activities and utilizes a portion of the water coming from the labs and industrial processes in cooling towers. In 2015, Boulder estimated approximately 3,940 m<sup>3</sup> of water reuse via reverse osmosis and 12,870 m<sup>3</sup> of water reuse in cooling towers.

#### Juarez, Mexico

The Lexmark facility in Juarez, Mexico, also focuses on water reuse projects. 23,139 m<sup>3</sup> of water from production processes were reused in multiple ways, including cooling towers and the toner manufacturing processes, representing 20 percent of the total water consumption at this site.

### Water reuse

As demonstrated in our water usage program updates, reuse has become a focus of water management at Lexmark. Our locations in Boulder, CO, and Juarez, Mexico, report water reuse. Together these sites reuse a total of 39,949 m<sup>3</sup> water,

representing 9 percent of the total water usage reported within Lexmark's water boundary in 2015.

### Water withdraws and discharges

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

### Water source table

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	Fővárosi Vízművek	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.



## 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, Kentucky, 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.

Juarez, Mexico, estimates that 20 percent of water is lost due to evaporation in cooling towers, resulting in less sourced water being discharged to the sewage system.

## 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 our 2015 financial statement. 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. From 2014 to 2015, the Lexmark total water expenditure decreased by 9 percent.



## WATER MANAGEMENT DATA

Click [here](#) for more detailed water management data

# Waste & Recycling

## 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. The data for Lexmark waste generation and disposal over the past several years is indicative of the level of progress we are making toward a zero waste company.

## 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.



### WASTE MANAGEMENT DATA

To see detailed information on the progress we've made over the past nine years reducing waste generation, click [here](#).

Our goal is to maintain a minimum of 75% recycling<sup>1</sup> rate for waste generated in 2015



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

LEXINGTON, KENTUCKY	BOULDER, COLORADO	JUAREZ, MEXICO
<ul style="list-style-type: none"> <li>• Cafeteria waste</li> <li>• Electronic waste (computers, printers, telephones)</li> <li>• Construction waste</li> <li>• Metal scraps from tool rooms</li> <li>• Aluminum cans</li> <li>• Batteries</li> <li>• Glass</li> <li>• Plastic</li> <li>• Fluorescent light bulbs</li> <li>• Cell phones</li> <li>• Employee recyclables from their homes</li> </ul>	<ul style="list-style-type: none"> <li>• Waste solvent</li> <li>• Food waste</li> <li>• Paper towels</li> <li>• Scrap Wooden pallets</li> <li>• Cardboard</li> <li>• Office paper</li> <li>• Glass bottles</li> <li>• Plastic bottles</li> <li>• Plastic manufacturing trays</li> <li>• Printer components</li> <li>• Stretch wrap</li> <li>• Bulk bags</li> <li>• Metal</li> </ul>	<ul style="list-style-type: none"> <li>• Cardboard</li> <li>• Electronic waste</li> <li>• Electronic components (RFID, chips)</li> <li>• Wood</li> <li>• Metal</li> <li>• Aluminum cans</li> <li>• Batteries</li> <li>• Glass</li> <li>• Plastic</li> <li>• Fluorescent light bulbs</li> <li>• Cell phones</li> <li>• Cartridges</li> <li>• Toner</li> </ul>

<sup>1</sup> Recycling includes compost, recycle and reuse disposal methods.



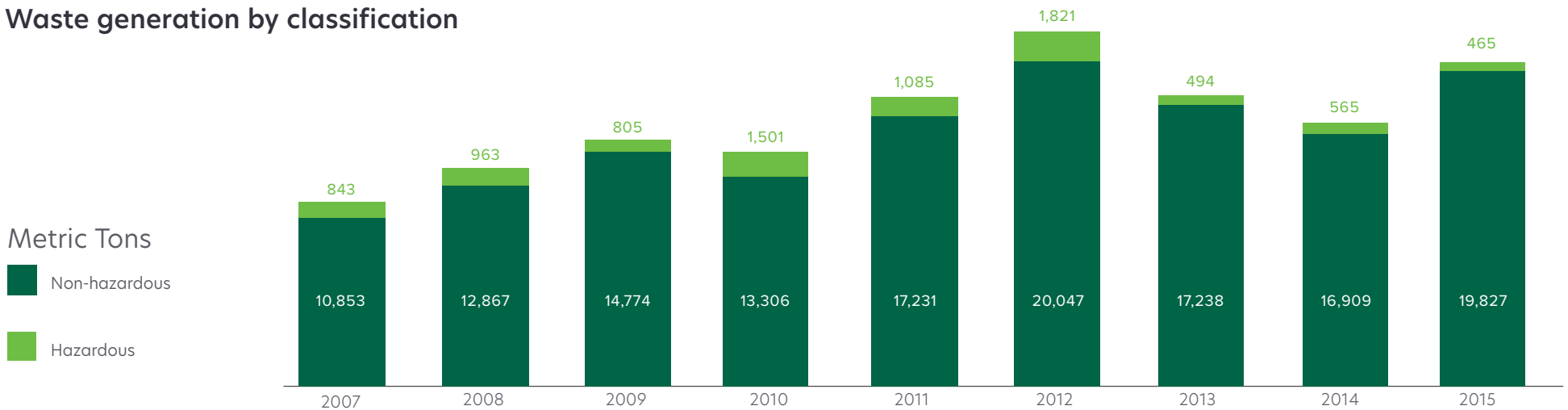
**Lexmark has established waste management and recycling programs at all our facilities worldwide.**

### Waste generation and recycling statistics

Lexmark generated a total of 20,292 metric tons of waste in 2015, with 98 percent of the waste generated worldwide being non-hazardous.<sup>2</sup> Optimization of facility operations resulted in a reduction in waste, an improvement in efficiency as well as long-term environmental benefits.

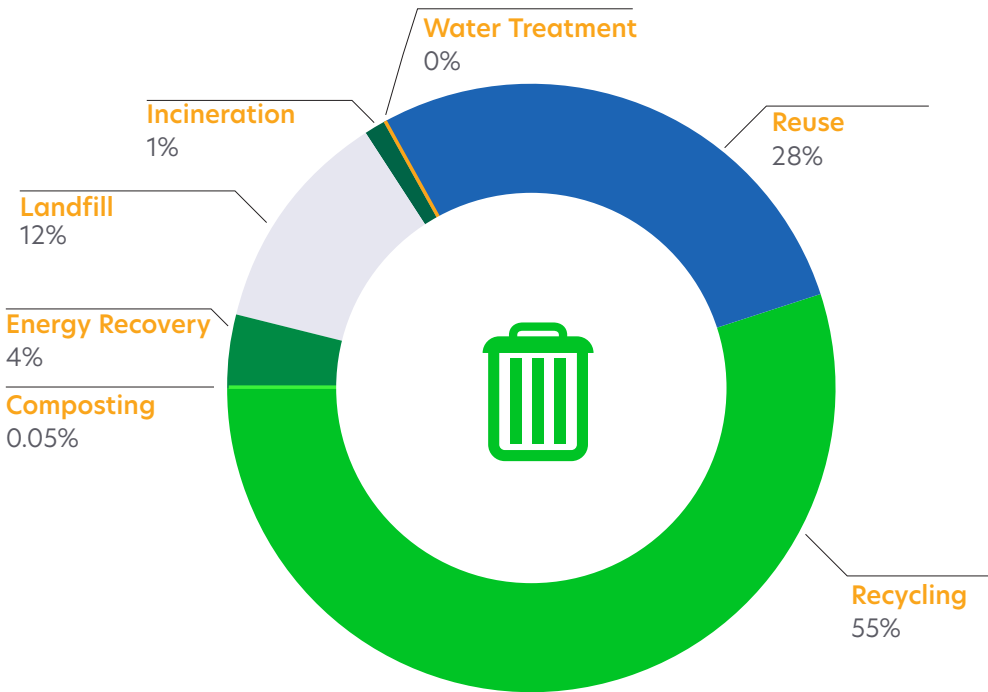
Hazardous waste accounts for approximately 2 percent of Lexmark total waste. The primary hazardous-waste materials are residues from manufacturing and development processes. Hazardous waste that is generated by Lexmark research and development, and manufacturing facilities is managed by external companies that specialize in the management of hazardous waste.

### Waste generation by classification



<sup>2</sup> Waste data is from 69% of Lexmark's owned development and manufacturing sites based on square feet.

## Waste treatment by disposal method



(Includes LCCP Recycle Facility)

## 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 83 percent. In 2015, Lexmark exceeded our recycling-rate goal of 75 percent and increased our reuse amount to 28 percent of our waste.

## 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 such as tissue and paper towels.



# Land & Biodiversity



**Lexmark carefully considers the protection status and biodiversity value of those areas where we plan to operate.**

**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) E1527-05<sup>1</sup> and E1903-11<sup>2</sup>.

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 over 136,300 mangrove trees in various coastal and watershed areas of Cebu.

<sup>1</sup> ASTM E1527-05, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process, ASTM International, West Conshohocken, PA, 2005, [www.astm.org](http://www.astm.org)

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

# Supply Chain



**Lexmark chooses suppliers who share our vision of corporate citizenship and agree to conform to our high expectations and standards.**

## Lexmark supply chain

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.

## Supplier responsibility

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-free minerals supply chain
- Allow a social and environmental responsibility audit where supplier manufacturers products
- Issue an internationally recognized sustainability report (critical suppliers)

### The EICC code of conduct

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



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.



**Lexmark provides opportunities for diverse suppliers to build relationships and to learn novel strategies to promote their business.**

## Supplier 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, healthy diverse businesses are advantageous to our financial performance and our community.

To ensure the success of businesses owned and operated by minorities, women, veterans and individuals with disabilities, Lexmark provides opportunities for diverse suppliers to build relationships and to learn novel strategies to promote their

business. Diverse suppliers are invited to attend an annual Lexmark Supplier Diversity Program trade show to promote their products and acquire new skills. Lexmark also sponsors diverse community events to encourage networking and new business connections.

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.

### Letter from Lexmark's Global Sourcing Director

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.

Lexmark, Global Sourcing Director

Click [here](#) to read CEO Paul Rooke's letter about diversity at Lexmark.

### 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 to support 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, KY Chamber of Commerce and Minority Business Expo.

### Diverse supplier registration

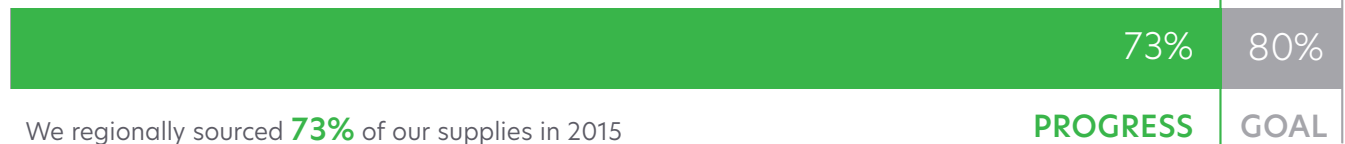
Click here for the [Supplier Registration Form](#). Email the completed form to [supplierdiv@lexmark.com](mailto:supplierdiv@lexmark.com). This data will be used to provide a list of diverse suppliers to the appropriate decision maker when the opportunity arises, then the supplier will be contacted.

## Supplier locations

Lexmark sourcing teams are encouraged to select suppliers that are near the location where their products are shipped—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 laser supplies are strategically produced in local economies near our customers. We produce laser 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.

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



We regionally sourced **73%** of our supplies in 2015

## Analyzing and managing supply chain responsibility

To better understand 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.

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, 1.6 percent of which have been identified as key and strategic<sup>1</sup>.

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 to the EICC Code of Conduct, laws, and regulations.

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 Corporate Social Responsibility (CSR) Questionnaire. We also ask that they publish an annual sustainability report including content and metrics based on an internationally recognized reporting framework such as the Global Reporting Initiative or similar reporting format.

The Lexmark Supplier CSR 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 explore how we can improve as responsible corporate citizens.

In 2015, Lexmark began collaboration with the EICC and CDP to incentivize 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.

On an annual basis, Lexmark reports the percentage of key and strategic suppliers who have issued an internationally recognized sustainability report. In selecting and retaining qualified suppliers, Lexmark will show preference to suppliers who meet or exceed our expectation in the area of sustainability and reporting. The percentage of our key and strategic suppliers who have issued a sustainability report in 2015 is 50 percent. Lexmark will continue to work with our key and strategic suppliers to increase this percentage.

## Supply chain responsibility program at Lexmark

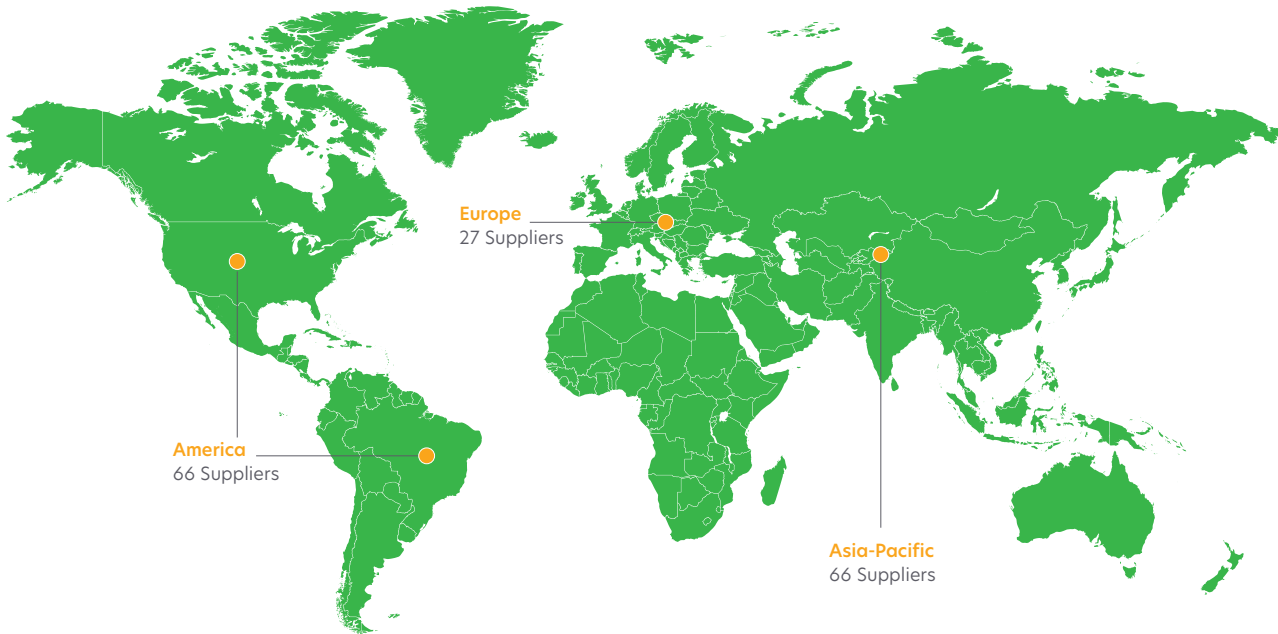
The Lexmark Vice President of Global Supply Chain Operations is the senior person responsible for delivering on our environmental, social and governance (ESG) objectives. At the operational level, the management of Global Sourcing and Supplies Operations has responsibility for implementing the ESG objectives

All Lexmark prime-contract 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. Procurement staff are offered incentives to integrate ESG factors with supply-chain-related decisions because their performance affects team and individual performance reviews.

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.

## Key and strategic suppliers

Key and strategic suppliers account for a significant percentage of Lexmark total procurement spending. Based on 2015 spending, the 159 key and strategic suppliers make up about 45 percent of our purchases.



## Conflict minerals

On August 22, 2012, the U.S. Securities and Exchange Commission released its final rules for the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) related to the use of conflict minerals (tin, tantalum, tungsten and gold) in companies’ products. Lexmark maintains a policy of responsible global sourcing including work toward a conflict-free supply chain. 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 as its subcontractors and suppliers, discloses its reasonable country of origin inquiry of tin, tungsten, tantalum and gold used in the manufacture of Lexmark products. Lexmark also requires a due diligence declaration identifying the list of smelters used within a supplier’s supply chain. This information must be submitted along with the supplier’s due diligence process. Suppliers must report the results using the EICC template, or Lexmark-approved similar template. Lexmark has filed with the U.S. Securities and Exchange Commission a [Conflict Minerals Report](#) for 2015.

## 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.

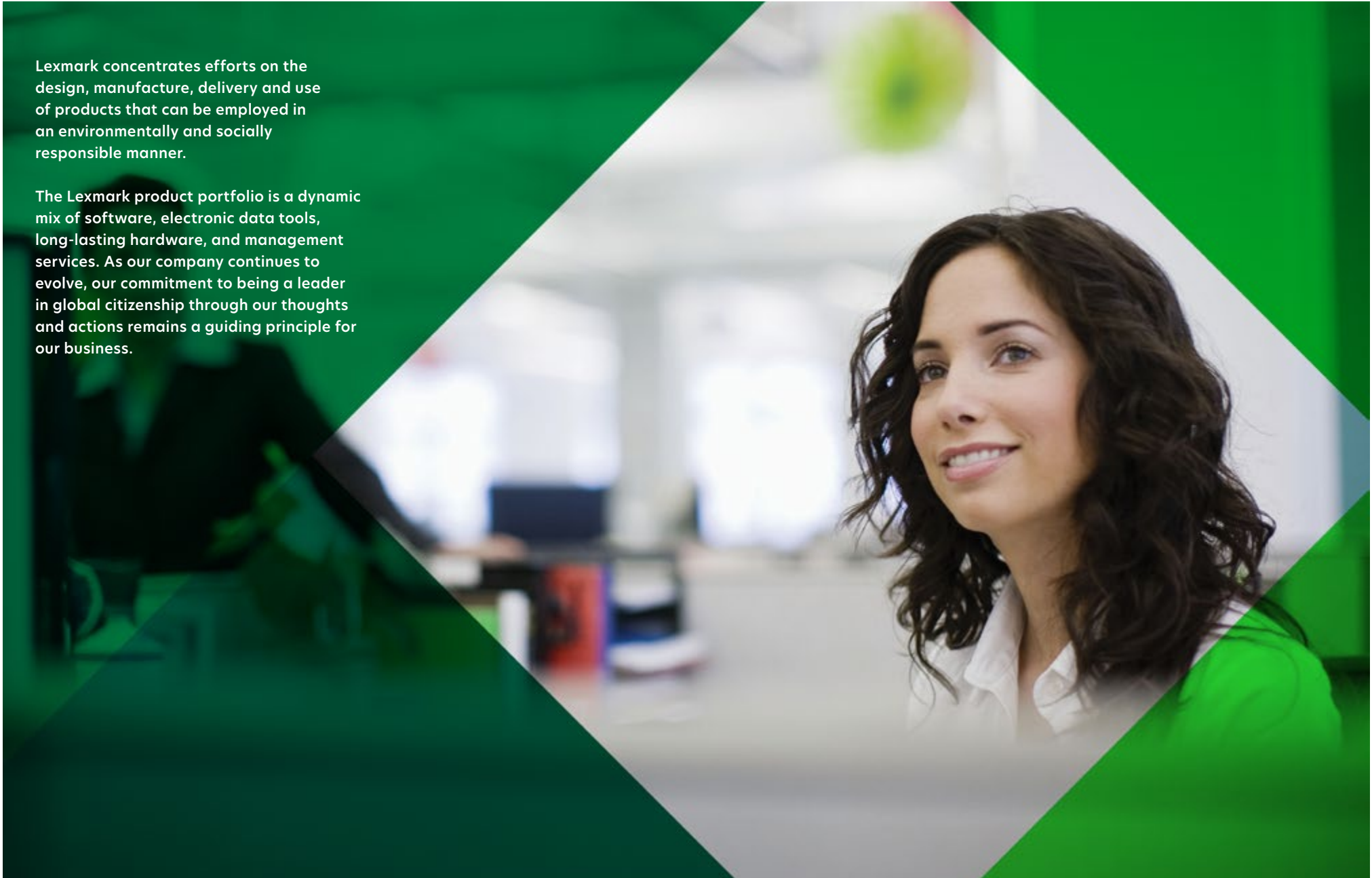
- **Standards**—Lexmark upholds and respects international human rights standards that promote workers’ rights, fair-employment opportunities and open channels of communication.
- **Verification**—We inspect for compliance through supplier assessments, operation reviews, risk management and third-party 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](#).

# Our Responsible 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



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.

## Encouraging 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 industry-leading enterprise software automates processes to improve the efficiency of our customers' businesses while reducing their use of energy, paper and toner. Our software, hardware, 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.

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:

- Excellence Symposium—A platform for our employees to demonstrate new and innovative ideas that benefit Lexmark customers.
- Student Symposium—A showcase of student-intern and new-employee work, as well as helpful career development information and networking opportunities for all attendees.
- Research & Technology Symposium—An event with keynote speakers, oral presentations and technical posters. Forums and discussions include the latest technical industry issues that highlight the expertise and ingenuity of our engineering teams.

## Innovations in circular design

**Lexmark creates our products and services with minimal waste through innovative closed-loop processes.**

Dedicated to maximizing the reuse of our customer's returned toner cartridges, Lexmark worked with our longtime sustainability partner, Close the Loop, to collaborate on ways to reuse toner. Close the Loop, with a global reputation for providing creative end-of-life product recycling services, developed TonerPave, an asphalt additive composed of recycled tires, toner powder and recycled oil. This innovative additive provides Lexmark the opportunity to bring the excess toner back to life as a new product.

In 2015, Lexmark's Lexington campus became the first commercial application of TonerPave in North America. Roads with TonerPave have superior characteristics to

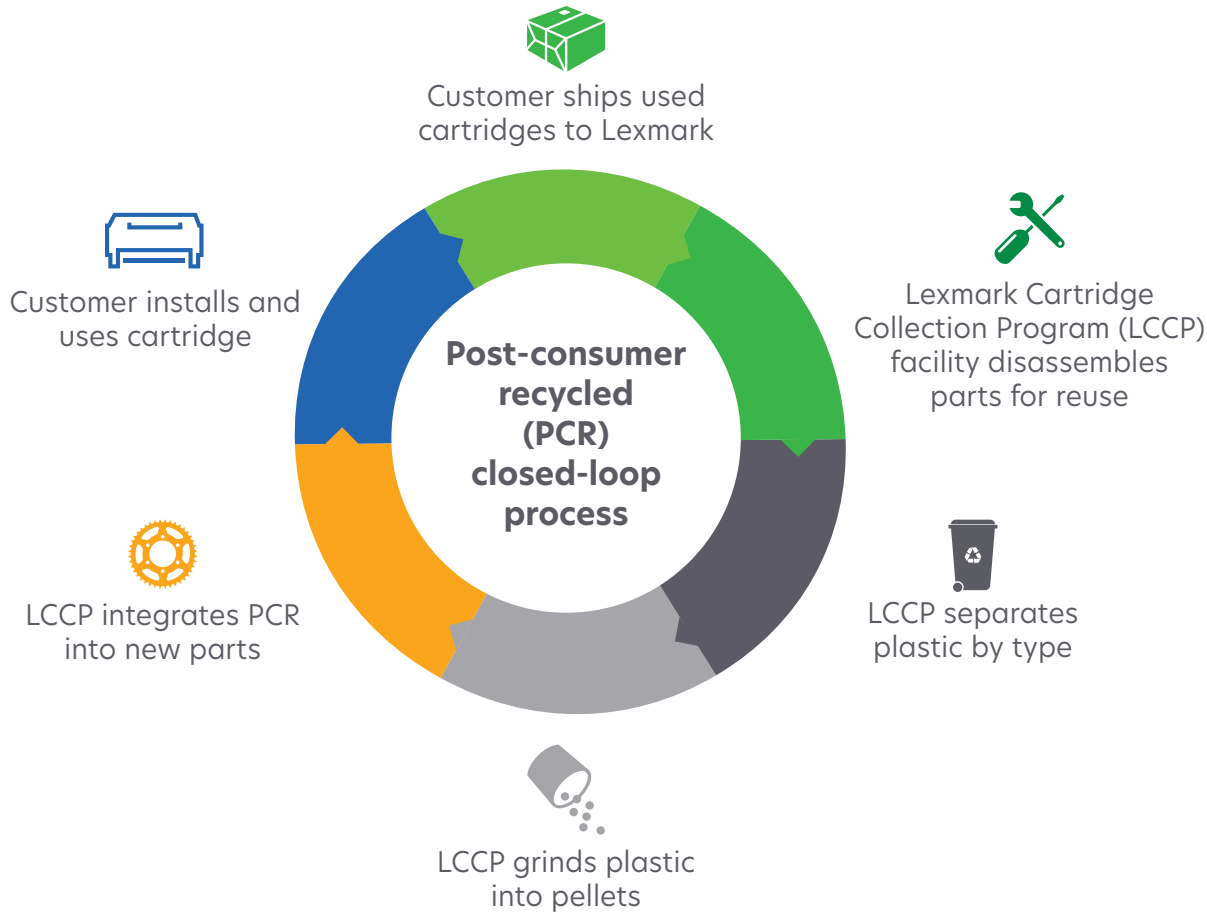


comparable roads with virgin raw materials. The addition of toner improves the quality and performance of asphalt, with an environmental benefit of lowering its greenhouse gas emissions at no additional cost.

Lexmark creates our products and services with minimal waste through innovative closed-loop processes. Rethinking how we lengthen the lifespan of our products without changing their inherent properties is evident in this novel approach to toner reuse. In 2015, Lexmark captured 798 metric tons of toner from recycled printer cartridges and manufacturing processes with 91 percent (724 metric tons) being used by Close the Loop to create TonerPave.



## Innovations in eco-designed products



Lexmark design engineers focus on creating products for remanufacture and reuse. The components are designed for long life and at the end of service the parts are easily disassembled. If remanufacturing is no longer an option, the cartridge is processed through a closed-loop recycling system to create new parts.

For over 20 years, significant Lexmark resources have been devoted to generating plastic feed streams and incorporating recycled materials into our products. Capitalizing on the Lexmark Cartridge Collection Program (LCCP), Lexmark engineers reclaim a feed stream of plastic from empty toner cartridges. After returning the material to near virgin quality, it is used to make printer components, minimizing the resources necessary to produce new toner cartridges.

The ingenuity behind our post-consumer recycled (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. The process also provides PCR plastics to suppliers, who incorporate the resin at a rate of 25-50 percent mold plastic parts for use in new cartridges. In 2015, 520 metric tons of plastic were extracted from our used cartridges and pelletized for reuse in new products.

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 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.

## Innovations in solutions

Adoption of the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) has led to the creation of an innovative new Lexmark offering: the Lexmark GHS Label Publishing Solution. This solution helps customers easily update and print chemical labels to maintain compliance with hazard communication regulations. Labels created with the Lexmark GHS Label Publishing Solution provide clear, consistent safety and health information to individuals handling chemicals through the use of standardized GHS phrases, symbols and pictograms.

The Lexmark GHS Label Publishing Solution uses smart-template technology to automatically pull information from safety, branding and other company databases in order to create and publish GHS labels with the most up-to-date content. The labels can be accessed from a mobile device or computer, or directly from the control panel of a Lexmark multifunction product.

This innovative solution eliminates issues such as crowded text, incorrect label size and ever-changing label data. The Lexmark GHS Label Publishing Solution solves the challenges of complying with the GHS regulations by combining the label template with the most up-to-date data at the time of print, resulting in high quality chemical labels.



**The Juarez plant is home to the Lexmark Cartridge Collection Program (LCCP), which collects used laser cartridges returned by our customers.**

## Innovations in material sustainability

**Lexmark is committed to sustainable excellence in all our products. Being a good environmental steward by preserving our natural resources is incorporated into the design of every product, with preference placed on conserving and reusing product materials.**

Lexmark created a process at our recycling plant in Juarez, Mexico, to reuse a major component of our laser cartridges. The Juarez plant is home to the Lexmark Cartridge Collection Program (LCCP), which collects used laser cartridges returned by our customers. The LCCP retrieves components from approximately 25,000 empty toner cartridges per day. Continual improvements by our engineers resulted in the creation of innovative techniques to reuse materials from our customers' used 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 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 2015 over 800,000 rolls were reused in remanufactured cartridges resulting in a savings of over 140,000 pounds of materials. In addition, over 64,000 gallons of water was saved by incorporating a process to reuse the water during the cleaning. Lexmark was awarded a Frost & Sullivan's 2015 Manufacturing Leadership Award in Sustainability Leadership for reconditioning our developer rolls. We were recognized for our innovative engineering processes, which altered how materials for our laser cartridges are sourced.

# Software

## Environmentally beneficial software and solutions

Lexmark develops software and solutions that not only improve business processes but benefit the environment by reducing paper consumption and the number of unique electronic devices.

This table lists some of these offerings as well as the key environmental benefit they provide.

Lexmark Offer	Environmental Benefit	Description
<a href="#">Lexmark Print Management</a>	Reduce Paper Consumption	Lexmark Print Management eliminates excess printing, allows for better device consolidation and provides user level reporting and controls. As many as 40% of pages are printed unnecessarily due to no visibility and control of printing and copying behavior.
<a href="#">Customer Onboarding (banking)</a>	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.
<a href="#">Applicant Onboarding (insurance)</a>	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.
<a href="#">Application Automation (gov't)</a>	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.
<a href="#">Kofax Communication Server</a>	Device Consolidation	Consolidates printers, scanners, fax machines, MFPs and fax servers, enabling companies to run all administrative tasks and connect with other applications from a central point.
<a href="#">Lexmark Enterprise Fax</a>	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.
<a href="#">Customer Communications Manager</a>	Reduce Paper Consumption	Kofax Customer Communications Manager™ enables organizations to manage communications and produces output in paged (print or pdf) and non-paged formats
<a href="#">Lexmark Distributed Intelligent Capture</a>	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.
<a href="#">Digital Endcap</a>	Reduce paper (and other signage material) consumption	Lexmark Digital Endcap solution unites software, hardware and services to deliver an affordable and effective approach to endcap promotions and strategies which eliminate the need to create and produce printed materials.
<a href="#">Embedded applications for digital capture</a>	Reduce Paper Consumption	Lexmark provides a high-speed “on-ramp” to scan paper into document workflow and the leading document management systems
<a href="#">Downtime Reports</a>	Device Consolidation	This application uses Lexmark’s smart multifunction products (MFPs) to provide anytime access to patient forms, charts and reports—even during computer or network downtime, eliminating the need for a dedicated downtime PC.
<a href="#">Logistics Document Management</a>	Reduce Paper Consumption	Logistics Document Management (LDM) solution enables you to eliminate paper where possible, and streamline what must remain while bridging the gap between separated systems and paper processes.

# Product Certifications

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.

## Multi-attribute environmental standards

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 171, December 2012. The majority of print systems announced after October 2012 meet the RAL-UZ 171 criteria.

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

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. The remainder of Lexmark products are EPEAT-registered Silver. For a list of registered Lexmark products, click [here](#).

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

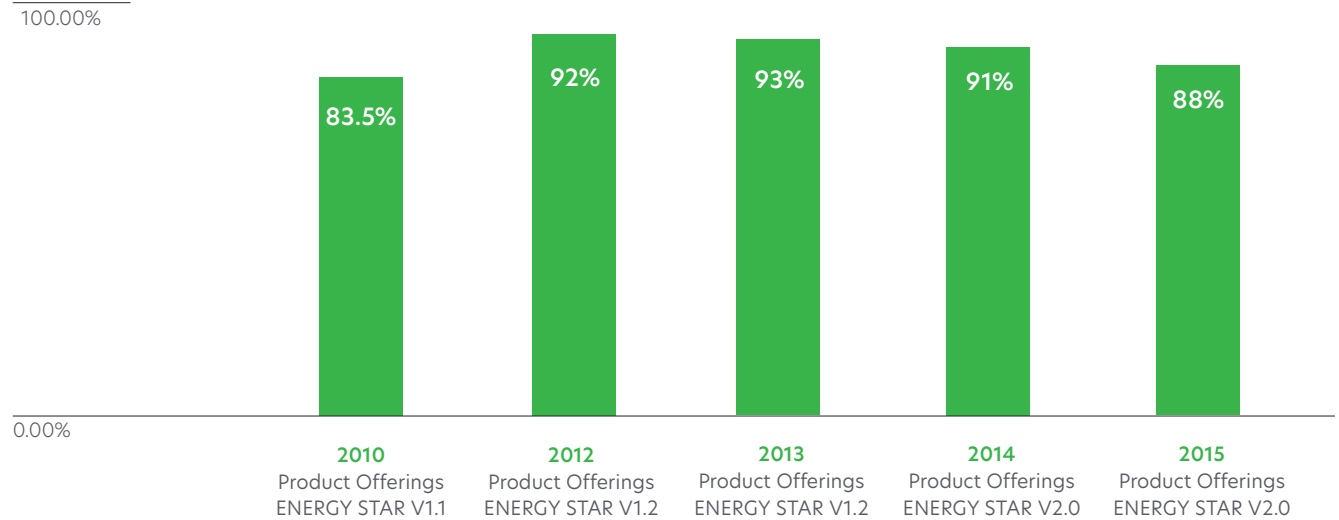
## Energy standards ENERGY STAR®



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 2015, 88 percent of Lexmark products are certified to ENERGY STAR V2.0.

For more information on ENERGY STAR and a listing of certified Lexmark products, click [here](#).

## Energy star certified devices year to year



## 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	2013 Energy Efficiency Metric	2014 Energy Efficiency Metric	2015 Energy Efficiency Metric
Laser Products <sup>1</sup>	Fleet Average of 0.153 ENERGY STAR TEC / ppm	Fleet Average of 0.104 ENERGY STAR TEC / ppm	Fleet Average of 0.091 ENERGY STAR TEC / ppm	Fleet Average of 0.089 ENERGY STAR TEC / ppm	Fleet Average of 0.086 ENERGY STAR TEC / ppm
Fleet Average Annual Energy Consumption (MJ / ppm)	28.642	19.469	17.035	16.603	16.111

<sup>1</sup> Laser Products Energy Efficiency Metric is the ENERGY STAR TEC (Typical Electricity Consumption) divided by the product speed in ppm (pages per minute). Because the TEC metric increases products usage with the product speed, dividing by product speed normalizes the TEC value.

# Lifecycle



**LCA learning has inspired us to focus on helping customers print less, optimize print environments and return hardware and consumables at end of life.**

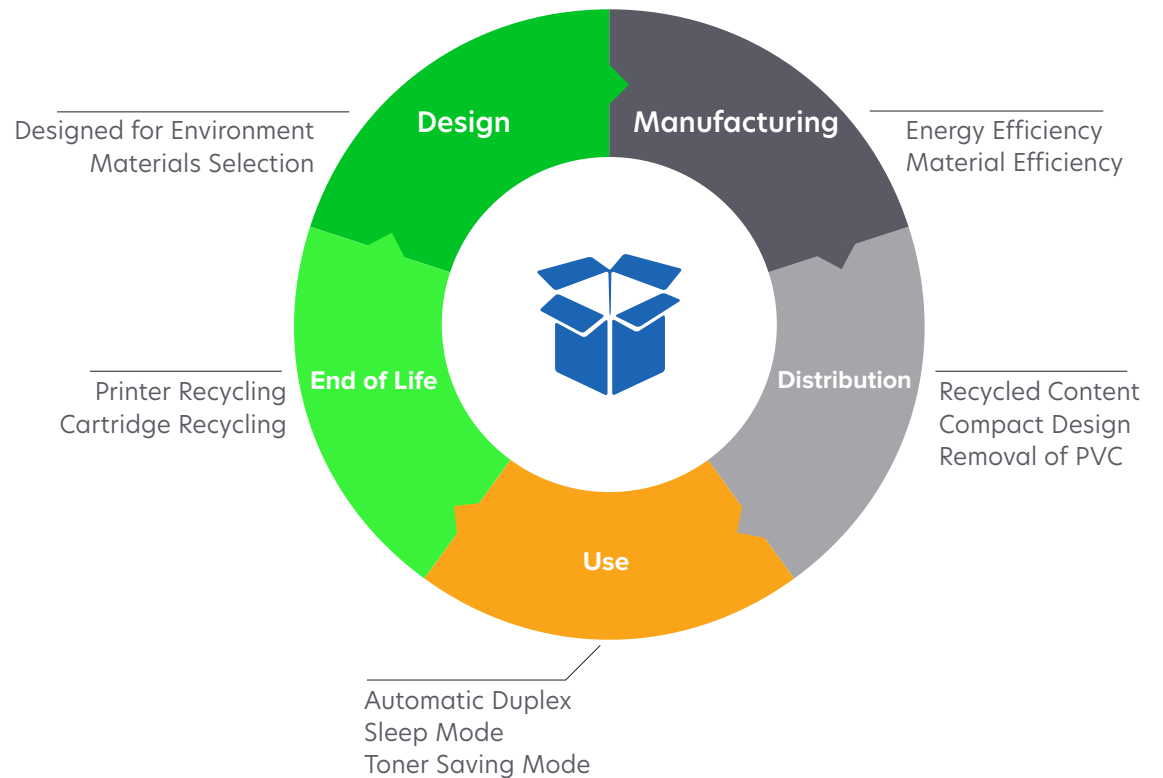
As part of Lexmark's commitment to sustainable products, Lexmark has conducted Life Cycle Assessments (LCAs) on 41 of its printer and MFP models as of January 2016. Lexmark uses the data from the LCAs to create and publish ISO 14025 Type III Environmental Product Declarations (EPDs), which summarize 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.

For all available Environmental Product Declarations, click [here](#). As part of Lexmark's commitment to sustainable products, Lexmark has conducted Life Cycle Assessments (LCAs) on 41 of its printer and MFP models as of January 2016. 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.





Lexmark MX711de

## 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 less, 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 both automatic and manual 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.

## Further insight: cartridge LCAS

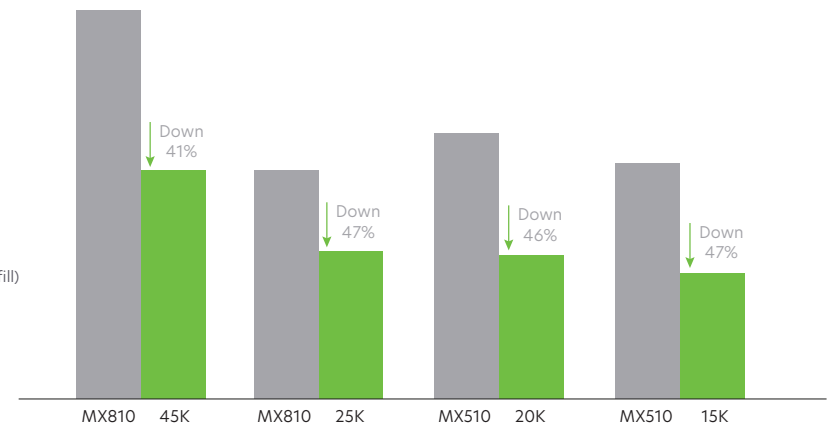
Lexmark also pursues cartridge LCAs to identify areas where improvements can be made within the cartridge life cycle. Conducted in accordance with ISO 14040 and 14044, the Lexmark LCA cartridge studies showed that recycling a used Lexmark toner cartridge reduces the carbon footprint of the cartridges 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

kg CO<sub>2</sub> if cartridge is sent to municipal solid waste stream (landfill)



kg CO<sub>2</sub> if cartridge is sent to Lexmark for recycling



# Materials



**Lexmark designs focus on recyclability. Over 90 percent of the materials used in hardware products by weight are recyclable.**

Lexmark evaluates the environmental impact of our products throughout their life cycles. The design and selection of materials help reduce the impact our innovative solutions have on the environment.

## Lexmark's materials management approach

Lexmark's materials management approach is broad, ranging from internal focus on materials used and sourced from our suppliers, to 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 Product Environmental Specification is reviewed annually to include the latest regulatory references.

The Lexmark Product Environmental Specification is available online for access at any time. It is also provided to certain suppliers in contract terms and provided to material suppliers during a phase of the development process.

Click [here](#) for a link to the Lexmark Environmental Specification.

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

## Estimated materials in Lexmark printers and MFPS<sup>1</sup> manufactured in 2015 (metric tons/\$m associated hardware revenue)

PLASTICS



30.06

METALS



26.65

ELECTRONICS



8.70

GLASS AND OTHER MATERIALS



1.99

Lexmark designs 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. The use of recycled materials ensures that waste formerly destined for landfill has a new destination and

<sup>1</sup> Based on the materials used in the cross section of Lexmark's primary imaging equipment for 2015 Lexmark branded, in-house technology. This data is not comparable to 2014 CSR due to the increased data set.



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. Lexmark sees the environmental benefits of reusing metal content with the understanding that recycled metal stock can be used for some—but not all—metal components. Published industry averages indicate that many commercial grades of steel commonly contain between 30 percent and 80 percent recycled content. Lexmark is committed to using these grades of steel where possible.

## Lexmark's post-consumer recycled materials journey

Lexmark continues our innovative closed-loop toner cartridge recycling operations. Through the award-winning Lexmark Cartridge Collection Program (LCCP), our engineers reclaim feed streams of various types of plastics such as ABS, HIPS and polyoxymethylene (POM). After returning this material to near-new quality, the plastic is used to manufacture new toner cartridges.

For more information on Lexmark cartridge closed looped recycling, click [here](#).

Lexmark is an industry leader in the use of reclaimed plastic in its cartridges with 18 percent average post-consumer recycled (PCR) plastic content, by weight, across all toner cartridges. In fact, 91 percent of Lexmark branded toner cartridges contain at least some post-consumer recycled content. [Lexmark's goal is to increase the post-consumer recycled plastic content in our toner cartridges to 25 percent by 2018.](#)

For PCR not sourced through LCCP, 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). Using 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, Lexmark 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. Lexmark's latest printer and MFP offerings are qualified to include up to 53 percent PCR by weight of plastics<sup>2</sup>.

## Estimated PCR in Lexmark printers and MFPS<sup>3</sup> manufactured in 2015



An estimated **1,700 METRIC TONS** of post-consumer recycled plastic was used in the manufacture of the 2015 branded, in-house technology printers and MFPS.

**THAT'S 14 PERCENT OF THE TOTAL PLASTIC!**

## Estimated PCR in Lexmark branded cartridges manufactured in 2015



An estimated **700 METRIC TONS** of post-consumer recycled plastic was used in the manufacture of the 2015 Lexmark branded cartridges.

**THAT'S 18 PERCENT OF THE TOTAL PLASTIC!**

<sup>2</sup> PCR calculated using IEEE.1680.2 methodology

<sup>3</sup> Based on the post-consumer recycled materials used in the cross section of Lexmark's primary imaging equipment for 2015 Lexmark branded, in-house technology. This data is not comparable to 2014 CSR due to the increased data set. PCR calculated using IEEE.1680.2 methodology

## Regulatory insight

### Restrictions 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 Web site: [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 leads to further evaluation, material or component changes if needed and notification to authorities if products ship with noncompliant parts. Lexmark submitted one notification of RoHS violation in 2015 as reported in the [Product Health & Safety](#) section.

### 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 all 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.

Current SDSs are available [here](#) on the Lexmark website.

# Return & Recycle



**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.**

## 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.

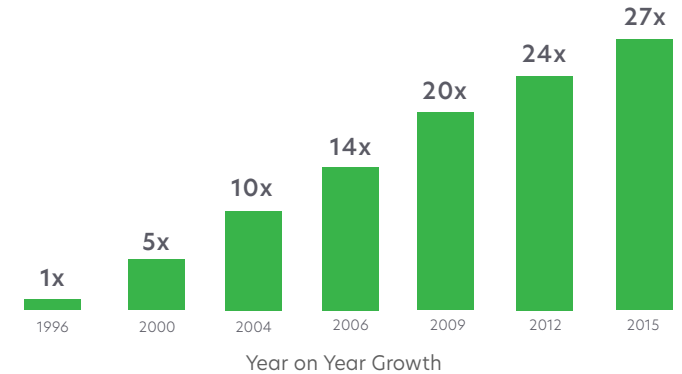
By incorporating Life Cycle Assessment results in our product design process, we develop sustainable products that combine high standards of performance, efficiency and environmental stewardship through each life cycle stage. At the end of product life, Lexmark recovers components and parts to reuse 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.

## Lexmark cartridge collection program

Our extensive cartridge collection network has made Lexmark an industry leader in the recovery, remanufacturing and recycling of used toner cartridges. In 2015, through the efforts of Lexmark customers, more than 35 percent of the total toner cartridges shipped worldwide were returned through the LCCP. In some regions, the return rate was higher. For example, the United States continues to average approximately 50 percent return rates. We estimate the industry average collection rates to be between 20 and 30 percent.

## Lexmark toner cartridge collections



## 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 36 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.

## Our goal is to increase the cartridge material reused through our collection program to 50% (by weight) by 2018



Approximately **36%** (by weight) of the cartridge material returned were reused.

## 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.



## Lexmark's R2 certified recycling plant

In 2007 Lexmark created 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 25,000 empty toner cartridges per day. Select components in empty cartridges are removed and reprocessed for reuse. In the last 11 years, Lexmark has been able to incorporate more than 46 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.

[Watch how the LCCP process closes the loop.](#)



## Resource conservation through recycling and reuse

Lexmark is actively embracing the emerging concept of a circular economy—a restorative industrial system focused on maximizing the utility and value of products and materials while also eliminating waste. LCCP provides a great example 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 2015, LCCP collected 10,240 metric tons of returned cartridges from our customers. 97 percent or 9,968 metric tons of materials reclaimed from our customer’s returned cartridges were reused or recycled. Energy was generated from 3 percent or 272 metric tons of toner waste collected in Brazil, Europe and Asia Pacific.

**LANDFILL** 0 metric tons  
**WASTE TO ENERGY** 272 metric tons

**RECYCLE** 6,270 metric tons

**REUSE** 3,698 metric tons



## Reclaimed cartridge material disposal in 2015

Since 1996, Lexmark has reused over 52 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 2015, we recycled or reused more than 10,000 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.

## Reuse key to Lexmark

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 2015, over 1.5 million photoconductors from our returned cartridges were collected and sent back to Boulder for recoating and reuse. An additional 0.38 million photoconductors were recovered from the manufacturing line resulting in the reuse of 142 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 2015, the continual utilization of our trays kept 91 metric tons of material out of landfills.

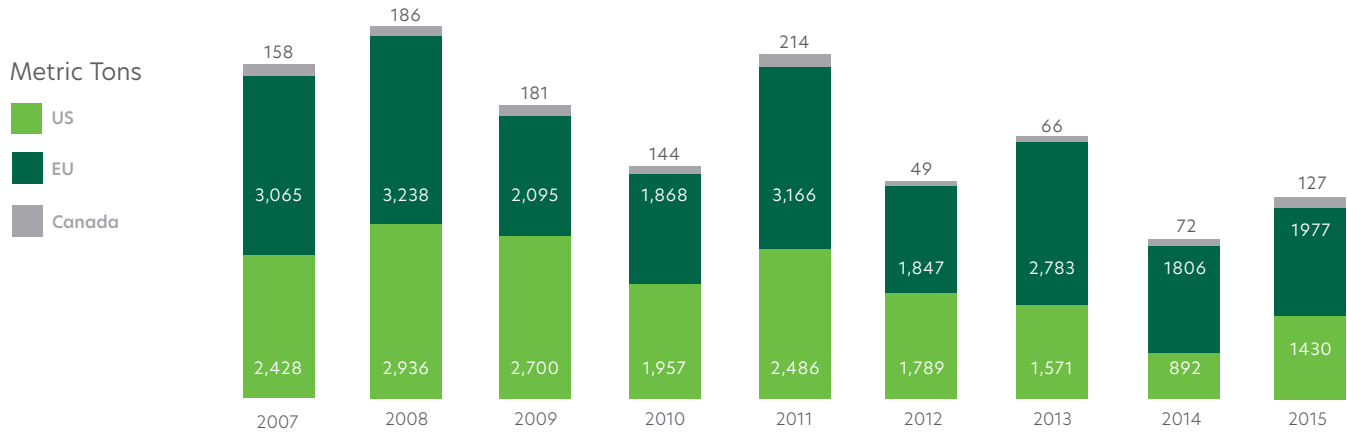
At our recycling facility in Juarez, Mexico, we recover, clean and reuse the developer roll component of Lexmark printers and multifunction products to divert tons of material from landfills each year. With use the developer roll becomes caked with toner and unsuitable for reuse. Lexmark devised a way to remove the toner residue without damaging the roll. With our innovative cleaning process Lexmark reuses hundreds of thousands of developer rolls each year in remanufactured cartridges. For more information on the innovation behind our material reuse, click [here](#).



## Lexmark equipment collection program

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 ensure any data stored on those devices is not compromised. The firms we choose are committed to recycling devices in an environmentally and socially responsible manner.

## End-of-life electronic product recycling



Lexmark has partnered 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.

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 3,500 metric tons of electronic waste on behalf of Lexmark in the United States, Canada and Europe in 2015.

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 more information on the Lexmark Equipment Collection Program.

## Electronic waste recycling by location

### United States

In the United States, we offer the LECP. Customers can return their Lexmark hardware products to us by the shipping method most convenient for them, 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 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.

Canadian Province	Recycling Program in which Lexmark Participates
Alberta	Alberta Recycling Management Authority (ARMA)
British Columbia	Electronic Products Recycling Association (EPRA)
Manitoba	EPRA
Newfoundland and Labrador	EPRA
Nova Scotia and Prince Edward Island	EPRA
Ontario	Ontario Electronic Stewardship (OES) Program
Quebec	EPRA
Saskatchewan	EPRA
Northwest Territories	Alberta Recycling Management Authority (ARMA)

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

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 take responsibility for the safe and environmentally friendly recycling of end-of-life products.

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.

Click [here](#) for more information on equipment recycling in Australia.

### Latin America

The regions of Central and South America present many logistical challenges for recycling. Several countries and local governments, including Argentina (Buenos Aires Province), Brazil, Columbia, Costa Rica, Ecuador, Mexico, Peru, Puerto Rico and Venezuela, have enacted forms of extended producer responsibility legislation. Lexmark is working closely with our recycling partners to set up regional recycling centers to meet these new requirements.



# Emissions



**Lexmark printers offer an ideal combination of efficient performance and quiet operation to enhance comfort in the workplace and to increase productivity.**

## Chemical emissions and ultrafine particles

**All laser printers emit small amounts of volatile and semi-volatile organic compounds (VOCs and SVOCs) due to the heating of plastic parts, and they produce small amounts of dust (mostly paper remnants) as paper moves through the printer. Emissions from printers 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 Blue Angel limits set forth in the standard, and summary reports are available to customers upon request. No CO<sub>2</sub> or other greenhouse gasses are emitted during the printing process as it does not involve combustion. 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.

## Noise emissions (acoustics)

Acoustics is the science of sound and vibration. Designing products for the environment includes consideration for sounds in the workplace. Lexmark printers offer an ideal combination of efficient performance and quiet operation to enhance comfort in the workplace and to increase productivity.

Lexmark product designers 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) & (f) of the amended (29 U.S.C 794d) of the US Rehabilitation Act of 1973.

Finding technical solutions to unwanted noise requires creativity and innovation. Since 2009, all devices are designed with a Quiet Mode feature. With this setting, customers can adjust the sound level of their printers to meet their personal preferences.

Lexmark continuously strives to improve our users' experience in the workplace. To enhance our accessibility 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.

Lexmark participates in the Blue Angel standard for environmental design guidance; its ISO 17025 accredited in-house test laboratory performs all acoustic testing needed to achieve the Blue Angel certification. The Blue Angel certification is the oldest environment-related label in the world and one of the first to include noise levels in its certification criteria. All Lexmark devices meet the noise requirements in the Blue Angel specification RAL-UZ 171.

Lexmark's design team ensures that any sounds and vibrations are quiet and consistent throughout the life of our products. Lexmark products are subjected to continuous, ongoing quality audits by an external ISO 17025 accredited acoustics laboratory.

# 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 LCAs confirm that improving energy efficiency can have a considerable effect on the use phase.

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 as required by the Blue Angel Eco Label. For more information on Product Certifications, click [here](#).

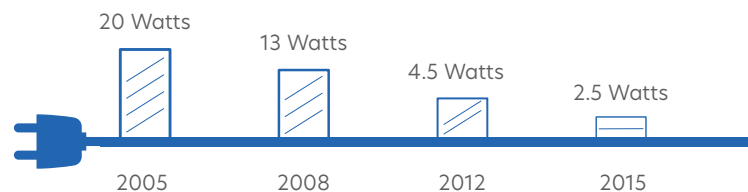
Moving forward, Lexmark will continue to reduce sleep mode power for our future products, targeting 2 watts or less in anticipation of 2019 EU requirements (European Union EC 801/2013) as well as expected revisions to Blue Angel and Energy Star. Lexmark products also enable the Hibernate mode to automatically engage when the products are not in use and not connected to a network.

With Lexmark Managed Print Services usage analytics and our Life Cycle Assessment 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.

With Lexmark Managed Print Services usage analytics and our Life Cycle Assessment tool data, we are able to more accurately estimate the actual energy used during the customer use phase for Lexmark products.

## Power savings evolution: sleep power

### MONOCHROME LASER PRINTERS



An **87.5 percent reduction** in sleep power since 2005!

# Packaging Designed With the Environment In Mind



**Lexmark designs our packaging 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.

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.

## Estimated packing material in Lexmark multifunction mono products in 2015

PLASTICS



**336**  
metric tons

PAPER-BASED BOARD



**1575.4**  
metric tons

WOOD



**982.5**  
metric tons

METALS



**14.8**  
metric tons

We quantify our efficiency through a life cycle assessment (LCA). Acting on our findings, we expect to reduce greenhouse gas emissions, save energy and conserve natural resources.

## 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 2015 we were able to convert 550 metric tons of test pages, which save the equivalent of over 14,500 trees<sup>1</sup>.

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.



## 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](#).

## Minimum recycled content of packaging materials

CORRUGATED  
FIBREBOARD



35%

MOLDED  
PULP



100%

<sup>1</sup> Data calculated using the Environmental Paper Network's Paper Calculator.

# 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.

# Commitment to Employees



**Lexmark is committed to promoting a diverse and inclusive business culture where employees can reach their full potential.**

## Employees

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

Lexmark recognizes the value of tracking the turnover rate and layoffs of our employees in the many countries where we operate. However, due to the sensitivity of the subject, we do not disclose the details.

## 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 Quarterly

All Employee and Quarterly Business Division meetings in addition to regularly scheduled departmental staff meetings. These meetings allow all employees—individual contributors and managers—to hear directly from senior leaders and to have opportunities to ask direct questions and seek clarification. 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 and are shared through internal social media. Diversity Network groups and social groups sponsor activities that welcome all employees to join in, making a difference in the world in which we live, work and play. 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. Many of these tasks are set up in the form of fun competitions and personal goals.



## EMPLOYEE DATA

Click [here](#) for more Employee data

# Human Rights



**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.**

**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. A team of 14 personnel was involved in the development and implementation of the [human rights policy](#).**

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 595 employees or 5 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](http://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.

Lexmark has not been involved in any litigation, pending or settled, related to human rights. Lexmark has not had fines levied by any governmental organization in the past five years related to human rights issues. Lexmark has not been fined or disciplined by the Equal Employment Opportunity Commission (EEOC) in the past three years. 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.

While Lexmark does not have a global policy for granting preference to local residents when hiring in significant locations of operation, the majority of employees at each location are hired locally and have continuing education opportunities to develop skills for job advancement. We also have a geographic-transfer training program that gives employees the opportunity to transfer locations for from a few weeks to a few years.

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



**Lexmark employees are involved in setting the objectives for our health and safety management systems.**

**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. A 2017 goal for the Lexington, Kentucky facility is to transition its OHSAS 18001 certification to the ISO 45001:2016 standard. To ensure that our facilities are ISO 14001 and OHSAS 18001 certified, Lexmark pays as much as \$17,000 annually per facility for fees related to certification. 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.

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 percentage of employees participating in Lexmark health and safety committees is 5%. The following 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.



## HEALTH & SAFETY DATA

Click [here](#) for more Health & Safety data

## Health & safety committees

### Lexington, Kentucky

- First Aid Team
- Safety Team
- ISO 14001/OHSAS 18001 Communications Team
- OHSAS 18001 Risk Team
- ISO 14001 Aspect Impact Team
- EHSMS Cross-Functional Team
- Executive EHS Committee
- Emergency Planning and Preparedness Team
- Corrective and Preventive Action Team

### Juarez, Mexico

- Health and Safety Commissions for Laser Cartridge Facility
- Health and Safety Commissions for Developer Roll Facility
- Health and Safety Commissions for Chemically Processed Toner Facility
- Health Safety Commissions for Lexmark Cartridge Collection Program and ISD Facility
- Emergency Brigades (Fire, Medical, Evacuation, Spill, Communications) at Developer Roll Facility
- Emergency Brigades (Fire, Medical, Evacuation, Spill, Communications) at Laser Cartridge Facility
- Emergency Brigades (Fire, Medical, Evacuation, Spill, Communications) at Lexmark Cartridge Collection Program and ISD Facility
- Emergency Brigades (Fire, Medical, Evacuation, Spill, Communications) at Chemically Processed Toner Facility
- Ergonomic Committee for Developer Roll Facility
- Ergonomic Committee for Laser Cartridge Facility
- Ergonomic Committee for Lexmark Cartridge Collection Program & ISD Facility
- Ergonomic Committee for CPT Facility
- Ergonomic Committee for Central Facility

### Budapest, Hungary

- First Aid
- Fire Marshals
- Office and Green Team

### Cebu, Philippines

- Environmental Health and Safety
- Emergency Planning and Preparedness
- Safety Committee

### Boulder, Colorado

- OHSMS Risk Assessment Cross-Functional Teams
- Integrated Management System Steering Committee
- Safety Recognition Committee

### Canada

- Health and Safety Committee

### Shenzhen, China

- Health and Safety Committee

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 2015 global Lexmark Occupational Safety and Health Administration (OSHA) reportable injury rate was 0.33 injuries per 100 full-time employees, compared with an industry average of 1.0. Types of injuries reported most frequently include contusions, sprains, strains and lacerations. (Minor injuries are excluded from injury rate data.) The annual lost work day rate was 4.96 lost workdays per 100 full-time employees. In calculating lost days, "days" means scheduled work days 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.

# Training & Education



**We support continued education, networking and on-the-job experience to help our employees become more effective and develop new skills.**

At Lexmark, we encourage professional and personal growth for all employees. We support continued education, networking and on-the-job experience as a way 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. These plans are the basis for identifying continuing education and ongoing learning activities, movement through succession planning, as well as career advancement and growth. Each year employees use Lexmark's internal HR information system to update their career goals and development plans in preparation for conversations with their managers. Employees are also encouraged to recruit a mentor who is willing to provide guidance and support.

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. Additionally, 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.

## 2015 Continuing training & education

The reported average **training** of 40 hours is based on the corporate-level systems that capture employee development activities and do not include formal education supported by Lexmark. Therefore, the actual hours are greater than reported in some employee categories. Training is available to all employees and is encouraged. The estimated average number of training hours for women is 40.2 and for men is 39.6.

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, and can earn Lexmark Lean Professional and Lean Master Certifications. Lexmark also supports external certifications such as ASQ and BMG, and financial assistance is offered where applicable.

All employees (100%) are required to complete the Code of Conduct and IT Security programs every year. Biannually, all worldwide middle managers participate in a two-day course called Leading from the Middle during which they participate in a business simulation. Courses critical to learning about legal compliance such as Global Anti-Corruption and Your Role in the Control Structure are popular. In addition, various courses are required every year, such as EEO Training, IT Security Awareness and Diversity and Inclusion in the United States.

The most popular courses worldwide include Lean Apprentice Training in Service and Manufacturing Organizations, Communicating Assertively and Communicating with Confidence. Additional examples of global course offerings include structured training to help employees better understand one another and work more cohesively in an international environment. Additional courses with a focus on onboarding are offered, as are open-enrollment sessions to learn more about our business. In the United States, new managers are required to attend at least 24 hours of structured training, and similar standards are imposed worldwide.

The Lexmark Educational Leave of Absence allows employees with at least two years of regular employment, and who have demonstrated professional ability and potential, to enhance their educational experiences and résumés for the mutual benefit of the employee and Lexmark. Approval is based on the relevance of the study program to Lexmark goals and interests, academic and work records, and the business needs at the time of the proposed educational leave. The duration of an educational sabbatical depends on the time required to complete the approved course of study, but it is typically no more than four years.

All (100%) of our regular, worldwide employees work with their managers to create performance management objectives that support department, division and company goals. Success criteria are established for each objective. Employees then use a system-based, multi-rater feedback tool and other data gathering methods to solicit feedback on their performance as measured against their objectives. At some sites, employees use site-specific processes and tools to set and review performance goals. Managers and employees discuss performance progress at the end of each review period.



## TRAINING & EDUCATION DATA

Click [here](#) for more Training & Education data

# Benefits & Compensation



**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.**

**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. In addition to traditional benefits, volunteer time off is available to most employees globally.

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.

Typical benefits are:

- Health insurance
- Life and accident insurance
- Dental and vision Insurance (at most locations)
- Disability insurance
- Paid vacations and holidays
- Product discounts
- Tuition assistance in many locations
- Parental time off
- Employee profit sharing (in geographies where it is mandated by law)
- Retirement savings plan with a company contribution

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. In 2015, Lexmark received the When Work Works Award for Excellence in Workplace Flexibility for the eighth consecutive year. 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 and on-site or nearby child-care let parents have positive work experiences. Lexmark does not track return rates or employee retention after their return.

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; Lenexa, Kansas and Shenzhen, China have onsite medical facilities where employees can get healthcare exams conveniently during the workday. Many facilities offer their employees recreational areas or sports leagues where they can participate in friendly challenges and competitions that promote health and fitness.

\*For information on Lexmark's defined retirement plan, please see the Lexmark Form 10-K.

## Equal pay

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.

## Employee recognition

Lexmark's Living the Vision Program is comprised of three tiers. At tier 1, the Vision Achievement Award is peer- or manager-initiated through our worldwide internal collaboration website. This recognition is quick and easy to initiate, and is visible world-wide on our site. Each quarter, one of these award winners is selected by the Living the Vision Program manager to receive an additional bonus. At tier 2, the Vision Champion Award is initiated by manager nomination. The Program subcommittee reviews the nominations and selects one winner for each geography per quarter. The tier 3 Customer for Life Award is Lexmark's highest employee honor. Selected from among the tier 2 winners, it is awarded annually.

## U.S. benefits

In the U.S., an unlimited vacation policy has been in place since 2013, allowing 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.

In the U.S., Health, Dental and Vision Benefits are offered to employees, their 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 2015, Geriatric Care Management Services were added to the U.S. benefits. Elder care support is available through the Employee Assistance Program. 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, and Lenexa, Kansas, locations have a health and wellness center for their employees. These centers offer health coaching, allergy injection programs, physical therapy, and wellness and sick visits. An interactive Live Well tool is also available for 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, KY has a subsidized childcare center on-site in a Leadership in Energy & Environmental Design (LEED) gold certified facility. The environmentally beneficial features that earned the LEED Gold certification are used as an educational experience for the children. The children learn about water and energy conservation, local harvest and material re-use and recycling.

# Diversity



**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.**

## Letter from the CEO

Lexmark's transformation is being fueled by its focus on diversity. We see diversity as key to our company's continued evolution and success, leading us well beyond our hardware heritage to a broader vision of technology solutions that span enterprise software, hardware, and services. We know that no single group has all the answers or can successfully drive our transformation. We need diverse groups working together to drive the change and to develop the innovative solutions that meet our customers' needs. That is why we are interested in attracting and retaining the most talented individuals to our company.

Because the world is our customer, we strive to understand and appreciate diversity in our thinking, culture, markets, suppliers, and business partners. We know that our success depends upon our ability to unleash the collective strengths, creativity and innovative ideas of our diverse workforce.

That's why we are weaving diversity and inclusion into the very fabric of our organization. And that is why we are building a culture where the best and the brightest want to work and grow.

Regards,

Paul A. Rooke  
Chairman and CEO

## 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 shareholders. 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.



Because the world is our customer, we strive to understand and appreciate diversity in our thinking, culture, markets, suppliers, and business partners.

## 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 shareholders. 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 Hungary, Spain and France 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.

- [Hungary: European Diversity Charter](#)
- [Spain: European Diversity Charter](#)
- [France: European Diversity Charter](#)



# Commitment to Customers



**Lexmark's vision since our founding has been "Customers for Life."**

**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. Lexmark's vision since our founding has been "Customers for Life."**

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 enterprise software strategic roadmap and customer experience.

## 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 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



**At Lexmark, customer and community health and safety impact are considered from first concept of our products to end-of-life.**

**At Lexmark, customer and community health and safety impact are considered from first concept of our products to end-of-life. Lexmark employs the use of an internally-developed compliance engineering system in the Lexmark PLM tool to drive product compliance through the development process. This tracking system helps inform the relevant parts of the business when certifications/regulations need to be pursued and also provide information on expiration or termination.**

We comply with worldwide standards and local laws and test our products in laboratories accredited by third-party agencies. Third party accreditation ensures that the data and subsequent reports produced for regulatory compliance conform to relevant standards, such as ISO. Lexmark tests products for certifications associated with specific regulatory and voluntary standards such as: Blue Angel chemical emissions, energy and acoustics, the Federal Communications Commission (FCC), Comité International Spécial des Perturbations Radioélectriques (CISPR), Underwriters Laboratories (UL) and Conformité Européenne (CE). Lexmark also performs toxicity-testing on toners according to protocols from the Organization for Economic Co-operation and Development (OECD 404, 405, 406 and 423), as well as the AMES test.

For permission to export our products beyond U.S. borders, we submit data to regulatory agencies worldwide, such as the U.S. Environmental Protection Agency (EPA) and the China Quality Certification Center (CQC). In compliance with the Trade Agreements Act of 1979, Lexmark assembles TAA compliant products at its configuration and distribution centers in Southaven, Mississippi (U.S.), and Taoyuan, Taiwan. Test equipment in these facilities is calibrated to ISO 17025/ANSI Z540 standards and tracked for calibration with an ISO 9001 database on an annual basis.

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 notices resulting from these audits are promptly addressed within the required compliance period and resolved prior to shipping our products.

In 2015, Lexmark learned that certain tray options for the Lexmark C950/X950 family of products may not comply with the European Union's Restriction of Hazardous Substances Directive (RoHS) Recast Directive and the EU member states' laws that implement this Directive. Our manufacturer informed us that a chip filter component in certain trays slightly exceeded the permissible level for lead. This use of lead had previously been covered under an exemption which expired on January 1, 2013. As the lead is fully encapsulated in a ceramic housing, there was no risk for safety exposure during routine use and repair of the equipment. Lexmark stopped shipment of affected products and ordered new trays to replace existing inventory, as well as replacing this component for units in the field during subsequent service calls. No monetary fines were assessed as part of this non-compliance.

100 percent of our significant product families are assessed for health and safety impacts. There were no instances of noncompliance for health and safety impacts, service information and labeling beyond the previously mentioned issue. No fines were imposed.

Lexmark doesn't sell products that are banned in any market worldwide.

## Product and service information

We are committed to providing product and service information for the products and services we provide to the customer. Lexmark has established a [Regulatory Compliance webpage](#) to address customer questions and provide information. In addition, the following resources are largely available online via the [Tech Library](#):

- Service and service part sourcing
- User content
- Safety/Regulatory instructions or notices
- Disposal or recycling information
- Environmental and social impacts
- Safety Data Sheets

## Product compliance cross functional team

Lexmark compliance engineers created 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 product conforms to relevant national and international standards and ensure the documentation and marks needed for the devices are present. They further 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 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, such as Sustainability/Environmental, Health and Safety, also support a similar approach to incidents or violation. This comprehensive approach supports our ultimate goal of protecting the health and safety of our customers.

# 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.**

**The Internet has become a major portal for Lexmark and our customers to interact. Customers and prospective customers use the Lexmark website for many reasons:**

- To research Lexmark products, solutions and service offerings.
- To buy products directly from Lexmark online or find where to buy them through partners.
- To register a Lexmark product for warranty purposes.
- To resolve a product issue, either unassisted through the Lexmark knowledge base or assisted with a Lexmark support representative.

During these transactions, Lexmark might ask customers for the following personal information:

- First and last name.
- Title and company name.
- Home, billing, or other physical address (including street name, name of a city or town, state or province, postal code).
- Credit card number.
- Email address.
- Telephone number.
- Lexmark online account ID and password.
- How products are used in their home or business.
- Whether they want future contact from Lexmark (marketing materials, special offers, promotions, and so on).

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.

Lexmark outsources our web store to a third-party channel partner, which administers the store and collects the personal information necessary to complete sales transactions. We have not received any customer complaints for breach of personal information by the third party.

## 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 database equipment and hard copies of documents. Electronic security measures – such as firewalls, access restrictions and encryption – provide protection from hacking or other 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](mailto:privacy@lexmark.com)

Lexmark International, Inc.  
Privacy Mailbox  
740 West New Circle Road  
Lexington, Kentucky 40550

When we receive questions and comments of concern, it is Lexmark policy to respond to each one. We investigate and attempt to resolve issues regarding the use and disclosure of personal information in accordance with the principles contained in this statement. Any concern that cannot be resolved through our internal processes is settled by arbitration administered by the American Arbitration Association in accordance with its applicable commercial rules and, as applicable, the Safe Harbor Principles. The exclusive location for such arbitration is Lexington, Kentucky. For additional information about the Lexmark U.S. privacy policy, click [here](#).

Lexmark's Budapest, Hungary, the United Kingdom and the Netherlands locations have received [ISO 27001 certification](#) for Enterprise Software Professional Services, Global Support Service and related IT and support functions, such as Human Resources, office management and site security. This Information Security Management System aims confidentiality, integrity and availability of both Lexmark and customer data.

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.

# 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 also the environment.

Lexmark empowers employees to give their time, talent and resources through programs such as Volunteer Time Off and flexible work policies. The Volunteer of the Year is awarded annually to an employee who demonstrates excellence in volunteerism. This employee 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.

## United Way



**Employees volunteered over 5,500 hours for United Way Care Day projects in 2015!**

Lexmark locations around the globe support United Way. The support takes place in the form of donations of 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, festivals and sports tournaments! Over 5,500 volunteer hours were recorded for United Way Care Day projects in 2015.

## 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, volunteer activities and drives that contributed to United Way organizations, including the popular dodgeball tournament—Dodge for a Cause.

### Juarez, Mexico

Employees in Juarez, Mexico, organized multiple events to help local schools, nursing homes and shelters, benefiting over 2,500 people in the local community.

### Budapest, Hungary

Lexmark Budapest employees participated in a Children's Island where they welcomed socially disadvantaged children from the Burattino School, delivered books to schools in a rural area and participated in a United Way organized race.

## Habitat For Humanity



Lexmark is a long-time supporter of the [Lexington Habitat for Humanity](#), providing support since 1997. Each year employees and retirees volunteer their time to build a home for a local family. Lexmark's 20th corporate-sponsored home was built in 2015 by approximately 100 volunteers, contributing over 1,800 volunteer hours.

Lexmark's most recent builds have a focus on sustainability. The efforts include minimizing waste, using advanced framing techniques and using energy efficient products such as ENERGY STAR rated heating and cooling products, windows, ceiling fans, light fixtures and appliances. These combined efforts and more have helped these homes receive the ENERGY STAR New Home certification. It is estimated that the homeowners' utility costs will decrease 25 to 55 percent because the house meets the certification requirements.



## 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 Lexmark 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.

## 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.





## Contributions

### 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.

Lexmark did not make any charitable contributions that exceeded the greater of \$1 million or 2 percent of a charitable organization's consolidated gross revenues to any charitable organization for which a member of the Lexmark Board of Directors served as an executive officer. The Board's conformance with this guidance prevents potential conflict-of-interest issues regarding our charitable giving practices.

### 2015 North America charitable giving

UNITED WAY,  
COMMUNITY VOLUNTEERISM



\$1.5 million

EDUCATION



\$ .6 million

DIVERSITY



\$ .6 million

TOTAL  
NORTH AMERICA GIVING



\$2.7 million

### Cartridge returns support the community



The Cartridge Recycling Initiative for Babies (CRIB) seeks to protect both the environment and children. By returning empty laser and inkjet cartridges to Lexmark for recycling, customers in South Africa can contribute directly to [Cotlands](#), an organization that cares for abandoned and abused babies or those who have HIV-AIDS. Contributions to the fund are made on a per unit basis on cartridges.

Since 2002, CRIB has donated 105,608 "Baby Days" to Cotlands. One Baby Day equals the cost of housing, feeding, clothing and caring for one child at Cotlands for the period of one day. In addition, 230 tons of empty cartridges have been kept out of South Africa's landfills. Going forward the funding will go towards sponsoring children to attend playgroups. This includes two meals, a comprehensive

development program and access to the services of a nurse and social worker when health and psychosocial support is required.

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 2015, Lexmark's partnership with La Fondation MIRA resulted in the training and provision of 15 guide dogs to enable increased accessibility for individuals with visual or mobility impairments.

# Partnerships



**Lexmark partners with customers and organizations to make our communities better places to be.**

**Many positive contributions to communities are a direct result of productive partnerships. Throughout our history, Lexmark has formed meaningful, beneficial partnerships to address areas of need within the community. Over the years, positive partnerships have been formed with universities, local schools and school systems, local aid agencies, non-governmental organizations and our customers.**

Lexmark's core values are centered in environmental sustainability. Understanding the power of teamwork, Lexmark partners with customers and organizations to complete projects that make the communities in which we live and work better places to be.

Lexmark teams up with other organizations that share similar values to work on joint projects. 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 had a goal to plant 2,016 trees by The PGA of America's 100th Anniversary in 2016. This partnership began with a goal 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. The true success of these events has been the involvement with and beneficial impact on local communities. In 2015, trees were planted in Paoli, Indiana, and Sheboygan County, Wisconsin, in support of the Senior PGA Championship and the PGA Championship. Additionally, Lexmark has teamed up with customers such as CSX and Grainger on similar community-focused efforts. Lexmark collaborates with other businesses and non-profit organizations to address social topics, a commitment to the community that is part of our global corporate culture.

# 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 ninth Corporate Social Responsibility 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 2015) 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 2015. Restatements of information provided in previous reporting can be found [here](#).

We prepared our Global Citizenship website and Corporate Social Responsibility Report using the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines at the Core "in accordance" level. 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. Clarion and Kofax were acquired in 2015 and data from these acquisitions are included where applicable.

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 plants 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. Additional information about Lexmark operations and financial performance is available in our 2015 Annual Report and [Form 10-K](#), which are filed with the Securities and Exchange Commission and are available on our corporate website.

For questions regarding this report, please contact [sustainability@lexmark.com](mailto:sustainability@lexmark.com).

## Previous CSR reports

[2014 CSR Report](#)

[2013 CSR Report](#)

[2012 CSR Report](#)

[2011 CSR Report](#)

[2010 CSR Report](#)

[2009 CSR Report](#)

[2008 CSR Report](#)

[2007 CSR Report](#)

# GRI Index

General Standard Disclosures	Descriptions	Location
<b>STRATEGY AND ANALYSIS</b>		
G4-1	Provide a statement from CEO about the relevance of sust. to the org and strategy	<a href="#">Message from the CEO</a>
G4-2	Provide a desc. of key impacts, risks & opportunities	<a href="#">Risks, Opportunities &amp; Impacts</a>
<b>ORGANIZATIONAL PROFILE</b>		
G4-3	Report the name of the organization.	<a href="#">Company Profile</a>
G4-4	Report the primary brands, products, and services.	<a href="#">Company Profile</a>
G4-5	Report the location of the organization's headquarters.	<a href="#">Company Profile</a>
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	<a href="#">Company Profile</a>
G4-7	Report the nature of ownership and legal form.	<a href="#">Company Profile, 10-K</a>
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	<a href="#">Company Profile, 10-K</a>
G4-9	Report the scale of the organization, including: # employees, # of operations, Net revenues, Total capitalization broken down in terms of debt and equity (for private org), Quantity of products or services provided.	<a href="#">Company Profile, 10-K</a>
G4-10	Report the total # of employees by employment contract and gender. Total # of permanent employees by type & gender, total workforce by employees & supervised workers by gender, total workforce by region & gender, whether a substantial portion of the org's work is performed by workers who are legally recognized as self employed, or by individuals other than employees, including employees, report any significant variations in employment numbers (seasonal variations in employment in tourism)	<a href="#">Data Dashboard</a>
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	<a href="#">Human Rights</a>
G4-12	Describe the organization's supply chain.	<a href="#">Supply Chain</a>
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain including: changes location of, in operations, including facility openings, closings, and expansions. Changes in the share capital structure & other capital formation, maintenance, and alteration Operations. Changes in the locations of, or changes in, operations, including facility openings, closings, & expansions. changes in share capital structure, changes in location of suppliers, supply chain structure.	<a href="#">Reporting, 10-K</a>
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	<a href="#">Materiality</a>
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the org subscribes or which it endorses	<a href="#">Materiality</a>
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the org holds a position on the gov body, participates in projects/committees, provides substantive funding, views membership as strategic	<a href="#">Materiality</a>

# GRI Index (continued)

General Standard Disclosures	Descriptions	Location
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents. Report whether any entity included in org consolidated financial statements is not covered by the report	Finance, 10-K
G4-18	Explain the process for defining the report content and the aspect boundaries, explain how the org has implemented the reporting principles for defining report content.	Materiality, Reporting Parameters
G4-19	List all the material Aspects identified in the process for defining report content	Materiality
G4-20	For each material Aspect, report the Aspect Boundary within the organization, as follows: Aspect is not material for all entites in org, list of entites included material and list not material, reprot specific limitation regarding the Aspect Boundary within org.	Materiality
G4-21	For each material Aspect, report the Aspect Boundary outside the organization, as follows: if aspect is material outside the org, identify the entites, groups or elements for which the aspect is material. in addition describe the geo location where the aspect is material. report any specific limitation regarding aspect boundary outside the org.	Materiality
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	Reporting Parameters
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Reporting Parameters, Materiality
<b>STAKEHOLDER ENGAGEMENT</b>		
G4-24	Provide a list of stake holder groups engaged by the org.	Materiality
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Materiality
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	Materiality, Commitment to Customers
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Materiality, Commitment to Customers
<b>REPORT PROFILE</b>		
G4-28	Reporting period (such as fiscal or calendar year) for information provided	Reporting Parameters
G4-29	Date of most recent previous report (if any)	Reporting Parameters
G4-30	Reporting cycle (such as annual, biennial)	Reporting Parameters
G4-31	Provided contact point for questrions regarding the report or its contents.	Reporting Parameters
G4-32	Report the 'in accordance' option the org has chose, Report the GRI content index for the chosen option, Report the reference to the ext. Assurance report, if report has been externally assured	Reporting Parameters

# GRI Index (continued)

General Standard Disclosures	Descriptions	Location
<b>REPORT PROFILE</b>		
G4-33	Report the Org's policy and current practice w/ regard to seeking ext. assurance for the report. If not included in the assurance report accompanying the sust. report, report the scope and basis of any ext. assurance provided, report the relationship between the org and the assurance providers, report whether the highest gov body or sr. exec are involved in seeking assurance for sust. report.	Reporting Parameters
<b>GOVERNANCE</b>		
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on econ, env and social impacts.	Governance, Investor Relations
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to sr. execs and employees	Governance, Investor Relations
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Governance, Investor Relations
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body	Governance, Investor Relations
G4-38	Report the composition of the highest gov body and its committees by: exec, independence, tenure on gov body, # of ea. Ind's other sig. positions and commitments & nature, gender, membership of under rep. social groups, competences relating to econ, envirn & social impacts, stakeholder rep.	Governance, Investor Relations
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement)	Governance, Investor Relations
G4-40	Report the nomination & selection process for the board and its committees and the criteria used for nominating & selecting board members.	Governance, Investor Relations
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	Governance, Investor Relations
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Governance, Investor Relations
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, env and social topics	Governance, Investor Relations
G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice	Governance, Investor Relations

# GRI Index (continued)

General Standard Disclosures	Descriptions	Location
<b>GOVERNANCE</b>		
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	Governance
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	Governance
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities	Governance
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	Governance
G4-49	Report the process for communicating critical concerns to the highest governing body	Governance, Investor Relations
G4-51	Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: fixed pay and variable pay, sign on bonuses, termination payments, clawbacks, retirement benefits, including the difference between benefit schemes. Report how performance criteria in the remuneration policy relate to the board's and senior executives' economic, environmental and social objectives	Governance, Investor Relations
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	Governance, Investor Relations
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	Governance, Investor Relations
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Transparency & Ethics
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Transparency & Ethics
G4-58	Report the internal and external mechanism for reporting concerns about unethical or or unlawful behavior and matters related to the org integrity such as escalation through line management, whistle blowing mechanisms or hotlines.	Transparency & Ethics
<b>ECONOMIC PERFORMANCE</b>		
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Risks, Opportunities & Impacts; 10-K
G4-EC3	Coverage of the organization's defined benefit plan obligations	10-K, Benefits & Compensation
G4-EC4	Financial assistance received from the government	Finance



# GRI Index (continued)

General Standard Disclosures	Descriptions	Location
<b>MATERIALS</b>		
G4-EN1	Materials used by weight or volume	Materials, Packaging
G4-EN2	Percentage of materials used that are recycled input materials	Materials, Return & Recycle
<b>ENERGY</b>		
G4-EN3	Energy consumption within the organization	Energy Consumption
G4-EN5	Energy Intensity	Energy Consumption
G4-EN6	Reduction of energy consumption	Energy Consumption
G4-EN7	Reductions in energy requirements of products and services	Energy Use
<b>WATER</b>		
G4-EN8	Total water withdrawal by source	Water Management
G4-EN9	Water sources significantly affected by withdrawal of water	Water Management
G4-EN10	Percentage and total volume of water recycled and reused	Water Management
<b>BIODIVERSITY</b>		
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Land & Biodiversity
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Land & Biodiversity
G4-EN13	Habitats protected or restored	Land & Biodiversity
G4-EN14	Total number of IUCN Red List Species and National Conservation list species with habitats in areas	Land & Biodiversity
<b>EMISSIONS</b>		
G4-EN15	Direct greenhouse gas (GHG) emissions (SCOPE 1)	Greenhouse Gas Emissions
G4-EN16	Energy indirect greenhouse Gas (GHG) emissions (SCOPE 2)	Greenhouse Gas Emissions
G4-EN17	Other indirect greenhouse gas (GHG) emissions (SCOPE 3)	Greenhouse Gas Emissions
G4-EN18	Greenhouse gas (GHG) emissions intensity	Greenhouse Gas Emissions
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Greenhouse Gas Emissions
G4-EN20	Emissions of ozone-depleting substances (ODS)	Greenhouse Gas Emissions
G4-EN21	NOX, SOX, and other significant air emissions	Greenhouse Gas Emissions

# GRI Index (continued)

General Standard Disclosures	Descriptions	Location
<b>EFFLUENTS AND WASTE</b>		
G4-EN22	Total water discharge by quality and destination	Water Management
G4-EN23	Total weight of waste by type and disposal method	Waste & Recycling, Data Dashboard
G4-EN24	Total number and volume of significant spills	Water Management
G4-EN25	Weight of transported, imported, exported or treated waste deemed hazardous under the terms	Waste & Recycling, Data Dashboard
G4-EN26	Identify, size, protected status, and biodiversity value of water bodies and related habitats of water bodies and related habitats	Water Management
<b>COMPLIANCE</b>		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	Environmental Management
<b>TRANSPORT</b>		
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Energy Consumption
<b>OVERALL</b>		
G4-EN31	Total environmental protection expenditures and investments by type	Environmental Management
<b>ENVIRONMENTAL GRIEVANCE MECHANISMS</b>		
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Environmental Management
<b>EMPLOYMENT</b>		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Data Dashboard
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Benefits & Compensation
<b>LABOR MANAGEMENT</b>		
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Human Rights
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety	Health & Safety
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Health & Safety

# GRI Index (continued)

General Standard Disclosures	Descriptions	Location
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Health & Safety
G4-LA8	Health and safety topics covered in formal agreements with trade unions	Health & Safety
<b>TRAINING AND EDUCATION</b>		
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Training & Education
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Training & Education
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by	Training & Education
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Data Dashboard
<b>LABOR PRACTICES GRIEVANCES MECHANISM</b>		
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Human Rights
<b>INVESTMENT</b>		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	Finance & Economics
G4-HR2	Total hours of employees training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees	Human Rights
<b>NON DISCRIMINATION</b>		
G4-HR3	Total number of incidents of discrimination and corrective actions taken	Human Rights
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>		
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these	Human Rights
<b>CHILD LABOR</b>		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Human Rights
<b>FORCED OR COMPULSORY LABOR</b>		
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Human Rights

# GRI Index (continued)

General Standard Disclosures	Descriptions	Location
<b>SECURITY PRACTICES</b>		
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	Human Rights
<b>INDIGENOUS RIGHTS</b>		
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	Human Rights
<b>ASSESSMENTS</b>		
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	Human Rights
<b>HUMAN RIGHTS GRIEVANCE MECHANISMS</b>		
G4-HR12	Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanism	Human Rights
<b>ANTI-CORRUPTION</b>		
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the number and percentage of operations assessed for risks related to corruption and the significant risks identified	Transparency & Ethics
G4-SO4	Communication and training on anti-corruption policies and procedures	Transparency & Ethics
G4-SO5	Confirmed incidents of corruption and actions taken	Transparency & Ethics
<b>PUBLIC POLICY</b>		
G4-SO6	Total value of political contributions by country and recipient/ beneficiary	Contributions & Initiatives
<b>ANTI-COMPETITIVE BEHAVIOR</b>		
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Transparency & Ethics
<b>COMPLIANCE</b>		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	Transparency & Ethics
<b>CUSTOMER HEALTH AND SAFETY</b>		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Product Health & Safety
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning	Product Health & Safety

# GRI Index (continued)

General Standard Disclosures	Descriptions	Location
<b>PRODUCT AND SERVICE LABELING</b>		
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	Product Health & Safety
<b>MARKETING COMMUNICATION</b>		
G4-PR6	Sale of banned or disputed products	Product Health & Safety
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Transparency & Ethics
<b>CUSTOMER PRIVACY</b>		
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Security & Privacy
<b>PRODUCT COMPLIANCE</b>		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Product Health & Safety

# UN Global Compact Index

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption. As stated by Lexmark's CEO, Paul Rooke, "Lexmark International has and will continue to support the initiatives and principles

of the UN Global Compact." Below is an index of our reporting against the UN Global Compact principles within the content of this 2015 performance update of our Corporate Social Responsibility Report.

Principle Number	Description	Report Section / Links
1	Support and respect protection of internationally proclaimed human rights	<a href="#">Human Rights</a>
		<a href="#">Human Rights Policy</a>
		<a href="#">Human Trafficking and Slavery Statement</a>
		<a href="#">Supply Chain</a>
2	Make sure business is not complicit in human rights abuses	<a href="#">Human Rights</a>
		<a href="#">Human Rights Policy</a>
		<a href="#">Human Trafficking and Slavery Statement</a>
		<a href="#">Supply Chain</a>
3	Uphold freedom of association and the effective recognition of the right to collective bargaining	<a href="#">Human Rights</a>
		<a href="#">Human Rights Policy</a>
4	Support elimination of all forms of forced and compulsory labor	<a href="#">Human Rights</a>
		<a href="#">Human Rights Policy</a>
		<a href="#">Human Trafficking and Slavery Statement</a>
5	Support effective abolition of child labor	<a href="#">Human Rights</a>
		<a href="#">Human Rights Policy</a>
6	Eliminate discrimination in employment and occupation	<a href="#">Human Rights</a>
		<a href="#">Human Rights Policy</a>
		<a href="#">Lexmark Code of Business Conduct</a>

# UN Global Compact Index (continued)

Principle Number	Description	Report Section / Links
7	Support a precautionary approach to environmental challenges	<a href="#">CSR Policies &amp; Statements</a>
		<a href="#">Environmental &amp; Social Justice Policy</a>
		<a href="#">Environmental Health &amp; Safety Policy</a>
		<a href="#">Climate Change Policy</a>
8	Undertake initiatives to promote greater environmental responsibility	<a href="#">Energy Consumption</a>
		<a href="#">Greenhouse Gas Emissions</a>
		<a href="#">Water Management</a>
		<a href="#">Waste &amp; Recycling</a>
		<a href="#">Land &amp; Biodiversity</a>
		<a href="#">Environmental Management</a>
9	Encourage the development and diffusion of environmentally friendly technologies	<a href="#">Return &amp; Recycle</a>
		<a href="#">Lifecycle</a>
		<a href="#">Materials</a>
		<a href="#">Emissions</a>
		<a href="#">Energy Use</a>
		<a href="#">Product Certifications</a>
		<a href="#">Return &amp; Recycle</a>
		<a href="#">Packaging</a>
<a href="#">Innovation</a>		
10	Work against all forms of corruption, including extortion and bribery	<a href="#">Transparency &amp; Ethics</a>

# ISO 26000 Index

Subjects	Issues	References
<b>6.2 Organizational governance</b>		
6.2	Organizational governance	CEO statement; Company Profile; Risks, Opportunities & Impacts; 10-K; Investor Relations
<b>6.3 Human rights</b>		
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
<b>6.4 Labour practices</b>		
6.4.3	Employment and employment relationships	Human Rights, Commitment to Employees, Benefits & Compensation, Supply Chain
6.4.4	Conditions of work and social protection	Human Rights, Benefits & Compensation
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 & Education
<b>6.5 The environment</b>		
6.5.3	Prevention of pollution	Greenhouse Gas Emissions, Water Management, Waste & Recycling, Land & Biodiversity, Return & Recycle, Energy Consumption, Energy Use, Emissions
6.5.4	Sustainable resource use	Materials, Energy Consumption, Lifecycle, Waste & Recycling, Water Management, Packaging, Return & Recycle, Energy Use
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



# ISO 26000 Index (continued)

Subjects	Issues	References
<b>6.6 Fair operating practices</b>		
6.6.3	Anti-corruption	Transparency & Ethics
6.6.4	Responsible political involvement	Finance & Economics
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
<b>6.7 Consumer issues</b>		
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 & Recycling, Materials, 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
<b>6.8 Community involvement and development</b>		
6.8.3	Community involvement	Global Citizenship, Land & Biodiversity, Benefits & Compensation, Partnerships
6.8.4	Education and culture	Training & Education, Benefits & Compensation, Global Citizenship, Diversity
6.8.5	Employment creation and skills development	Training & Education
6.8.6	Technology development and access	Training & Education, Finance & Economics, Global Citizenship
6.8.7	Wealth and income creation	Benefits & Compensation
6.8.8	Health	Benefits & Compensation
6.8.9	Social investment	Finance & Economics, Global Citizenship

# Data Dashboard / Energy

## Total Energy - Enterprise Level

Scope 1 and Scope 2	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
(Gigajoules)	1,492,903	1,366,556	1,284,034	1,271,082	1,065,480	1,070,715	1,079,934	961,918	855,021	863,284	1,017,627

## Normalized Total Energy Enterprise Level

Scope 1 and Scope 2	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
(Gigajoules/\$M revenue)	286	267	258	281	275	255	259	253	233	233	287

## Total Energy Facility Level

Scope 1 and Scope 2 (Gigajoules)	2007	2008	2009	2010	2011	2012	2013	2014	2015
Lexington, KY, U.S.	503,582	472,503	421,846	392,615	376,682	345,151	298,996	298,714	267,881
Boulder, CO, U.S.	269,503	279,824	227,301	253,184	266,134	252,666	264,734	255,340	274,088
Juarez, Mexico	132,805	234,805	184,336	186,097	193,800	193,780	190,125	196,012	245,098
Lapu-Lapu City, Philippines (Manufacturing)	154,553	175,615	154,578	161,930	131,220	88,944	22,583	-	-
Cebu City, Philippines (Research & Dev)	6,958	25,919	50,755	54,441	56,396	48,385	42,246	41,011	44,219
Shawnee, KS, U.S.	-	-	13,399	12,299	14,865	11,748	12,133	6,687	2,222
Lenexa, KS, U.S.	-	-	-	-	-	-	-	11,360	18,162
Kolkata, India	-	-	-	-	-	-	-	-	12,063
Budapest, Hungary	-	-	-	-	-	-	-	-	4,741
All Other	216,633	82,416	13,265	10,149	40,837	20,794	24,204	54,159	147,744

## Direct Energy Enterprise Level

Scope 1	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
(Gigajoules)	556,247	453,238	362,327	376,587	326,656	311,336	332,962	295,708	286,204	315,037	362,773

## Normalized Direct Energy Enterprise Level

Scope 1	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
(Gigajoules/\$M revenue)	107	89	73	83	84	74	80	78	78	85	102

## Indirect Energy (Electrical Power) Enterprise Level

Scope 2	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
(Gigajoules)	936,656	913,318	921,707	894,496	738,624	759,379	746,972	666,210	568,817	548,247	653,44

## Normalized Indirect Energy (Electrical Power) Enterprise Level

Scope 2	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
(Gigajoules/\$M revenue)	179	179	185	197	190	181	179	175	155	148	184

## Indirect Energy (Electrical Power) Facility Level

Scope 2 (Gigajoules)	2007	2008	2009	2010	2011	2012	2013	2014	2015
Lexington, KY, U.S.	309,767	284,237	254,764	234,243	221,832	210,576	175,529	172,573	153,763
Boulder, CO, U.S.	160,050	170,741	134,475	163,540	170,746	164,576	177,688	175,710	188,224
Juarez, Mexico	123,865	182,304	127,469	123,725	124,352	124,851	122,972	126,089	121,047
Lapu-Lapu City, Philippines (Manufacturing)	154,553	175,615	154,578	161,930	131,219	88,944	22,375	-	-
Cebu City, Philippines (Research & Dev)	6,958	25,814	49,808	51,943	48,397	46,636	39,857	38,827	40,911
Shawnee, KS, U.S.			13,399	12,299	14,768	11,455	11,470	6,687	2,222
Lenexa, KS, U.S.	-	-	-	-	-	-	-	10,559	18,017
Kolkata, India	-	-	-	-	13,883	6,467	6,427	6,346	9,973
All Other	166,514	55,785	4,131	11,699	21,775	12,705	12,499	11,455	119,288

## Indirect Energy (Electrical Power) Details Facility Level

(Facility Level, per area power grids, 2015)

Scope 2 (Gigajoules)	Non-renewable	Renewable
Lexington, KY, U.S.	152,225	1,538
Boulder, CO, U.S.	146,356	41,868
Juarez, Mexico	105,069	15,978
Cebu City, Philippines (Research & Dev)	29,170	11,741
Shawnee, KS, U.S.	2,178	44
Lenexa, KS, U.S.	17,657	360
Kolkata, India	8,278	1,695
All Other	85,191	34,097

## Lexmark Facilities Electric Fees In U.S. \$

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Lexington, KY, U.S.	4,070,027	4,195,167	4,360,743	4,474,127	4,090,691	3,885,094	3,630,255	3,331,600	2,963,377	3,012,489	2,639,531
Boulder, CO, U.S.	2,506,526	2,587,344	2,922,663	3,161,529	2,132,475	2,937,992	3,118,503	2,805,850	3,411,508	3,595,954	3,640,688
Juarez, Mexico	3,127,604	3,754,986	3,368,984	4,056,250	2,428,823	3,781,609	4,108,643	4,071,831	3,848,812	3,855,537	2,470,521
Lapu-Lapu City, Philippines (Manufacturing)	2,775,750	3,195,519	3,947,355	4,532,433	4,471,661	5,301,522	4,581,230	3,379,369	910,868	-	-
Cebu City, Philippines (Research & Dev)	-	-	192,993	728,715	1,514,875	1,865,517	1,875,452	2,228,415	1,866,137	1,798,011	1,787,427
Shawnee, KS, U.S.	-	-	-	-	218,411	217,763	250,775	257,932	284,636	187,291	76,803
Lenexa, KS, U.S.	-	-	-	-	-	-	-	-	-	325,794	436,661
Kolkata, India	-	-	-	-	-	-	460,000	254,808	256,428	257,088	250,901
Maidenhead, England	-	-	-	-	-	-	-	-	259,660	86,984	-
Budapest, Hungary	-	-	-	-	-	-	-	-	-	-	93,977
Geneva, Switzerland	-	-	-	-	-	-	-	-	-	-	40,681
Other	4,036,031	4,676,650	4,746,186	4,475,133	1,304,824	578,090	297,031	464,093	445,010	421,225	116,685
<b>Total \$</b>	<b>16,515,938</b>	<b>18,409,666</b>	<b>19,538,924</b>	<b>21,428,187</b>	<b>16,161,760</b>	<b>18,567,587</b>	<b>18,321,889</b>	<b>16,793,898</b>	<b>14,246,436</b>	<b>13,540,373</b>	<b>11,553,875</b>

## Non-Renewable Energy Primary Source

Nonrenewable fuels	MWh	Gigajoule
Natural gas	78035	280,925
Diesel/gas oil	9,475	34,112
Distillate fuel oil no. 5	0	0
Propane	0	0
Renewable fuels	MWh	Gigajoule
Biofuel	0	0
Hydrogen	0	0

## Kilometers Traveled

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Air Kilometers	83,189,357	73,545,385	67,256,826	70,851,467	41,043,898	63,688,686	62,814,164	67,365,383	69,507,146	94,575,027	122,121,023
Auto Kilometers	2,977,693	2,898,318	3,088,475	4,550,894	4,384,896	6,065,861	5,718,373	6,407,603	7,249,203	12,068,649	13,654,731
Total Kilometers	86,167,050	76,443,703	70,345,301	75,402,361	45,428,794	69,754,547	68,532,537	73,772,986	76,756,349	103,492,535	135,569,919
Kilometers per Employee				5,386	3,859	5,312	5,191	6,068	6,497	8,634	9,698

Revenue	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
(\$M)	5,220	5,110	4,970	4,530	3,880	4,200	4,173	3,798	3,668	3,711	3,551

## Energy consumption boundary and accounting methodology

### Organizational boundary

The boundary for energy consumption was changed in 2015 to include an estimation of energy use for leased spaces that were not traditionally reported, including those acquired via recent business changes. Energy use data represents approximately 100 percent of Lexmark's 2015 square footage of occupied space. These leased spaces are represented in reporting by the designation "All Other."

Changes may occur in locations reported annually. For example, in 2015, Lexmark experienced a significant change as its newest owned facility in Lenexa, Kansas, reported for a full year after moving from the leased space in Shawnee, Kansas. Reported data covers the 2015 calendar year.

The scope for business travel is worldwide based on availability of data. 2015 reporting covers the U.S. (rentals and fleet vehicles), Canada (rentals and fleet vehicles), India, Cebu, Shenzhen, Juarez, Switzerland, Austria, Germany and Budapest. Air travel is currently reported for locations worldwide using our primary corporate travel agencies, including our recent acquisitions. We estimate that the data not currently reported is small and represents less than 10 percent of our total travel.

Data prior to the 2015 base year will not be recalculated.

### Data input and calculation methodology

Lexmark calculates energy usage for all owned and operated sites. Data is calculated from utility bills, onsite refrigerant tracking, maintenance records, and so on. 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.

Leased/owned vehicle reports are provided by rental agencies and/or site estimations. Travel agency partners provide reports for business travel via air.

Lexmark uses the World Business Council for Sustainable Development (WBCSD) and World Resource Institute (WRI) Greenhouse Gas (GHG) Protocol methodology to track greenhouse gas 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 Scope 2 Emissions

(Metric Tons CO <sub>2</sub> e)	2015
<b>Scope 1 Direct</b>	20,996
<b>Scope 2 Indirect</b>	112,737
<b>Total Scope 1 and Scope 2 Emissions</b>	133,733

### Scope 3 Emissions

(Metric Tons CO <sub>2</sub> e)	2015
<b>Scope 3</b>	40,496

### Total Scope 1, Scope 2, Scope 3 Emissions

(Metric Tons CO <sub>2</sub> e)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Scope 1 Direct</b>	28,679	23,272	21,169	20,765	18,066	17,531	18,431	16,263	15,624	20,461	20,996
<b>Scope 2 Indirect</b>	185,223	183,876	181,663	175,176	145,271	140,785	132,201	113,241	100,454	100,036	112,737
<b>Scope 3</b>	12,673	11,258	10,394	11,379	7,202	9,783	9,619	7,886	7,974	11,553	40,496
<b>Total Emissions</b>	226,575	218,406	213,226	207,320	170,539	168,099	160,251	137,390	124,052	132,050	174,229

### Normalized Direct GHG emissions Scope 1

(Metric Tons CO <sub>2</sub> e / \$M revenue)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	5	5	4	5	5	4	4	4	4	6	6

### Normalized Indirect GHG emissions Scope 2

(Metric Tons CO <sub>2</sub> e / \$M revenue)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	35	36	37	39	37	34	32	30	27	27	32



## Normalized Other GHG emissions Scope 3

(Metric Tons CO <sub>2</sub> e / \$M revenue)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	2	2	2	3	2	2	2	2	2	3	11
Revenue	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
(\$M)	5,220	5,110	4,970	4,530	3,880	4,200	4,173	3,798	3,668	3,711	3,551

## REGULATED AIR EMISSIONS

(U.S. Short Tons)

<b>Methane</b>	2011	2012	2013	2014	2015
Lexington, KY, U.S.	0.16	0.16	0.13	0.12	0.12
Juarez, Mexico	0.00	0.00	0.00	0.00	0.00
Lapu-Lapu City, Philippines (Manufacturing)	0.00	0.00	-	-	-
<b>Volatile Organic Compounds (non-methane)</b>	2011	2012	2013	2014	2015
Boulder, CO, U.S.	6.06	5.08	4.58	4.39	4.28
Lexington, KY, U.S.	0.44	0.60	0.33	0.31	0.31
Juarez, Mexico	26.01	23.75	11.90	23.53	34.04
Lapu-Lapu City, Philippines (Manufacturing)	0.001	<0.0017	-	-	-
<b>SO<sub>x</sub></b>	2011	2012	2013	2014	2015
Lexington, KY, U.S.	0.12	0.28	0.06	0.05	0.06
Juarez, Mexico	0.03	0.03	0.03	0.03	0.03
Lapu-Lapu City, Philippines (Manufacturing)	0.03	0.04	-	-	-
<b>NO<sub>x</sub></b>	2011	2012	2013	2014	2015
Boulder, CO, U.S.	0.00	0.00	0.01	-	-
Lexington, KY, U.S.	7.75	6.86	5.93	5.44	5.49
Juarez, Mexico	2.52	2.69	2.44	2.66	3.15
Lapu-Lapu City, Philippines (Manufacturing)	0.14	0.24	-	-	-

<b>CO<sub>2</sub></b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Boulder, CO, U.S.	414.00	396.40	372.10	358.05	347.90
Lexington, KY, U.S.	8,342.00	7,335.00	6,922.00	6,097.00	6,038.81
Juarez, Mexico	3,402.80	3,416.03	3,090.85	3,382.96	4,009.65
Lapu-Lapu City, Philippines (Manufacturing)	127.13	90.52	-	-	-
<b>Particulate Matter (PM10)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Boulder, CO, U.S.	0.07	0.05	0.06	0.06	0.06
Lexington, KY, U.S.	0.59	0.52	0.45	0.41	0.41
Juarez, Mexico	0.31	0.35	4.34	0.25	0.24
Lapu-Lapu City, Philippines (Manufacturing)	0.02	0.07	-	-	-
<b>Hazardous Air Pollutant</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Boulder, CO, U.S.	0.45	0.34	0.24	0.25	0.17
Lexington, KY, U.S.	0.12	0.11	0.10	0.09	0.09
<b>Toxic Release Inventory<sup>1</sup></b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Boulder, CO, U.S.	1.94	1.75	1.85	1.53	*
Juarez, Mexico	-	-	-	4,165.95	*

## Normalized Regulated Air Emissions

(U.S. Short Tons per year/\$B Revenue)

<b>Methane</b>	2011	2012	2013	2014	2015
Lexington, KY, U.S.	0.04	0.04	0.04	0.03	0.03
Juarez, Mexico	0.00	0.00	0.00	0.00	0.00
Lapu-Lapu City, Philippines (Manufacturing)	0.00	0.00	-	-	-
<b>Volatile Organic Compounds (non-methane)</b>	2011	2012	2013	2014	2015
Boulder, CO, U.S.	1.45	1.34	1.25	1.18	1.21
Lexington, KY, U.S.	0.11	0.16	0.09	0.08	0.09
Juarez, Mexico	6.23	6.25	3.25	6.34	9.59
Lapu-Lapu City, Philippines (Manufacturing)	0.00	0.00	-	-	-
<b>SO<sub>x</sub></b>	2011	2012	2013	2014	2015
Lexington, KY, U.S.	0.03	0.07	0.02	0.01	0.02
Juarez, Mexico	0.01	0.01	0.01	0.01	0.01
Lapu-Lapu City, Philippines (Manufacturing)	0.01	0.01	-	-	-
<b>NO<sub>x</sub></b>	2011	2012	2013	2014	2015
Boulder, CO, U.S.	0.00	0.00	0.00	-	-
Lexington, KY, U.S.	1.86	1.81	1.62	1.47	1.55
Juarez, Mexico	0.60	0.71	0.66	0.72	0.89
Lapu-Lapu City, Philippines (Manufacturing)	0.03	0.06	-	-	-

<b>CO<sub>2</sub></b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Boulder, CO, U.S.	99.28	104.32	101.39	96.51	98.00
Lexington, KY, U.S.	2,000.48	1,930.26	1,886.10	1,643.40	1,701.07
Juarez, Mexico	815.43	899.43	842.65	911.85	1,129.48
Lapu-Lapu City, Philippines (Manufacturing)	30.46	23.83	-	-	-
<b>Particulate Matter (PM10)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Boulder, CO, U.S.	0.02	0.01	0.02	0.02	0.02
Lexington, KY, U.S.	0.14	0.14	0.12	0.11	0.12
Juarez, Mexico	0.07	0.09	1.18	0.07	0.07
Lapu-Lapu City, Philippines (Manufacturing)	0.00	0.02	-	-	-
<b>Hazardous Air Pollutant</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Boulder, CO, U.S.	0.11	0.09	0.07	0.07	0.05
Lexington, KY, U.S.	0.03	0.03	0.03	0.02	0.03
<b>Toxic Release Inventory<sup>1</sup></b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Boulder, CO, U.S.	0.46	0.46	0.5	0.41	*
Juarez, Mexico	-	-	-	1,122.90	*
<b>Revenue</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
(\$B)	4.17	3.80	3.67	3.71	3.55

Reporting scope: Lexmark facilities, Lexington, Kentucky (U.S.), Boulder, Colorado (U.S.), Juarez, Mexico, provide data for regulated air emissions of reportable quantities. Lapu-Lapu City, Philippines reported data in 2011 and 2012.

<sup>1</sup> Toxic Release Inventory (TRI) Program in the United States; Registro de Emisiones y Transferencia de Contaminantes (RETC) in Mexico.

\* Estimated 2015 data availability for TRI (Boulder, CO, U.S.) and RETC (Juarez, Mexico) - third quarter 2016.

## Greenhouse gas consumption boundary and accounting methodology

### Organizational boundary

The boundary for greenhouse gas 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; Shawnee, Kansas; Cebu, Philippines; Juarez, Mexico; Kolkata, India; Frankfurt, Germany; Freiburg, Germany; Budapest, Hungary; Basingstoke, United Kingdom; Belfast, Ireland; Suresnes, France; Maidenhead, United Kingdom and Mulheim, Germany, representing 77 percent of Lexmark's 2015 square footage of occupied space.
- Scope 1 refrigerant usage was reported for Lexington, Kentucky; Boulder, Colorado; Juarez, Mexico; Cebu, Philippines and Kolkata, India, representing 70% of Lexmark's 2015 square footage of occupied space.
- Scope 1 fleet 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, Philippines.

The Scope 2/Indirect emissions boundary was expanded in 2015 to include leased spaces that were not traditionally reported, including those acquired via recent business changes. The data represents approximately 100 percent of Lexmark's 2015 square footage of occupied space. The scope of reporting is indirect energy consumption/electrical power purchased for use at these locations.

The Scope 3 emissions boundary covers business travel worldwide based on availability of data. 2015 reporting covers the U.S. (rentals and fleet vehicles), Canada (rentals and

fleet vehicles), India, Cebu, Shenzhen, Juarez, Switzerland, Austria, Germany and Budapest. Air travel is currently reported for locations worldwide using our primary corporate travel agencies, and includes our recent acquisitions. We estimate that the data not currently reported is small and represents less than 10 percent of our total travel. Additionally, Lexmark subleases over which Lexmark does not have operational control are included in the boundary.

Data prior to the 2015 base year will not be recalculated.

### Data input and calculation methodology

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

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 emissions are calculated based on rental vehicle reports that are provided by rental agencies. Travel agency partners provide reports for business travel via air.

Lexmark publicly reports greenhouse gas 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 (GHG) Protocol methodology, we track greenhouse gas emissions, as well as our use of natural gas, fuel oil, diesel, gasoline and electricity.

# Data Dashboard / Water

## Total Water Usage

Total Water Usage	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
(m <sup>3</sup> )	1,030,342	926,427	972,795	899,129	719,349	781,553	624,576	693,143	513,833	471,779	425,853

## Normalized Total Water Usage

Normalized Total Water Usage	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
(m <sup>3</sup> /\$M revenue)	197	181	196	198	185	186	150	183	140	127	120

## Water Use and Discharge by Facility (m<sup>3</sup>)

	Water Use					Wastewater Discharge				
	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015
<b>Lexington, KY, U.S.</b>	269,488	249,318	193,986	188,665	188,421	269,488	249,318	94,346	91,266	94,602
<b>Boulder, CO, U.S.</b>	117,624	107,998	120,868	107,918	58,413	117,624	107,998	120,868	107,918	58,413
<b>Juarez, Mexico</b>	67,866	94,134	93,432	107,944	118,001	67,866	94,134	93,432	107,944	118,001
<b>Lapu-Lapu City, Philippines (Manufacturing)</b>	131,284	158,500	54,076	-	-	131,284	158,500	54,076	-	-
<b>Cebu City, Philippines (Research &amp; Dev)</b>	25,391	35,899	23,504	25,465	23,109	25,391	35,899	23,504	25,465	23,109
<b>Kolkata, India</b>	-	26,512	15,423	22,846	29,185	-	26,512	15,423	22,846	29,185
<b>Shawnee, KS, U.S.</b>	6,952	13,227	7,610	5,903	14	6,952	13,227	7,610	5,903	14
<b>Lenexa, KS, U.S.</b>	-	-	-	5,879	4,624	-	-	-	5,879	4,624
<b>Budapest, Hungary</b>	840	1,799	2,098	2,719	2,976	840	1,799	2,098	2,719	2,976
<b>Shenzhen, China</b>	1,291	1,594	1,348	1,520	1,110	1,291	1,594	1,348	1,520	1,110
<b>Other</b>	3,840	4,162	1,488	2,920	-	3,840	4,162	1,488	2,920	-
<b>Total</b>	<b>624,576</b>	<b>693,143</b>	<b>513,833</b>	<b>471,779</b>	<b>425,853</b>	<b>624,576</b>	<b>693,143</b>	<b>414,193</b>	<b>374,380</b>	<b>332,034</b>

Normalized Water Use and Discharge by Facility (m<sup>3</sup>/\$M revenue)

	Normalized Water Use					Normalized Water Discharge				
	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015
<b>Lexington, KY, U.S.</b>	64.6	65.6	52.9	50.9	53.1	64.6	65.6	25.7	24.6	26.6
<b>Boulder, CO, U.S.</b>	28.2	28.4	33.0	29.1	16.4	28.2	28.4	33.0	29.1	16.4
<b>Juarez, Mexico</b>	16.3	24.8	25.5	29.1	33.2	16.3	24.8	25.5	29.1	33.2
<b>Lapu-Lapu City, Philippines (Manufacturing)</b>	31.5	41.7	14.7	-	-	31.5	41.7	14.7	-	-
<b>Cebu City, Philippines (Research &amp; Dev)</b>	6.1	9.5	6.4	6.9	6.5	6.1	9.5	6.4	6.9	6.5
<b>Kolkata, India</b>	-	7.0	4.2	6.2	8.2	-	7.0	4.2	6.2	8.2
<b>Shawnee, KS, U.S.</b>	1.7	3.5	2.1	1.6	0.0	1.7	3.5	2.1	1.6	0.0
<b>Lenexa, KS, U.S.</b>	-	-	-	1.6	1.3	-	-	-	1.6	1.3
<b>Budapest, Hungary</b>	0.2	0.5	0.6	0.7	0.8	0.2	0.5	0.6	0.7	0.8
<b>Shenzhen, China</b>	0.3	0.4	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.3
<b>Other</b>	0.9	1.1	0.4	0.8	-	0.9	1.1	0.4	0.8	-
<b>Total</b>	<b>149.7</b>	<b>182.5</b>	<b>140.1</b>	<b>127.2</b>	<b>119.9</b>	<b>149.7</b>	<b>182.5</b>	<b>112.9</b>	<b>100.9</b>	<b>93.5</b>



## Lexmark Facilities Water Fees in U.S. \$M

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Lexington, KY, U.S.</b>	\$494,382	\$238,812	\$530,261	\$495,721	\$566,609	\$890,897	\$785,637	\$734,880	\$583,778	\$567,325	\$557,533
<b>Boulder, CO, U.S.</b>	\$127,181	\$134,477	\$90,055	\$91,848	\$82,566	\$102,230	\$120,713	\$114,833	\$141,088	\$129,315	\$100,304
<b>Juarez, Mexico</b>	\$309,737	\$359,979	\$377,382	\$507,840	\$329,040	\$260,261	\$388,283	\$406,461	\$416,684	\$413,385	\$374,585
<b>Lapu-Lapu City, Philippines (Manufacturing)</b>	\$130,142	\$118,151	\$152,218	\$178,763	\$180,365	\$238,488	\$175,904	\$218,685	\$76,853	-	-
<b>Cebu City, Philippines (Research &amp; Dev)</b>	-	-	\$6,302	\$6,163	\$15,723	\$35,584	\$39,968	\$46,201	\$29,644	\$29,304	\$26,795
<b>Other</b>	\$185,835	\$285,303	\$391,788	\$313,884	\$104,422	\$13,008	\$16,219	\$28,352	\$21,841	\$39,024	\$8,449
<b>Total</b>	<b>\$1,247,277</b>	<b>\$1,136,722</b>	<b>\$1,548,006</b>	<b>\$1,594,219</b>	<b>\$1,278,725</b>	<b>\$1,540,468</b>	<b>\$1,526,724</b>	<b>\$1,549,412</b>	<b>\$1,269,888</b>	<b>\$1,178,353</b>	<b>\$1,067,666</b>
<b>Revenue</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>(\$M)</b>	5,220	5,110	4,970	4,530	3,880	4,200	4,173	3,798	3,668	3,711	3,551

## 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 2015 water data represents approximately 77 percent of Lexmark's 2015 estimated square footage of Lexmark occupied space. Lexmark's acquisitions have accounted for increased total leased space worldwide. Reported data covers the 2015 calendar year.

Slight changes may occur in the reporting boundary for location changes. 2015 marks a boundary change to include full year reporting for Lexmark's new facility in Lenexa, Kansas. Additionally, the Richmond Hill, Canada, location moved to a new leased space in 2015, for which 2015 water data is not available. Locations marked "Other" account for small leased

locations that do not consistently report year to year. Historical data for Richmond Hill, Canada, will be moved to "Other" as will any future data for leased offices in Canada that provide data.

Water risks have been assessed using the [Aqueduct Water Risk Atlas](#).

**Data input and calculation methodology**

Metered readings and utility bills are used to calculate water usage, reuse and discharge.

# Data Dashboard / Waste

## Total waste generation enterprise level

(Metric tons)	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Non-Hazardous</b>	10,853	12,867	14,774	13,306	17,231	20,047	17,238	16,909	19,827
<b>Hazardous</b>	843	963	805	1,501	1,085	1,821	494	565	465
<b>Total</b>	<b>11,696</b>	<b>13,829</b>	<b>15,579</b>	<b>14,807</b>	<b>18,316</b>	<b>21,869</b>	<b>17,732</b>	<b>17,474</b>	<b>20,292</b>

## Normalized waste generation enterprise level

(Metric Tons/\$M revenue)	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Non-Hazardous</b>	2.2	2.8	3.8	3.2	4.1	5.3	4.7	4.6	5.6
<b>Hazardous</b>	0.2	0.2	0.2	0.4	0.3	0.5	0.1	0.15	0.13
<b>Total</b>	<b>2.4</b>	<b>3.1</b>	<b>4.0</b>	<b>3.5</b>	<b>4.4</b>	<b>5.8</b>	<b>4.8</b>	<b>4.7</b>	<b>5.7</b>

## Total waste generation facility level

(Metric tons)	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Lexington, KY, USA</b>	2,589	2,870	2,035	1,389	1,757	2,655	1,988	1,521	1,228
<b>Boulder, CO, USA</b>	2,312	2,565	1,991	2,570	2,870	3,849	3,340	3,083	2,833
<b>Juarez, Mexico, Manufacturing</b>	4,319	5,689	3,701	3,880	4,935	6,071	4,768	5,104	4,815
<b>Juarez, Mexico, LCCP Recycling Plant*</b>	---	256	6,314	5,703	7,791	8,513	7,533	7,662	11,345
<b>Cebu City, Philippines (Research &amp; Dev)</b>	---	453	226	146	179	187	104	105	70
<b>Lapu-Lapu City, Philippines (Manufacturing)</b>	1,329	1,175	1,313	1,119	784	594	---	---	---
<b>Chihuahua, Mexico</b>	1,146	822	---	---	---	---	---	---	---

## Non-hazardous waste generation facility level

(Metric tons)	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Lexington, KY, USA</b>	2,569	2,849	2,025	1,385	1,753	2,651	1,984	1,517	1,209
<b>Boulder, CO, USA</b>	1,934	2,115	1,730	2,180	2,825	3,816	3,311	3,057	2,794
<b>Juarez, Mexico, Manufacturing</b>	3,980	5,332	3,282	2,936	3,985	4,344	4,330	4,584	4,425
<b>Juarez, Mexico, LCCP Recycling Plant*</b>	---	255	6,309	5,695	7,788	8,511	7,530	7,655	11,332
<b>Cebu City, Philippines (Research &amp; Dev)</b>		444	223	136	169	165	83	95	67
<b>Lapu-Lapu City, Philippines (Manufacturing)</b>	1,228	1,052	1,205	974	711	560	---	---	---
<b>Chihuahua, Mexico</b>	1,142	819	---	---	---	---	---	---	---

## Hazardous waste generation facility level

(Metric tons)	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Lexington, KY, USA</b>	20	21	10	4	4	3	4	3	19
<b>Boulder, CO, USA</b>	378	450	261	390	45	33	28	26	39
<b>Juarez, Mexico, Manufacturing</b>	339	356	419	944	950	1,727	438	519	390
<b>Juarez, Mexico, LCCP Recycling Plant*</b>	---	1	5	8	3	2	3	6	13
<b>Cebu City, Philippines (Research &amp; Dev)</b>	---	9	3	11	9	22	21	9	4
<b>Lapu-Lapu City, Philippines (Manufacturing)</b>	102	123	108	145	73	34	---	---	---
<b>Chihuahua, Mexico</b>	5	3	---	---	---	---	---	---	---

\*LCCP Recycling Plant receives empty toner cartridges from customers for recycle or reuse.

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

(Metric tons)	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Reuse</b>	-	-	-	-	1,780	2,407	2,085	2,492	5,706
<b>Recycling</b>	7,347	10,162	12,439	11,470	12,126	13,079	11,161	10,680	11,133
<b>Composting</b>	-	-	-	-	25	20	20	13	10
<b>Energy Recovery</b>	259	282	719	1,022	1,723	3,720	1,732	1,626	847
<b>Incineration</b>	1,077	478	125	41	159	157	372	105	136
<b>Deep well injection</b>	-	-	-	-	-	-	-	-	-
<b>Landfill</b>	2,960	2,847	2,204	2,237	2,481	2,175	2,188	2,310	2,461
<b>On-site storage</b>	-	-	-	-	-	-	-	-	-
<b>Water Treatment</b>	54	60	92	38	22	311	176	248	-
<b>Total</b>	<b>11,697</b>	<b>13,829</b>	<b>15,579</b>	<b>14,807</b>	<b>18,316</b>	<b>21,869</b>	<b>17,732</b>	<b>17,474</b>	<b>20,292</b>

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

(Metric tons)	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Reuse</b>	-	-	-	-	1,439	2,051	1,928	2,095	5,475
<b>Recycling</b>	-	222	6,110	5,539	6,074	6,314	5,453	5,348	5,564
<b>Composting</b>	-	-	-	-	-	-	-	-	-
<b>Energy Recovery</b>	-	-	4	7	3	2	3	4	6
<b>Incineration</b>	-	0	-	-	-	-	-	-	-
<b>Deep well injection</b>	-	-	-	-	-	-	-	-	-
<b>Landfill</b>	-	35	200	157	275	141	149	215	300
<b>On-site storage</b>	-	-	-	-	-	-	-	-	-
<b>Water Treatment</b>	-	-	-	-	-	5	-	-	-
<b>Total</b>	<b>-</b>	<b>256</b>	<b>6,314</b>	<b>5,703</b>	<b>7,791</b>	<b>8,513</b>	<b>7,533</b>	<b>7,662</b>	<b>11,345</b>

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

(Metric tons)	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Reuse</b>	-	-	-	-	1,780	2,406	2,084	2,492	5,706
<b>Recycling</b>	6,934	9,644	12,125	10,917	12,001	13,070	11,144	10,672	11,131
<b>Composting</b>	-	-	-	-	25	20	20	13	10
<b>Energy Recovery</b>	7	48	410	254	887	2,154	1,323	1,206	715
<b>Incineration</b>	1,046	408	4	2	156	154	370	102	134
<b>Deep well injection</b>	-	-	-	-	-	-	-	-	-
<b>Landfill</b>	2,814	2,710	2,142	2,096	2,360	2,026	2,161	2,270	2,130
<b>On-site storage</b>	-	-	-	-	-	-	-	-	-
<b>Water Treatment</b>	53	57	92	37	22	217	136	154	-
<b>Total</b>	<b>10,853</b>	<b>12,867</b>	<b>14,774</b>	<b>13,306</b>	<b>17,231</b>	<b>20,047</b>	<b>17,238</b>	<b>16,909</b>	<b>19,826</b>

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

(Metric tons)	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Reuse</b>	-	-	-	-	-	1	1	-	-
<b>Recycling</b>	413	518	314	554	125	9	17	8	2
<b>Composting</b>	-	-	-	-	-	-	-	-	-
<b>Energy Recovery</b>	252	234	309	767	835	1,565	408	420	132
<b>Incineration</b>	31	70	120	39	3	3	2	3	1
<b>Deep well injection</b>	-	-	-	-	-	-	-	-	-
<b>Landfill</b>	146	138	61	141	122	150	27	39	330
<b>On-site storage</b>	-	-	-	-	-	-	-	-	-
<b>Water Treatment</b>	1	3	-	-	-	94	40	94	-
<b>Total</b>	<b>843</b>	<b>963</b>	<b>805</b>	<b>1,501</b>	<b>1,085</b>	<b>1,821</b>	<b>494</b>	<b>565</b>	<b>465</b>

## 2015 Non-hazardous waste generation by type

(Metric tons)	General	Recyclables	Ink/water mix or other liquid	Construction Debris	Batteries	Electronic Scrap
<b>Lexington, KY, USA</b>	200.1	673.9	7.7	-	2.5	324.3
<b>Boulder, CO, USA</b>	1,809.4	355.0	622.3	3.0	1.4	2.6
<b>Juarez, Mexico, Manufacturing</b>	1,918.5	2,204.6	288.3	-	-	13.8
<b>Juarez, Mexico, LCCP Recycling Plant*</b>	832.7	10,458.3	41.3	-	-	-
<b>Cebu City, Philippines (Research &amp; Dev.)</b>	0.2	66.6	-	-	-	1.8

## 2015 Hazardous waste generation by type

(Metric tons)	Ignitables/ solvents	Metals	Corrosive	Mercury/ Lamps	Other
<b>Lexington, KY, USA</b>	3.3	0.6	-	-	16.0
<b>Boulder, CO, USA</b>	35.0	-	0.2	-	4.2
<b>Juarez, Mexico, Manufacturing</b>	79.8	-	1.1	0.3	308.5
<b>Juarez, Mexico, LCCP Recycling Plant*</b>	5.9	-	-	-	6.9
<b>Cebu City, Philippines (Research &amp; Dev.)</b>	1.0	-	-	0.1	0.6

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

(%)	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Reuse</b>	-	-	-	-	10%	12%	12%	15%	29%
<b>Recycling</b>	64%	75%	82%	82%	70%	65%	65%	63%	56%
<b>Composting</b>	-	-	-	-	0%	0%	0%	0%	0%
<b>Energy Recovery</b>	0.1%	0.4%	3%	2%	5%	11%	8%	7%	4%
<b>Incineration</b>	10%	3%	0.03%	0.02%	0.9%	0.8%	2%	0.6%	1%
<b>Deep well injection</b>	-	-	-	-	-	-	-	-	-
<b>Landfill</b>	26%	21%	14%	16%	14%	10%	13%	13%	11%
<b>On-site storage</b>	-	-	-	-	-	-	-	-	-
<b>Water Treatment</b>	0.5%	0.4%	1%	0.3%	0.1%	1%	1%	1%	-

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

(%)	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Reuse</b>	-	-	-	-	-	0.1%	0.2%	-	-
<b>Recycling</b>	49%	54%	39%	37%	12%	0.5%	3%	1%	0.43%
<b>Composting</b>	-	-	-	-	-	-	-	-	-
<b>Energy Recovery</b>	30%	24%	38%	51%	77%	86%	83%	74%	28%
<b>Incineration</b>	4%	7%	15%	3%	0.3%	0.2%	0.4%	1%	0%
<b>Deep well injection</b>	-	-	-	-	-	-	-	-	-
<b>Landfill</b>	17%	14%	8%	9%	11%	8%	5%	7%	71%
<b>On-site storage</b>	-	-	-	-	-	-	-	-	-
<b>Water Treatment</b>	0.1%	0.3%	-	-	-	5%	8%	17%	-

## Hazardous waste transported, imported, exported or treated (G4-EN25) Basel Convention (2) Annex I, II, III and VIII

(Metric tons)	Hazardous Waste Transported			Hazardous Waste Imported			Hazardous Waste Exported Internationally			Hazardous Waste Treated		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
<b>Lexington, KY, USA</b>	4	3	19	-	-	-	-	-	-	4	3	19
<b>Boulder, CO, USA</b>	28	26	39	-	-	-	-	-	-	28	26	39
<b>Juarez, Mexico, Manufacturing</b>	438	519	390	-	-	-	-	-	-	438	519	390
<b>Juarez, Mexico, LCCP Recycling Plant*</b>	3	6	13	-	-	-	-	-	-	3	6	13
<b>Cebu City, Philippines (Research &amp; Dev.)</b>	21	9	4	-	-	-	4	-	-	21	9	4

## Hazardous waste shipped internationally

(%)	2013	2014	2015
<b>Lexington, KY, USA</b>	---	---	---
<b>Boulder, CO, USA</b>	---	---	---
<b>Juarez, Mexico, Manufacturing</b>	---	---	---
<b>Juarez, Mexico, LCCP Recycling Plant*</b>	---	---	---
<b>Cebu City, Philippines (Research &amp; Dev.)</b>	17.4%	---	---

## Total electronics waste recycling

(Metric tons)	2013 Voluntary	2013 Regulated	2014 Voluntary	2014 Regulated	2015 Voluntary	2015 Regulated
<b>USA</b>	29	1542	192	700	887	543
<b>Canada</b>	13	53	17	55	0	127
<b>EU</b>	0	2783	0	1806	0	1977

<sup>1</sup> Waste data is from 69% of Lexmark's owned development and manufacturing sites based on square feet.



# Data Dashboard / Employees

## 2015 Global workforce

Workforce	Employees	% Women	New hires
<b>Total Employees</b>	<b>14,057</b>	<b>37%</b>	<b>3,369</b>
Asia Pacific Total	3,565	45%	617
Europe, Middle East, Africa Total	2,715	34%	207
Latin America Total	3,272	47%	2,220
North America Total	4,505	25%	330

By job level	Employees	% Women
Vice President	56	14%
Director	189	17%
Senior Manager	87	29%
Manager	1,506	31%
Individual Contributor	12,219	38%
<b>Total</b>	<b>14,057</b>	<b>37%</b>

By employment type	Employees	% Women
Full time	13,939	36%
Part time	118	83%
<b>Total</b>	<b>14,057</b>	<b>37%</b>

<b>Temporary employees</b>	233	41%	
<b>Contingent workers</b>	2,802	34%	*38% of contractors reported their gender

Women worldwide	Workplace	Management	New hires
	37%	29%	45%

U.S. Minorities	Workplace	Management	New hires
	15%	13%	23%

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

Lexmark's worldwide minimum age is 18.

## 2015 Continuing training &amp; education

Employee Category	Number of Employees	Average Training Hours
Exec Vice President	56	26
Director	189	26
Senior Manager	87	40
Manager	1,506	40
Individual Contributor	12,219	40

Averages based on the corporate-level systems that capture employee development activities and do not include formal education supported by Lexmark.

## 2015 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	4.2	9%	0	0%	52	46%	0	0%	Not Reported	0%
Juarez, Mexico	0.16	2%	0	0%	2.97	50%	0	0%	Not Reported	0%
Lexington/North America	0.24	2%	0	0%	7.53	0%	0	0%	Not Reported	0%
China TSC	0	0	0	0%	0	0	0	0%	Not Reported	0%
Cebu, Philippines LRDC	0.04	100%	0	0%	16.55	0	0	0%	Not Reported	0%