

Statement US23/00000310

SGS

Greenhouse Gases Emissions and Environmental Data Statement

The inventory greenhouse gas emissions and environmental data in the period  
01/01/2022 – 31/12/2022 for

# Lexmark International Inc.

740 W. New Circle Road, Lexington, KY 40550, USA

has been verified in accordance with ISO 14064-3:2006 as meeting the requirements of  
for GHG emissions: **WRI/WBCSD GHG Protocol – A Corporate Accounting and Reporting Standard**  
for Environmental Data: **Principles of completeness, transparency, accuracy, consistency and relevance**

For the following activities:  
“Printing and imaging products, software and solutions”

Disclosing:  
**12,998** metric tonnes of CO<sub>2</sub> equivalent Scope 1  
**57,450** metric tonnes of CO<sub>2</sub> equivalent Scope 2 (location based) or **45,267** metric tonnes of CO<sub>2</sub> equivalent Scope 2 (market based)  
**11,299** metric tonnes of CO<sub>2</sub> equivalent Scope 3 (Categories 3,5,6,7)  
**261,423** cubic meters of potable water withdrawn  
**19,591** cubic meters of non-potable (rainfall) water withdrawn

Lead Auditor: Ursula Antunez de Mayolo Corzo.

Support Auditor: Riham Abdel Mohsen

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Statement date: June 16th, 2023

URSULA ANTUNEZ DE MAYOLO CORZO

Authorized by:  
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# Lexmark International Inc.



## Brief Description of Verification Process

SGS has been contracted by Lexmark International Inc. for the verification of direct and indirect carbon dioxide equivalent (CO<sub>2</sub>e) emissions and environmental data as provided by Lexmark International Inc., in their "Corporate Social Responsibility Report" covering CO<sub>2</sub>e emissions and environmental data (Water Withdrawal).

## Statement of independence and competence

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing; sustainability report assurance and greenhouse gases verification. SGS affirms our independence from Lexmark International Inc., being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised Lead Verifiers in Greenhouse Gases and Environmental Data Reporting.

## Roles and responsibilities

The Corporate Sustainability and EH&S Team of Lexmark International Inc. are responsible for the organization's GHG and environmental data information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation, determination and reporting of GHG emissions and environmental data information.

It is SGS' responsibility to express an independent verification opinion on the GHG emissions and environmental data as provided in the Lexmark International Inc.'s assertion for the period 01/01/2022 – 31/12/2022. As independent auditors to Lexmark International Inc. our work was conducted based on current best practice in independent verification and in accordance with SGS policies regarding impartiality and independence. SGS has no conflict of interest in relation to providing these services to Lexmark International Inc.

SGS conducted a third-party verification following the requirements of ISO 14064-3:2006 of the provided GHG and environmental data assertion. The verification was based on the verification scope, objectives and criteria as agreed between Lexmark International Inc. and SGS. The assessment included an off-site audit (virtual) for their facilities in Lexington and Boulder (USA), Cebu (Philippines), Juarez (Mexico), Budapest (Hungary), Kolkata (India), China and a Corporate review of the calculations at the leased offices with the Corporate team.

## Scope

Lexmark International Inc. has commissioned an independent verification by SGS of reported CO<sub>2</sub>e emissions and environmental data arising from their operations, to establish conformance with the requirements of the WRI/WBCSD Corporate GHG Protocol and the principles of completeness, transparency, accuracy, consistency and relevance for environmental data, within the scope of the verification as outlined below. Data and information supporting the CO<sub>2</sub>e assertion were historical in nature, projected, and proven by evidence. This engagement covers verification of emissions from anthropogenic sources of greenhouse gases and environmental data included within the organization's boundary and meets the requirements of the WRI/WBCSD Corporate GHG Protocol.

- Organizational boundary: Operational Control approach.
- Description of activities: "Printing and imaging products, software and solutions"
- Location of the activities: 6 main sites (2 manufacturing sites and 4 offices), plus leased offices. Site locations: Lexington, KY (US/NA); Boulder, CO (US/NA); Cebu City, Philippines (AP); Juarez, Mexico (NA); Kolkata, India (AP); Budapest, Hungary (EMEA), China and leased offices.
- GHG sources included:
  - Scope 1 – Direct GHG emissions: Stationary/mobile combustion and fugitive emissions. There were no process emissions. There are no removals.
  - Scope 2 – Indirect GHG emissions: Purchased electricity, location based or market based (after RECs applied)
  - Scope 3 – Indirect GHG emissions including:
    - Category 3 – Indirect GHG emissions: Fuel and Energy Related Activities, not in Scope 1 and 2- T&D Losses of electricity.
    - Category 5 – Indirect GHG emissions: Waste in Operations.
    - Category 6 – Indirect GHG emissions: Business Travel -Flights and Rental cars
    - Category 7 – Indirect GHG emissions: Employee Teleworking
- Exclusions and Justifications:
  - Category 1 emissions from CO<sub>2</sub> shielding gas, dry ice, and acetylene have been excluded due to low materiality.
- GHGs included: CO<sub>2</sub>, N<sub>2</sub>O, CH<sub>4</sub>, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>. GHG emissions from non-Kyoto gases were reported separately.
- Types of environmental data included: Total water (potable and non-potable) consumed
- Information for the following period was verified: 01/01/2022 – 31/12/2022.
- Intended user of the verification statement: Internal and Public for CDP disclosure.
- Global Warming Potentials (GWPs): IPCC AR4, 2007.
- Directed actions: Renewable Energy Certificates (RECs) purchased for 29,354 MWh to cover 100% of the Juarez factory in Mexico and 13% of Lexington, KY headquarters of total electricity consumption with renewable sources.



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# Lexmark International Inc.

## Objective

The purposes of this verification exercise are, by review of objective evidence, to independently review:

- Whether the CO<sub>2</sub>e emissions and environmental data are as declared by the organization's GHG assertion
- That the data reported is accurate, complete, consistent, transparent and free of material error or omission.

## Criteria

The criteria against which the verification was carried out are the requirements of the WRI/WBCSD GHG Protocol – “Corporate Accounting and Reporting Standard and the GHG Protocol” and “Corporate Value Chain (Scope 3) Accounting and Reporting Standard” for GHG Inventory; and the principles of completeness, transparency, accuracy, consistency and relevance for environmental data.

## Level of Assurance

The level of assurance agreed is *limited*.

## Materiality

The materiality required of the verification was considered by SGS to be below 10% for limited level of assurance, based on the needs of the intended user of the GHG and environmental data Assertion

## Conclusion

Lexmark International Inc. provided their GHG and environmental data assertion based on the requirements of WRI/WBCSD Corporate GHG Protocol and the principles of completeness, transparency, accuracy, consistency and relevance. The GHG emissions and environmental data information for the period 01/01/2022 – 31/12/2022 were verified by SGS to a limited level of assurance, consistent with the agreed verification scope, objectives, and criteria, disclosing:

- **12,998 metric tonnes of CO<sub>2</sub>e for Scope 1,**
- **57,450 metric tonnes of CO<sub>2</sub>e for Scope 2 (location based) or 45,267 metric tonnes of CO<sub>2</sub> equivalent Scope 2 (market based)**
- **11,299 metric tonnes of CO<sub>2</sub>e Scope 3 (Categories 3,5,6,7)**
- Separately, it was reported **50.01 metric tonnes CO<sub>2</sub>e** from non-Kyoto gases
- **261,423 cubic meters of potable water withdrawn**
- **19,591 cubic meters of non-potable (rainfall) water withdrawn**

SGS' approach is risk-based, drawing on an understanding of the risks associated with modeling information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the voluntary reporting of emission and environmental data information.

SGS concludes with limited level of assurance that there is no evidence to suggest that the reported CO<sub>2</sub> equivalent and environmental data assertion is not materially correct and is not a fair representation of GHG and environmental data and information based on the calculation methodologies utilized. We planned and performed our work to obtain the information, explanations and evidence that we considered necessary to provide a limited level of assurance that the CO<sub>2</sub>e emissions and environmental data are fairly stated.

## Limitations

The assessment was conducted offsite for a limited level of assurance with 10% materiality, therefore, it is highly recommended to conduct an on-site verification for key sites for the following periods. Furthermore, consider increasing the level of assurance to reasonable with 5% materiality for carbon reduction or neutrality claims.

This statement shall be interpreted with the CO<sub>2</sub>e and environmental data in the “Corporate Social Responsibility Report” of Lexmark International Inc. as a whole.

Note: This Statement is issued, on behalf of Client, by **SGS North America Inc.** - 201 Route 17 North, 7th and 8th Floors, 07070. Rutherford, New Jersey, United States of America. (“SGS”) under its General Conditions for GHG Validation and Verification Services. The findings recorded hereon are based upon an audit performed by SGS. A full copy of this statement and the supporting GHG Report may be requested to **Lexmark International Inc.** This Statement does not relieve Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.



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