

Corporate Social Responsibility Report



A MESSAGE FROM PAUL ROOKE

Lexmark's Chairman and Chief Executive Officer talks about the importance of corporate social responsibility to Lexmark.

[Learn More](#)



HIGHLIGHTS



Lexmark's CSR progress

Learn more about our strategic goals, targets and the progress we've made this year.

[Read More](#)



Economic highlights

Learn more about Lexmark's continued inclusion in the Dow Jones Sustainability World Enlarged Index, one of the most recognized sustainability benchmarks for investors around the globe.

[Read More](#)



Environmental highlights

Learn how we're improving the energy efficiency of our product offerings through innovative design to decrease our impact on the environment.

[Read More](#)



Social highlights

Explore how Lexmark is committed to developing hardware and solutions that are designed with input from customers with a variety of abilities to provide a better user experience and to increase product accessibility for everyone.

[Read More](#)



SOCIAL RESPONSIBILITY IS OUR BUSINESS

Corporate Social Responsibility has become one of those meaningful issues that periodically emerge that cannot be dismissed as merely a trend.

Government agencies, businesses and individuals alike have embraced the concept in a much broader sense than merely an economic one. Sustainability must be integrated into human rights, societal issues and perhaps most important, the environment. It is a generational issue — perhaps the major issue of our time.

At Lexmark, we operate our business in a manner that results in a better world from both a humanitarian and an ecological perspective. We build products that positively impact all the people our company touches and all those who touch our products. From the first glint of an idea, to a product's end of life; from our employees and their families, to our neighbors; from our suppliers to our shareholders; from our political governments, to their citizens.

We believe that accessible and regular documentation of our efforts to be a responsible corporate citizen is critical to improvement in our sustainability efforts. We are committed to transparency in running our business as well as in the reporting of environmental and social progress.

We have identified six components of sustainability that, in particular, have substantial materiality to our operations and this report is segmented by those components. Measuring progress against and in the context of goals and objectives is an integral part of Lexmark's management approach.

1 Economic	3 Labor Practices	5 Environment
2 Society	4 Human Rights	6 Product Responsibility

Lexmark is committed to honest exchanges and believes that exploration and dialogue relative to these issues will result in advancing our efforts. We want to engage our stakeholders on every level and we realize their input is relevant and beneficial.

In essence, we are all stakeholders in each other. Constructive feedback is an important tool to help us enhance our sustainability. [Click here](#) to contact us.

HIGHLIGHTS



Key Performance Indicators

Key Performance Indicators (KPI) help an organization define and measure progress toward organizational goals.

[View KPIs](#)



Lexmark's global presence

A map of Lexmark's global operations with information on each location.

[View Map](#)



Letter from Paul Rooke

An introduction to our sustainability report by Lexmark's Chairman and CEO.

[Read Letter](#)



Acquisitions

Acquisitions advance Lexmark's transition from a hardware-focused company to a leading end-to-end solutions provider.

[Read More](#)

CEO LETTER



The release of Lexmark's 2012 Corporate Social Responsibility (CSR) report marks Lexmark's fifth annual Global Reporting Initiative (GRI) guided Corporate Social Responsibility report. As I reflect on the past five years, I am proud of all we have achieved. Since 2008, Lexmark's corporate social responsibility programs have grown stronger in both depth and breadth.

GRI
1.1, 4.2

We have deepened our commitment to social responsibility and environmental sustainability. Since our company issued its first Corporate Social Responsibility report, we have ingrained design for environment in our solutions development processes, enhanced our environmental and social compliance programs, partnered with community organizations and customers on initiatives that benefit the community, strengthened our volunteerism efforts, enhanced employee benefits and much more.

We have also broadened our overall efforts to include more areas of social responsibility. The focus we have applied to STEM initiatives in our communities, the development of socially beneficial solutions for our customers, and building a more responsible supply chain are just a few examples of the things we've done to build the holistic CSR program we have today.

We have undertaken all of these efforts to better serve the needs of our customers and live up to the expectations of our employees, the greater community and shareholders. We strive to be a leader in corporate social responsibility, both in thought and action.

I'd like to thank the Lexmark employees who have made this happen even in the most challenging of business climates, our valued customers who have provided Lexmark with feedback on their needs and partnered with us to make their business and communities more sustainable, and the communities that have welcomed Lexmark as a partner. As we embark on our next five years, I look forward to working with all of you to make our world even better.

Paul Rooke
Chairman and Chief Executive Officer
Lexmark International, Inc.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICIES

At Lexmark International, our policies for environmental and social justice, environmental health and safety, corporate responsibility, and climate change, as well as the Lexmark Supplier Code of Conduct, are based on a profound respect for people and our planet.

GRI
4.8

To demonstrate our ongoing commitment to a better global society, and preservation and maintenance of our Earth, we have developed and embraced guidelines, procedures, and a course of action for all facets of Lexmark that interact with our employees, our customers, our business partners, and the world at large. At Lexmark, we believe these policies are the prudent and wise way to manage both our business affairs and our obligations to our world.

Corporate Social Responsibility programs and policies are established and directed by the Lexmark Sustainability Department, Corporate Social Responsibility Cross-Functional Team, and Sustainability Cross-Functional Team in close collaboration with teams across the company (including those in Development, Facilities, Human Resources, and SupplyBase Management), our supply chain, our partners, as well as many others.

Lexmark Sustainability Leadership Team



Deb MacKay
Vice President,
Customer Experience,
Quality and Sustainability



John D. Gagel
Corporate Manager,
Sustainability,
Corporate Social
Responsibility Cross
Functional Team (CFT)
Chairperson



Holly Brown
Sustainability Cross
Functional Team (CFT)
Chairperson

CSR POLICIES



Corporate Social Responsibility Policy



Environmental & Social Justice Policy



Corporate Environmental, Health & Safety Policy



Climate Change Policy (New!)

RISKS, OPPORTUNITIES AND IMPACTS

The Lexmark social and environmental impacts are divided into three focus areas and are addressed by corresponding initiatives: product initiatives, operational initiatives, and community initiatives.

GRI
1.2, 4.11,
EC2, SO9

- *Product initiatives* relate to the environment and social benefits of the solutions we develop. These solutions help our customers reduce their environmental footprints, meet the accessibility needs of their workforce, and operate in a more responsible manner.
- *Operational initiatives* are all the things we do 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.
- *Community initiatives* are all the things we do to environmentally and socially improve the communities in which we live and work.

At Lexmark, legal compliance in these areas is priority one. 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.

For product initiatives, 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®), which is a method for consumers to evaluate the effect of a product on the environment. (For more information, go to www.epeat.net.) During this last reporting period, Lexmark research and development also focused more on social innovation, that is, innovation that provides benefit to greater society. For example, Lexmark's Accessibility Council worked to develop enhanced accessibility features and solutions for 2012 Lexmark products, which include screen magnification and improved physical accessibility.

For operational initiatives, we made great progress reducing the environmental impacts of our Lexmark operations. At our headquarters in Lexington, Kentucky, for example, we have significantly reduced the footprint for each employee in an ongoing site-consolidation project. In addition to increasing interactions among employees, our new consolidated space also reduces energy consumption significantly.

For community initiatives, we prioritized our corporate community focus on initiatives that support STEM (science, technology, engineering, and math) education improvement and promote diversity. By concentrating Lexmark's resources on improvements in these areas, we have made significantly more progress than with a focus on a broader range of issues. Also, as Lexmark acquires more companies, we focus on learning from these new communities we now share and look for opportunities to combine corporate and community resources to create stronger and more effective community programs.

Although we achieved many of our goals for the reporting period, the company is committed to continual improvement in these focus areas. In 2013 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 more 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 impacts of Lexmark regulatory topics, see Lexmark [Form 10-K](#).

2. ELECTRONIC WASTE OBLIGATION

The Waste Electrical and Electronic Equipment Directive (or WEEE Directive) issued by the European Union require producers of electrical and electronic goods to be financially responsible for specified collection, recycling, treatment, and disposal of past and future covered 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 impacts 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 use is one of the most effective ways to reduce greenhouse gas emissions, a major contributor to climate change. Lexmark 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.

REPORT PARAMETERS

The Lexmark International annual CSR Report is global in scope and covers major operations, manufacturing, and research and development facilities in the Americas, Europe, and Asia for the fiscal year ending December 31, 2012, unless otherwise noted. The basis for reporting on other matters specific to the operations of our business, including joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can affect comparability from period to period, can be found in the Lexmark Annual Report on Form 10-K, which is filed with the Securities and Exchange Commission. We intend to continue to publish an annual CSR Report. If you have questions regarding this report or any of its contents, please [contact us here](#).

GRI
3.1-3.11,
3.13

The CSR reporting process itself continues to give us an ever-clearer picture of how we can strengthen the report and make it more meaningful. We are applying lessons learned and instituting procedures to improve future reports. We have chosen not to seek external assurance for this report but continue to evaluate assurance options as we go forward.

REPORT SCOPE AND BOUNDARY

At the heart of Lexmark sustainability efforts is our desire to maintain a balance between the economic, environmental, and social needs of the world today without compromising the opportunities of future generations. We understand that this commitment to sustainable principles requires continual, diligent evaluation of our business practices in light of our aspirations. The scope of this report includes the following social-responsibility areas.



This report is designed to address the disclosure needs of our stakeholders by providing data on the significant CSR issues and the effects of those issues on our business processes and performance. To help ensure that our reporting efforts are productive, we have identified and reported on the issues we believe to be the most relevant, useful, and timely.

Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report are noted where applicable throughout this report.

The scope, boundary, and measurement methods used in the preparation of the 2012 CSR Report do not differ significantly from previous reports.

MATERIALITY

Lexmark identifies critical social issues within our sustainability strategy through communications with stakeholders, including customers, shareholders and employees. Our efforts are prioritized, based on their needs, but balanced to maintain alignment with our vision and values.

This matrix visually shows the relative emphasis Lexmark places on the various CSR areas.



Restatements from previous reports

Note: all dollar amounts in this report are in US Dollars (USD).

GRI GUIDELINES

We considered the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G3.1) when preparing this report.

100%
ADDRESSED!

This report addresses 100 percent of all GRI indicator topics including environmental, product, finance & economics, society, human rights and labor. Lexmark self-declares this report to GRI Application Level A.

[View the GRI/UNGC Index](#)

PREVIOUS CSR REPORTS

Please click on the links below to download and view previous Lexmark CSR reports.

[2011 CSR Report](#)

[2010 CSR Report](#)

[2009 CSR Report](#)

[2008 CSR Report](#)

[2007 Environmental Sustainability Report](#)

GOVERNANCE AND EXTERNAL ENGAGEMENT

CORPORATE GOVERNANCE

Lexmark is governed by a 12-member board of directors, consisting of 1 executive and 11 independent, nonexecutive directors. The board is chaired by CEO, Paul Rooke. For additional information about governance, see the Lexmark [Form 10-K](#) and proxy statement. For additional information about the board composition and qualifications, see on our [Investor Relations page](#).

GRI
4.1, 4.3,
4.5-7,
4.9-10,
4.13-17,
SO5

BOARD OF DIRECTORS STRUCTURE

The Lexmark board of directors regularly reviews our corporate governance practices, including the current classified structure of Lexmark's board of directors. After careful consideration, including valuable shareholder input, the board determined that it is in the best interests of Lexmark and stockholders to declassify the board which, when fully implemented, will allow stockholders to vote on the election of the entire board each year, rather than on a staggered basis as with the current classified board structure. At the 2013 Annual Meeting of Stockholders, Lexmark's stockholders approved an amendment to Lexmark's Restated Certificate of Incorporation to declassify the board. Each director elected by stockholders after the 2013 Annual Meeting of Stockholders shall serve one-year terms. Directors elected by stockholders in 2011, 2012 and 2013 shall continue to serve the remainder of their three-year terms.

COMMITMENTS TO EXTERNAL ENGAGEMENT

Lexmark engages with stakeholders including customers, employees, shareholders, communities, governmental agencies and non governmental organizations (NGOs). We engage with these stakeholders because of our significant symbiotic impacts.


Lexmark engages in public policy and standards development through our involvement in industry coalitions and trade associations at the local, state, federal, and international level. The Information Technology Industry Council (ITI), ITI Environmental Leadership Council, DIGITAL EUROPE, Greater Lexington Chamber of Commerce, U.S. Information Technology Office, National Chamber of Commerce, Australian Information Industry Association (AIIA), Business Imaging Association of Australia (BIAA), Information Technology Association of Canada (ITAC), American National Standards Institute (ANSI), Ecma International, Association Connecting Electronics Industries, Bundesverband Informationswirtschaft Telekommunikation (BITKOM), European Imaging Association (EURIMAG) and Deutsches Institut für Normung (DIN) are a few of the organizations with which we engage.


Lexmark is active in these groups because we want to participate in the industry and public policy discussions led by these organizations and take advantage of those collective resources. We engage with these groups in meetings and by participating in and leading committees, conference calls, and electronic communications. Topics that have been discussed in the past year include standards and regulations that affect product design, as well as federal reporting requirements.

Key Performance Indicators

MATERIALS	<h2>IMPACT AREA: MATERIALS</h2> <p>Objective: Reduce overall use of virgin materials in products</p> <p>Target: Increase post-consumer recycled (PCR) content to a minimum of 10 percent of the total plastic components.</p> <p>2012 Progress: Lexmark's newest printer line contains a PCR content of up to 40 percent by weight of the plastic components.</p> <p>Read More</p>		MATERIAL CONSERVATION	CLIMATE CHANGE	WATER	WASTE	ENERGY	SUPPLY CHAIN	CONFLICT MINERALS
	01	02	03	04	05	06	07	08	

MATERIALS	MATERIAL CONSERVATION	<h2>IMPACT AREA: MATERIAL CONSERVATION</h2> <p>Objective: Recover hardware and reduce waste associated with our products</p> <p>Target: Achieve a 30 percent increase in hardware collection and recycling (2007-2014)</p> <p>2011 Progress: Lexmark recycled more than 5,500 metric tons of electronic waste in the United States, Canada and Europe in 2011.</p> <p>Read More</p>		CLIMATE CHANGE	WATER	WASTE	ENERGY	SUPPLY CHAIN	CONFLICT MINERALS
	01	02	03	04	05	06	07	08	

MATERIALS	MATERIAL CONSERVATION	CLIMATE CHANGE	<h3>IMPACT AREA: CLIMATE CHANGE</h3> <p>Objective: Reduce greenhouse gas emissions</p> <p>Target: Reduce greenhouse gas emissions by 20 percent (2005-2017)</p> <p>2012 Progress: Lexmark reduced its total greenhouse gas emissions by 39 percent from 2005-2012</p> <hr/> <p>Target: Decrease greenhouse gas emissions from product transport by 180,000 tonnes of CO₂e.</p> <p>2012 Progress: Lexmark reduced transportation emissions by 138,000 tonnes of CO₂e.</p> <p>Read More</p>	WATER	WASTE	ENERGY	SUPPLY CHAIN	CONFLICT MINERALS
01	02	03		04	05	06	07	08

MATERIALS	MATERIAL CONSERVATION	CLIMATE CHANGE	WATER	<h3>IMPACT AREA: WATER</h3> <p>Objective: Conserve and reuse water</p> <p>Target: Reduce water usage 20 percent (2005-2017)</p> <p>2012 Progress: Lexmark achieved a 33 percent reduction in water usage versus baseline year 2005.</p> <hr/> <p>Target: Complete Lexmark's six point water conservation plan by the end of 2017</p> <p>2012 Progress: Lexmark has addressed all points of this water conservation plan. Please refer to this chart in the water usage section of this report.</p>	WASTE	ENERGY	SUPPLY CHAIN	CONFLICT MINERALS
01	02	03	04		05	06	07	08

MATERIALS	MATERIAL CONSERVATION	CLIMATE CHANGE	WATER	WASTE	<h3>IMPACT AREA: WASTE</h3> <p>Objective: Minimize waste</p> <p>Target: Maintain a 75 percent recycling rate of waste generated.</p> <p>2012 Progress: Lexmark has maintained 75 percent recycling rate of waste generated.</p> <hr/> <p>Target: Achieve a 30 percent increase in hardware collection and recycling (2007-2014)</p> <p>2012 Progress: Lexmark has increased its hardware collection rate by 38 percent from 2010 to 2012.</p> <hr/> <p>Target: Expand coverage of the Lexmark Equipment Collection Program.</p> <p>2012 Progress: Lexmark has increased its coverage to Canada and Australia.</p> <p>Read More</p>	ENERGY	SUPPLY CHAIN	CONFLICT MINERALS
01	02	03	04	05		06	07	08



MATERIALS	MATERIAL CONSERVATION	CLIMATE CHANGE	WATER	WASTE	ENERGY	<h3>IMPACT AREA: ENERGY</h3> <p>Objective: Conserve energy (reduce use of fossil fuels)</p> <p>Target: Achieve a 20 percent reduction in electricity consumption for headquarters, manufacturing and development (2005-2017)</p> <p>2012 Progress: Lexmark's total energy consumption decreased by 25 percent from 2005-2012. This decrease is a result of more energy-efficient operations, reductions in facility space and reductions in production.</p> <hr/> <p>Target: Optimize Lexmark's product transportation system.</p> <p>2012 Progress: Lexmark increased full container delivery loads by 19 percent and reduced air shipments by 15 percent.</p> <p>Read More</p>	SUPPLY CHAIN	CONFLICT MINERALS
01	02	03	04	05	06		07	08



MATERIALS

01

MATERIAL CONSERVATION

02

CLIMATE CHANGE

03

WATER

04

WASTE

05

ENERGY

06

SUPPLY CHAIN

07

IMPACT AREA: SUPPLY CHAIN

Target: Reduce the environmental impact of Lexmark vehicles

2012 Progress: Lexmark achieved fuel savings of up to 70 percent by replacing older vehicles with more fuel efficient vehicles.

[Read More](#)

CONFLICT MINERALS

08

MATERIALS

01

MATERIAL CONSERVATION

02

CLIMATE CHANGE

03

WATER

04

WASTE

05

ENERGY

06

SUPPLY CHAIN

07

CONFLICT MINERALS

08

IMPACT AREA: CONFLICT MINERALS

Target: make all newly manufactured hardware and supplies conflict free by May 2015

2012 Progress: Lexmark began analyzing its supply chain in accordance with Electronic Industry Citizen Coalition (ELCC) processes and SEC regulations.

[Read More](#)

TRANSPARENCY AND ETHICS

ETHICAL BUSINESS PRACTICES

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

GRI
HR4,
HR10,
SO2-4,
SO7-8

All Lexmark employees—including executive management—are required to annually review and certify understanding of the Lexmark Code of Conduct. In 2012, more than 98 percent of Lexmark regular employees worldwide (including managers and nonmanagement employees) reviewed the Code of Conduct and verified the receipt and understanding of the code.

Lexmark offers targeted anticorruption and antibribery 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 Conduct can be subject to substantial government fines and/or imprisonment in addition to Lexmark disciplinary action including termination. Lexmark publicly reports infractions of the Business Code of Conduct that impact investors.

PREVENTING CORRUPTION

Both Lexmark business units (ISS and Perceptive) are regularly analyzed for risks related to corruption. 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 conduct that help to mitigate these risks. A formal risk assessment focused on corruption is included in our Lexmark audit plan. The audit plan is reviewed and approved by the Finance and Audit Committee of the Lexmark board of directors on an annual basis.

Lexmark has a zero-tolerance policy towards bribery and corruption that applies to 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 2012.

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.



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 not a defendant in any anticompetitive behavior lawsuit during the reporting period. For additional information, see the Lexmark [10-K form](#).

MONETARY FINES

As a result of the Lexmark 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, workplace discrimination, or corruption during this reporting period.


VISIONS AND VALUES

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

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 anonymously question accounting or auditing matters, or possible unethical or illegal

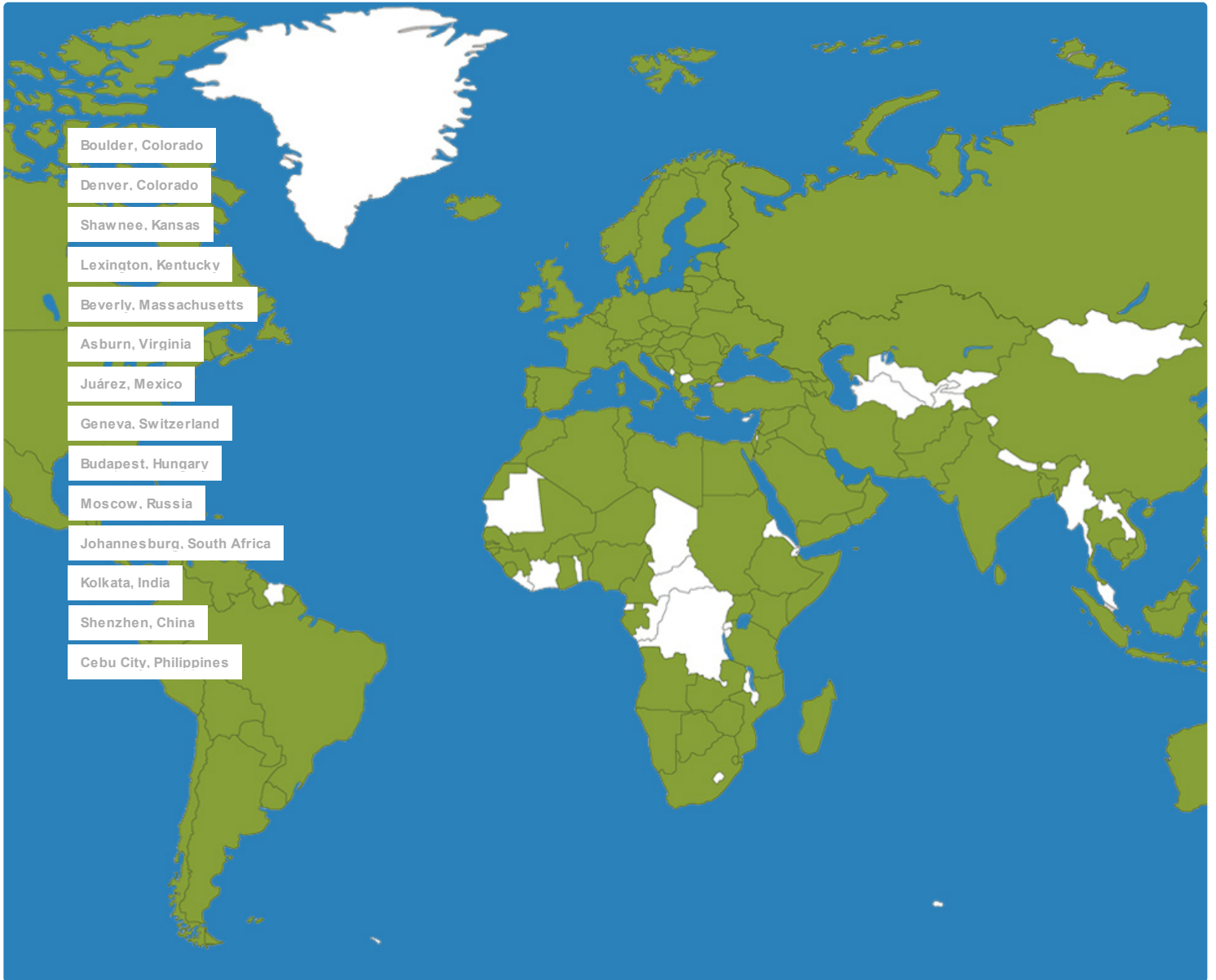


Our employees have defined our vision and values. We live these concepts every day. More than mere words, these statements are truly a framework for how we operate. To learn more about our vision and values, see **Customers For Life**.
We make it happen.

our [Vision and Values](#) page.

the Ethics Line. The third-party providers of the telephone lines are 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.

conduct to the Finance and Audit Committee. A third-party provider operates the contact line. The third-party providers of the telephone lines are 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.



AWARDS

Year after year, Lexmark product excellence is recognized by trade magazines and industry associations in their respective competitions, just like Lexmark social awareness and environmental sensitivity initiatives are cited by governments and other social institutions. Prestigious awards from industry experts, conservation groups, and trade publications validate Lexmark CSR efforts and successes.

GRI
2.10

CORPORATE RECOGNITION

100 Best Corporate Citizens



In 2013, Lexmark earned a place, again, on the *Corporate Responsibility Magazine 100 Best Corporate Citizens List*. The 100 Best Corporate Citizens List identifies U.S. publicly traded companies that excel in the area of corporate responsibility. Companies are analyzed based on their performance in seven categories: environment, climate change, employee relations, human rights, governance, finance, and philanthropy.

Manufacturing Leadership 100 Awards

In 2012, Lexmark earned the Manufacturing Leadership Council **2012 Manufacturing Leadership 100 Award for Sustainability**, recognizing the Lexmark cartridge recycling process, and was named a High Achiever in the Sustainability category with the highest score among award recipients.

In 2013, Lexmark earned a second **Manufacturing Leadership 100 Award for Sustainability**, recognizing a packaging project that uses paper recovered from Lexmark product development activities to create new pulp-packaging cushions for the shipping of Lexmark products.

INDIVIDUAL RECOGNITION



Kentucky Earth Day Award

Lexmark Sustainability Manager, John Gagel, was the recipient of the **2012 Earth Day Award**, presented by the Kentucky Environmental Quality Commission. The award recognizes Mr. Gagel's efforts to protect the environment, particularly his organization of the Cane Run Creek clean up. That waterway had been declared "impaired" due to invasive honeysuckle and accumulated waste.

John D. Gagel (center) with representatives from the Commonwealth of Kentucky.



Philippine Department of Energy Award

In 2012, LIPI Facilities Manager, Chuck Espina, was recognized by the Philippine Department of Energy.

Left to right – Meralco President and CEO Oscar Reyes, LIPI Manufacturing and Engineering Director Roland Chua, LIPI Facilities Manager, Chuck Espina, DOE Undersecretary Loreta Ayson, LIPI President and CEO Robert Gerwig, chairman of the DEAEAA Technical Evaluation Committee Bernard Pacia, and DEAEAA Technical Evaluation Committee member Greg Sanchez.

SITE RECOGNITION

Lexmark teams around the globe are recognized for their sites' social and environmental activities as shown here in Lapu Lapu City, Philippines and Boulder, Colorado.

Lapu Lapu City, Philippines

In 2012, Lexmark International Philippines, Inc. (LIPI) received the prestigious Don Emilio Abello Energy Efficiency Award from the Philippine Department of Energy. The award is industry-based recognition given to agencies and organizations with outstanding performance in energy conservation and efficiency in the government, business, and industrial sectors. Along with the site award, LIPI Facilities Manager, Chuck Espina, was also recognized.

Also in 2012, LIPI employees participated in the Inter MEZ Emergency Response Team Competition. The Lexmark team won the following awards: 1st Runner Up—

Women Division Overall; 2nd Place—First Aid & Rescue Relay (Women); 2nd Place—Straight Hose with Busted Event (Women); 3rd Place—Straight Hose with Ladder Event (Women); 3rd Place—First Aid & Rescue Relay (Men); and 3rd Place—Straight Hose with Ladder Event (Men).

In December, LIPI joined the Eco-Green Christmas Tree Display Contest Year 4 at Pueblo Verde, Basak, Lapu-Lapu City. For the support and participation in the advocacy of recycling and going green in December, LIPI received a certificate of appreciation from the event organizer, AboitizLand, Inc. During the final judging, the LIPI entry received First Prize and the Facebook Choice Award.



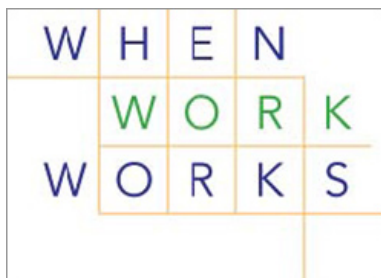
Boulder, Colorado, United States

The Lexmark team in Boulder earned the [Colorado Environmental Leader Program \(ELP\) Gold Leader Award](#) in 2012. Colorado ELP is a voluntary program designed to recognize and reward organizations and businesses that demonstrate superior environmental performance and, as a result, consistently operate at a level that goes beyond basic compliance with environmental regulations. Lexmark was selected because of its many environmental achievements that include the following:



- Emissions reductions including a 72 percent reduction in VOC emissions and a 99 percent reduction in particulate emissions since the baseline year 1994.
- A 59 percent reduction in hazardous-waste generation (versus baseline year 1994) through efforts that include the installation of solvent recycling and reusing equipment that processed more than one-half million pounds of material each year.
- Annual reuse of more than 2 million pounds of solid waste annually through efforts that include installing equipment to recycle and reuse aluminum printer component cores. An impressive 2.1 million cores were recycled in 2010.
- Energy conservation efforts that include improved insulation and the use of timers and motion detectors to power off lights and equipment, and warehouse lights when not in use.
- Engaging employees to attend an electronics-recycling event during which employees recycled obsolete personal electronics. The site also formed a zero-waste-to-landfill team, who is dedicated to the elimination of Lexmark Boulder landfill use. To date, the site has achieved a 63 percent reduction of landfill waste (versus baseline year 2004).

For more information, go to www.colorado.gov.



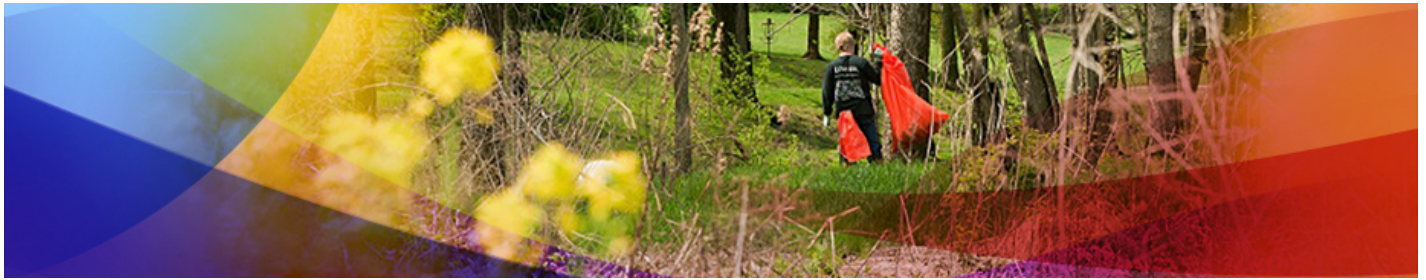
2009 Corporate Awards



2010 Corporate Awards



2011 Corporate Awards



ENVIRONMENTAL SUSTAINABILITY

As a global corporate citizen, Lexmark is sensitive to global environmental issues. We are committed to being a responsible neighbor and employer.

Lexmark has identified three categories in which our company has environmental impacts:

1 | Customers

2 | Operations

3 | Communities

Significant resources are dedicated to our efforts to reduce the environmental impact of our operations and to develop products with environmentally beneficial features. In the past three years alone (2010-2012), Lexmark has dedicated more than \$1.1B USD to research and development. A portion of those funds have been used to develop energy efficiency features for our devices, print less solutions, and other features that reduce the environmental impact of using Lexmark devices. Lexmark has also spent millions of dollars upgrading facilities to make more efficient use of natural resources and energy. With the help of a wealth of talented people and our financial resources, we have become a leader in environmental stewardship, product design, and efficient operations.

GRI
EN30

HIGHLIGHTS



Electronic Product Environmental Assessment Tool

To view the EPEAT® product registry, please click [here](#).



Customers

Lexmark's recycled paper becomes new product packaging for products purchased by our customers.

[Read More](#)



Operations

The Lexmark headquarters childcare building project is registered with the US Green Building Council's LEED NC, new construction, program.

[Read More](#)



Communities

Lexmark participated a Mangrove Reforestation Project, planting 7,000 mangrove propagules.

[Read More](#)

ENVIRONMENTAL MANAGEMENT

ISO 14001 is a voluntary standard that guides organizations by providing a framework for environmental management. Lexmark owned and leased facilities in Lexington, Kentucky, Boulder, Colorado, Budapest, Hungary, Cebu, Philippines, Juárez, Mexico and Shenzhen, China have received ISO 14001 certification. Lexmark spends up to \$40,000 per facility on services provided by external consultants, including environmental testing, waste water sampling and storm water sampling. Over \$100,000 is spent annually for corporate services such as legislative tracking and MSDS management.

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

Lexmark did not received any fines or non-monetary sanctions for non-compliance with the environmental laws and regulations in the reporting period.

ISO 14001 CERTIFICATES

Boulder, Colorado Certificate	Lapu-Lapu, Philippines Certificate
Budapest, Hungary Certificate	Lexington, Kentucky Certificate
Cebu, Philippines Certificate	Shenzhen, China Certificate
Juárez, Mexico Certificate	

OHSAS 18001 CERTIFICATES

Boulder, Colorado Certificate	Lapu-Lapu, Philippines Certificate
Cebu, Philippines Certificate	Lexington, Kentucky Certificate
Juárez, Mexico Certificate	Shenzhen, China Certificate

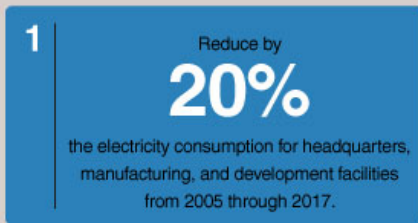
ENERGY USE

At Lexmark, we've made a commitment to reduce the consumption of natural resources at all our leased and owned manufacturing facilities, research and development facilities, and office spaces worldwide. We've established the following corporate goals to guide our energy-conservation efforts.

GRI
EC6, EC9,
EN3-5,
EN7,
EN16-17,
EN29

LEXMARK GOAL

Lexmark's long-term energy goal:



LEXMARK PROGRESS

Although Lexmark continually strives to improve the impact it has on our environment, we have made significant progress and sometimes exceed our original goals:



TOTAL ENERGY USAGE

Lexmark headquarters in Lexington, Kentucky, has been the subject of multiyear energy conservation projects including HVAC (heating, ventilating, and air conditioning) system upgrades and a facility reduction of 13,103 m² with additional site-size reductions planned for 2013. On this site, an extensive employee-education campaign focuses on teaching employees about energy-wasting habits, such as the use of space heaters, personal refrigerators, and personal printers. The campaign encourages employees to use more energy-efficient practices.

The LCCP (Laser Cartridge Collection Program) in Juárez Mexico is housed in a Gold LEED-certified building. In 2013 Lexmark International broke ground on a child care center at its Lexington headquarters, providing a benefit to current and future employees with young children. The project is registered with the U.S. Green Building Council's LEED, new construction program. Perceptive is also building a new headquarters. The construction of two buildings in Lenexa, KS will also be a LEED registered project.



Gold LEED Certified LCCP Building



LEED Certified Child Care Center in Lexington

The Total Energy Chart shows total annual energy consumption at Lexmark. By the end of 2012, Lexmark reduced its total annual energy consumption by 25 percent compared to the baseline year 2007. A portion of these savings is attributed to our ongoing efforts to improve the efficiency of operations at our facilities worldwide.

PROGRESS IN THE PHILIPPINES

Similar energy-conservation projects have succeeded at the Lexmark facilities in the Philippines, including the installation of high-efficiency chillers. The Facilities Energy Management Team at LIPI (Lexmark International Philippines, Inc.) created an energy-management team, which conducts an energy audit to identify energy-savings opportunities and waste minimization.

To reduce energy consumption, LIPI reduced production volumes on weekends, that is, Saturdays and Sundays. Clean dry air, or CDA, and HVAC-related power consumption is reduced 28 percent on Sundays and 2 percent on Saturdays. Water consumption is also reduced on the weekends.

DIRECT ENERGY USAGE

Lexmark operations make use of several direct-energy sources in our operations (the driver of Lexmark Scope 1 emissions), specifically, natural gas, diesel fuel and propane. These nonrenewable energy sources are purchased from local vendors and then used to generate steam, power backup generators, and provide heat at

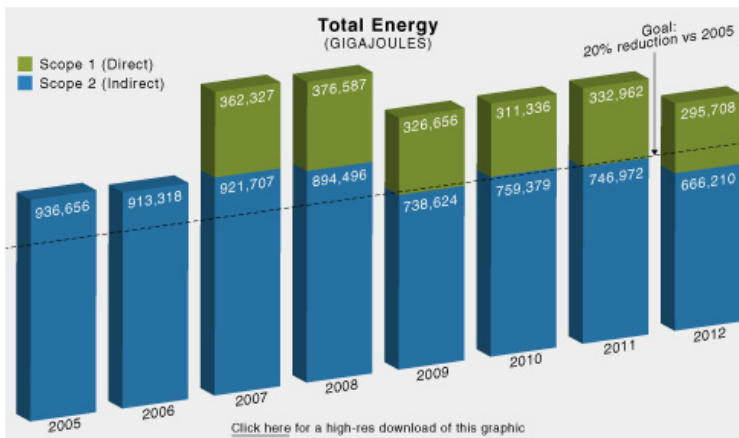
Lexmark facilities. Lexmark does not currently use renewable direct-energy sources such as biofuels (for example, ethanol) or hydrogen. Lexmark does not produce renewable or nonrenewable primary energy sources for internal use or for external markets.

Our direct-energy consumption decreased by 18 percent from 2007 through 2012. No direct-energy renewables were used by Lexmark in 2012. Total direct-energy consumption by nonrenewable primary sources is shown in the following table:

INDIRECT ENERGY USAGE

Lexmark operations make use of only one indirect energy source (the driver of Lexmark Scope 2 emissions)—electricity. Electricity used at Lexmark facilities is primarily purchased from local energy providers from local grids. The electricity supplied by local power companies is generated with a variety of nonrenewable and renewable primary-energy sources, including coal, nuclear energy, solar power, wind power, geothermal energy, and hydropower.

Our use of indirect energy decreased by 29 percent from 2005 through 2012, a result of more energy-efficient operations and reductions in facility space and production.



Nonrenewable fuels	MWh	Gigajoule
Natural gas	81,113	292,008
Diesel/gas oil	900	3,241
Distillate fuel oil no. 5	0	0
Propane	127	459
Renewable fuels	MWh	Gigajoule
Biofuel	0	0
Hydrogen	0	0

For more detailed information on Lexmark energy use [click here](#).

OTHER ENERGY CONSUMPTION

LEXMARK GOAL
Lexmark's Product Transportation Energy Goal:

1 | Optimize
Lexmark's product transportation system.

LEXMARK PROGRESS
Lexmark implemented measures to more efficiently transport our products.

1 | Increased full container delivery loads by **19%** and **Reduced** air shipments by **15%**

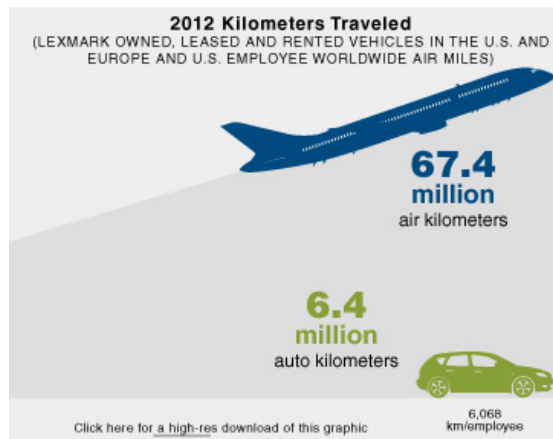
TRAVEL RELATED ENERGY CONSUMPTION

Our efforts to reduce energy consumption at Lexmark go beyond the walls of our facilities. As with most companies, our business needs frequently require some Lexmark employees to travel for face-to-face meetings with customers, partners, and coworkers, many of whom are separated by significant distances (the driver of Lexmark Scope 3 emissions).

We always encourage the use of lower-impact, real-time alternatives, such as conference calls, web-based meetings, and videoconferencing. Integrating high-tech solutions not only saves energy, but also increases the frequency and quality of our communications.

When air travel is necessary, Lexmark sends only those employees who are absolutely essential to accomplish our business objectives. Whenever possible, employees are encouraged to optimize their travel itineraries by combining several business trips and taking public transportation, such as trains and buses, instead of taxis and rental cars.

Lexmark, in collaboration with our vehicle provider, tracks miles traveled with Lexmark-owned, -leased, and -rented vehicles in the United States and Europe. In collaboration with our travel agency, we track U.S. employee air travel worldwide. Preparations for the launch of Lexmark's newest product line resulted in increased miles traveled from 2011 to 2012. Overall distance traveled has decreased by 14 percent since 2005.



While Lexmark does not track distances related to our employees' daily commutes, we do have work-at-home programs in place that are aimed at reducing the environmental impact of commuting and improving work-life balance for our employees. For example, the Lexmark Competence Center in Budapest, Hungary, offers employees options for environmentally preferred commuting. The facility has bike racks and showers for employees who pedal to work and offers those who prefer public transportation, discounted monthly or yearly fares. Lexmark employees who work at the Lexington facility also have an opportunity to help reduce pollution by taking public transit from a bus stop in our parking lot or biking to work. Lexmark's Lexington facility has bike racks and showers for employees who bike to work using Lexington's 12-mile Legacy Trail, a shared use trail adjacent to Lexmark, or any of the city's [bike lanes](#).

PRODUCT TRANSPORTATION

We rely on transportation every day to deliver our products to customers around the world. Consequently, transporting our products is an integral part of our business. While we cannot avoid this necessity, we have taken measures to decrease the adverse environmental impacts associated with these activities. Lexmark works with environmentally progressive partners who apply innovative ideas and best practices to their transportation processes, such as using diesel hybrid trucks or rapidly renewable biofuels.



In September 2008, Lexmark joined the [U.S. EPA SmartWay Transport Partnership](#) and exceeded the program's requirement for the amount of allowable freight to be shipped with SmartWay carriers. 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. To help curb climate change, Lexmark pledges to continuously minimize the environmental impact of its product shipments throughout the United States. With great pride, we continue our efforts to shrink our carbon footprint by reducing energy consumption and emissions associated with transportation.

Other measures we employ to promote more efficient transportation include the following:

- **Cube utilization**—Maximizing the use and capacity of containers for the transport of our products is an effective practice we adopted to handle more cubic feet of freight per container shipment.
- **Direct-shipping model**—With the direct-shipping model, our goal is to reduce the total mileage our products travel with direct-shipping and direct-importing models. Delivery service providers move freight directly from ports to customer destinations, which eliminates warehousing en route. Similarly, in the direct-importing model, ocean carriers pick up customer-directed products at key supplier points and transport the goods directly to the consignee, eliminating inland cargo moves, which increase energy usage and air emissions.
- **Intermodal freight transportation**—Lexmark is expanding the use of intermodal freight transportation, an approach that optimizes transportation of freight per vehicle with multiple modes of transportation, such as ocean, rail, air, inland water, and road. Also referred to as *multimodal*, this approach reduces the miles a container travels as well as the number of times a product is handled during shipment, which saves time, money, and fuel.

SUPPLIER LOCATIONS

In the interest of efficiency, cost-effectiveness, and environmental benefits, Lexmark engineers 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.

GREENHOUSE GAS EMISSIONS

Using the World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol methodology, we track greenhouse gas emissions, as well as our use of natural gas, fuel oil, diesel, gasoline, and electricity. We've established the following corporate goals to guide our energy-conservation efforts.

GRI
EN16-20,
EN29

LEXMARK GOALS

Lexmark's greenhouse gas goals:

1

Reduce greenhouse gas emissions by **20%** from 2005 through 2017.

2

Decrease greenhouse gas emissions from product transport by **180,000 tonnes of CO₂e**

LEXMARK PROGRESS

Lexmark has made significant progress. We exceeded goal 1 and maximized the capacity of transport containers and reduced the mileage our products traveled making progress toward goal 2.

1

Reduced total emissions by **39%** from 2005 through 2012.

2

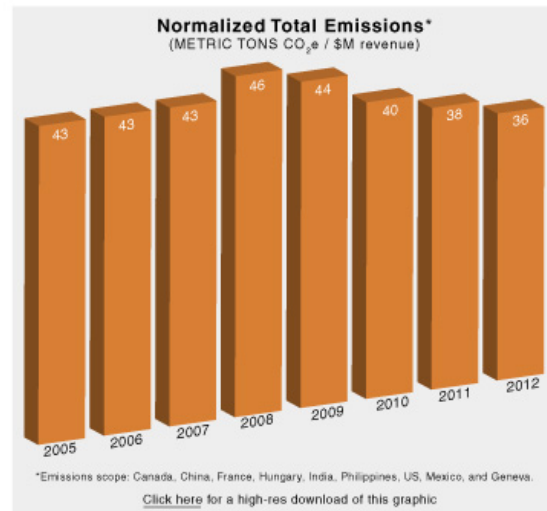
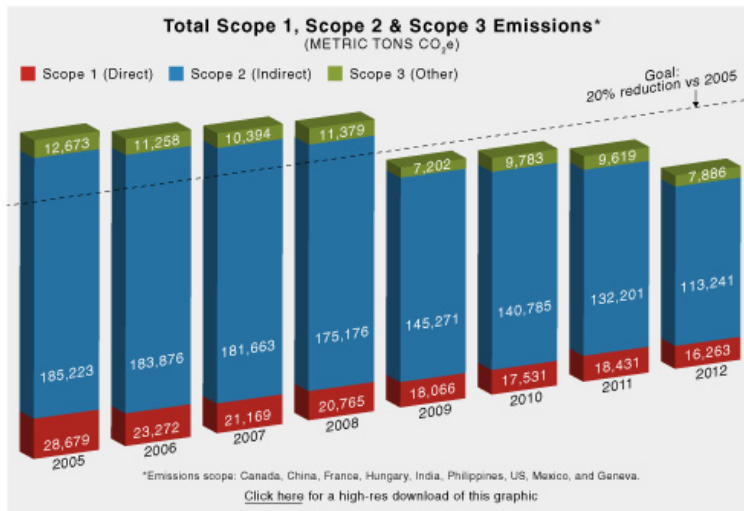
Reduced transportation emissions by **138,000 tonnes of CO₂e** through 2011.

REDUCING GREENHOUSE GAS EMISSIONS

Reducing energy use is one of the most effective ways to reduce greenhouse gas emissions, a major contributor to climate change. At Lexmark, our energy reductions are largely inspired by our desire to reduce these emissions.

Lexmark publicly reports greenhouse gas emissions that are related to the use of direct and indirect energy through the Carbon Disclosure Project. Lexmark calculations of greenhouse gas emissions are based on the World Resources Institute and the WBCSD GHG Protocol.

Lexmark reduced its total greenhouse gas emissions by 39 percent from 2005 through 2012 by reducing energy use. This reduction exceeds our voluntary goal to reduce greenhouse gases. In the past year, Lexmark was restructured to shift from a hardware-centric company to a solutions provider. The result is a reduction in the production of ink-jet hardware in addition to the acquisition of several companies, which has changed our impact on the environment through reducing our total greenhouse gas emissions.



For more detailed information on Lexmark greenhouse gas emissions [click here](#).

REGULATED AIR EMISSIONS

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 HVAC systems that cool our facilities. Lexmark cannot eliminate the use of refrigerants at this time because all HVAC systems require the direct or indirect use of

2012 Air Emissions (Tons per year)				
	Lexington	Boulder	Cebu	Juárez
Methane	0.16	–	0	NR
Volatile Organic Compounds (non methane)	0.6	5.08	<.0017	21.55

refrigerants.

Reported refrigerant emissions in 2012 resulted in an ozone-depletion potential of 58 pounds of CFC-11 equivalent. We are taking steps to minimize their usage. Lexmark monitors HVAC systems for leaks with stand-alone system sensors. We also purchase chillers that use environmentally preferable refrigerants. For example, in 2008, Lexmark installed chillers that use refrigerant R-134a, a hydrofluorocarbon, or HFC, refrigerant, replacing previous chillers using R-11, a chlorofluorocarbon (CFC) refrigerant. (CFC refrigerants have the highest ozone-depletion potential [ODP]. The refrigerant used in the new chiller has an ODP of zero.) As an added benefit, these new chillers have variable frequency drives that significantly improve energy efficiency by reducing electrical demand.

(The printing technology that resulted in significant ozone generation is no longer used.)

Sulfur Oxides (SOx)	0.28	0	0.04	0.026
Nitrogen Oxides (NOx)	6.86	0	0.24	2.44
Carbon Dioxide (CO ₂)	7,335	11,647	90.52	3,099
Particulate Matter (PM10)	0.52	0.05	0.07	0.32
Hazardous Air Pollutant	0.11	0.34	NA	NA
Toxic Release Inventory	NA	1.9	NA	NA

RIDESHARE



Lexmark offers employees simple and easy solutions that cut gas emissions, reduce our nation's dependence on oil, and save money.

[Learn More](#)

WATER MANAGEMENT

LEXMARK COMMITMENT TO WATER CONSERVATION AND PROTECTION



LEXMARK GOALS

To demonstrate our commitment to water conservation and protection, we have established two goals:

1 Reduce water usage by **20%** by 2017 (starting in 2005).

2 Complete the Lexmark **6 point** water conservation plan by the **end of 2017**.

LEXMARK PROGRESS

Since our baseline year, 2005, we have:

1 **Reduced** water usage by **33%**

2 **On target** to complete the **6 point** water conservation plan by the end of 2017.

WATER USAGE

Lexmark manufacturing, and research and development operations, both owned and leased, have a substantial impact on our water consumption. Lexmark uses water for three purposes: manufacturing and development, sanitation, and our HVAC systems. This usage varies somewhat with product demand but is relatively stable.

Lexmark water usage is in part driven by 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. Consequently, we must aggressively monitor, control, and reduce water usage where opportunities exist.

At Lexmark, we've initiated several programs at our facilities worldwide to reduce consumption of water, including installing more efficient HVAC systems and improving the efficiency of existing HVAC systems, installing low-flow plumbing fixtures, desert-scaping (sometimes referred to as xeriscaping) and reusing processed water in manufacturing facilities. In 2012, the Lexmark headquarters in Lexington, Kentucky, installed 23 automatic faucets and 5 automatic flush valves to conserve water. Water conservation is the primary reason we install automatic faucets and flush valves; however, a decrease up to 70 percent of water usage results in a cost savings and a reduction in water waste. By the end of 2014, we plan to spend \$1.35 million upgrading Lexington headquarters' city underground water piping systems to reduce leakage and improve reliability.

GRI
EN8-10,
EN21,
EN23,
EN25

We are committed to track and reduce the consumption of natural resources at all our leased manufacturing facilities, research and development facilities, and office spaces worldwide. Lexmark has established the following corporate goals to guide our water conservation efforts.

- Reduce water usage 20 percent (2005-2017)
- Complete the Lexmark six point water conservation plan by end of 2017

Lexmark total water usage (as purchased from local utility providers) is shown in the Total Water Usage chart. We have achieved a 33 percent reduction in water usage versus baseline year 2005. This exceeds our goal of reducing water usage by 20 percent by 2017.

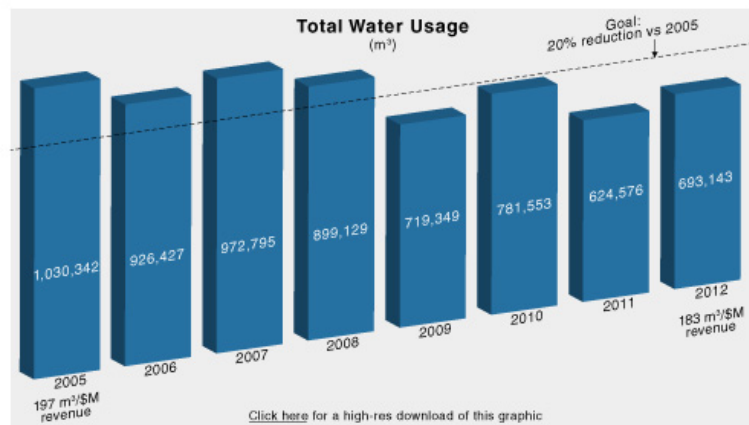
This year's 6 percent increase in water usage can be attributed to warmer summers in North America, the Philippines, and Mexico and the economic recovery driving increased production. The reduction in water usage in 2012 compared to years prior to 2011 can be attributed to improved control of cooling tower chemistry, which in the first year alone resulted in a 28 percent reduction in cooling-tower blowdown at headquarters. Also aiding in the reduction was the finding and repairing of underground leaks and an increased reuse of water in our facilities in Boulder, Colorado, where there was a significant increase in recovered water in 2012 and an even larger decrease in reported total water use for the same period.

Some of this reduction can be attributed to the reuse of water. Lexmark reuses water in our manufacturing facility in Lapu-Lapu City, Philippines, and in Boulder, Colorado. Our facility in Lapu-Lapu City collects used water and condensation from the air conditioning system in a nonpotable water cistern. This water is later used for flushing toilets and for irrigation. The Lapu-Lapu City facility reused 16,511 m³ of water in 2012. Similar reuse takes place in Boulder. That facility collected and reused 21,412 m³ of water in 2012. Reused water accounts for more than 5 percent of our total water use (not including unmetered rain water).

To see detailed information on the progress we've made over the past five years in water conservation, [click here](#).

WATER CONSERVATION PLAN

Unpredictable temperatures and fluctuations in production result in positive and negative changes in Lexmark water usage. To help control this, we implemented a six-point water conservation plan in 2009. This plan helps us achieve more significant, controllable, and sustained reductions in water usage going forward.



The Lexmark Six-Point Water Conservation Plan			
Point	Goal	Projects	2012 Progress
1	Reduce Consumption (Intentional use of water)	Install low-flow plumbing fixtures in all new construction and replace outdated plumbing fixtures with low-flow plumbing fixtures during remodels/repairs	Aged existing plumbing fixtures replaced by sensor operated and low-flow fixtures at Lexmark headquarters from 2010 through 2012.
2	Reduce Consumption (Intentional use of water)	Upgrade water consuming facilities equipment to improve water usage efficiency	Lexmark (in partnership with GE Water and Process Technologies) cooling-tower water controls improved control of cooling-tower chemistry, resulting in fewer purges and a 28% reduction in the amount of water lost to purges or blowdowns.
3	Reduce Losses (Accidental use of water)	Reduce losses due to leaks from main pipes	In the fourth quarter of 2012, a significant leak from an underground high-pressure fire main pipe, as well as several other smaller leaks, were identified and repaired.
4	Reduce Losses (Accidental use of water)	Reduce losses due to plumbing leaks	2012: no significant leaks due to plumbing leaks; smaller leaks identified and repaired.
5	Education	Complete at least one employee education communication on water conservation per geography per year	Lexmark has made special efforts through the Lexmark internal website and signage posted throughout our facilities to educate internal facilities team members and facilities contractors about water conservation appropriate to their jobs.
6	Education	Designated employee at each facility to keep abreast of new water conservation opportunities and technology	Lexmark personnel at each manufacturing facility have been assigned this responsibility.

WATER WITHDRAWS AND DISCHARGES

Where our water comes from and where it goes is of great importance to Lexmark. We understand that access to clean, abundant, and affordable water is a critical issue of environmental justice. We also understand that our commitment to responsible use of our water resources and protection of local watersheds helps to ensure that our neighbors have access to clean, abundant, and affordable water. Most Lexmark facilities withdraw water exclusively from municipal water supplies and other water utilities. A limited amount of rainwater (unmetered) is collected and used by some Lexmark facilities.



Lexmark Facility	Utility Provider	Original Source(s) of Water*
Lexington, Kentucky, United States (headquarters)	Kentucky American Water	Kentucky River, Jacobson Reservoir and Lake Ellerslie
Boulder, Colorado, United States (manufacturing)	City of Boulder Utilities Division	Barker Reservoir, Lakewood Reservoir, Boulder Reservoir and Carter Lake via the Boulder Feeder Canal
Juárez, Chihuahua, México (manufacturing)	Junta Municipal de Agua Saneamiento de Juárez	Hueco Bolson, underground aquifer
Cebu, Philippines (research and development) / Lapu-Lapu City, Philippines (manufacturing)	Metropolitan Cebu Water District (MCWD)	The Buhisan Dam and 113 deep wells, and the diversion weir in Barangay Jaclupan, Talisay City and rainwater collection system for nonpotable use
Shawnee, Kansas (Perceptive Headquarters and Hedge Lane)	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
Orleans Plaza, France	La Lyonnaise Des Eaux, Val de Loire	Five storage tanks throughout the city
Boigny, France	Syndicat Des Eaux Des Usages, Mairie De Vennecey 45760	Nine drilled wells located around Orleans
Shenzhen, China	Shenzhen Water Company	Pearl River - the biggest river in south China

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

PLANNED DISCHARGES

Waste water from Lexmark operations is primarily discharged to local utility systems for treatment. There are no bodies of water significantly affected by Lexmark's water discharges. We discharge some water directly to nearby bodies of water in accordance with local laws and regulations. These discharges have had positive impacts. For example, Lexmark occasionally discharges environmentally neutral water to the Cane Run Creek that flows through Lexmark property in Lexington, Kentucky. The wildlife that depends on the Cane Run Creek (an impaired surface stream creek 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.

Annual water discharges are assumed to be equivalent to total water consumption. All water discharges—whether planned or unplanned—destined for the local utility or nearby bodies of water, are closely monitored by site facilities and environmental teams that test for water quality.

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 specifically address spill prevention, hazardous-waste management, recycling, and water quality. These plans cover multiple pollution routes including discharges to ground, air and water. They cover all Lexmark owned manufacturing and research and development facilities worldwide.

Lexmark reported no significant spills in our 2012 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 and other corrective and preventative action programs.

Comparing 2012 with 2011, spending at North American facilities decreased by 5.3 percent with some global sites reducing spending by as much as 20 percent. Due to an increased level of production at our Philippines and Mexico sites, the overall Lexmark total water spend increased by 1.5 percent.

LAND AND BIODIVERSITY

Lexmark takes care to ensure that operations do no harm to the local environment. At Lexmark, we understand our responsibility to help maintain balance in our natural world. Lexmark engages our communities primarily in reforestation programs and watershed protection.

GRI
EN11-15,
SO1,
SO9-10

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

For example, as the first step to establishing a facility in the United States or abroad, we apply American Society for Testing and Materials International (ASTM) Standard Practice for Environmental Site Assessments E1527-05 (Phase I) and E1903 (Phase II) to assess environmental aspects. We also consider the protection status of those areas where we plan to operate. 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 future 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. As of December 31, 2012, Lexmark owned two facilities in the Philippines. The Lexmark Research and Development Corporation (LRDC) located in Cebu, Philippines, is a 30,817 square meters research and development operation. Lexmark International Philippines, Inc. (LIPI), a 33,817 square meters manufacturing facility located in Lapu-Lapu City, Philippines was purchased by Funai in 2013. Lexmark employees in the Philippines work diligently to restore habitats near these facilities, focusing on reforestation and watershed protection.

EARTH DAY AWARD



The Kentucky Environmental Quality Commission presented its annual 2012 Earth Day award to Lexmark's John Gagel.
[Read More](#)

DID YOU KNOW?



Four IUCN Red List species reside in the Philippines.
[Read More](#)

EMPLOYEE ENGAGEMENT



Lexmark employees are involved in a variety of environmental activities.
[Read More](#)

ENVIRONMENTAL ENGAGEMENT



More information on environmental engagement can be found [here](#).

WASTE MANAGEMENT

At Lexmark, we're committed to disposing waste generated by our worldwide facilities in a safe and responsible manner. The data for Lexmark waste generation and disposal over the past several years is indicative of the level of progress we are making toward our goal for reducing waste.

<p>LEXMARK GOALS</p> <p>Lexmark has three long-term, waste management goals for the corporation:</p> <div style="display: flex; justify-content: space-around;"> <div style="background-color: #0070C0; color: white; padding: 10px; width: 45%;"> <p>1 Maintain a minimum of 75% recycling rate for waste generated.</p> </div> <div style="background-color: #0070C0; color: white; padding: 10px; width: 45%;"> <p>2 Achieve a 30% increase in hardware collection and recycling by 2014 as compared to baseline year 2007 per unit sales.</p> </div> </div> <div style="background-color: #0070C0; color: white; padding: 10px; margin-top: 10px;"> <p>3 Expand coverage of the Lexmark Equipment Collection Program.</p> </div>	<p>LEXMARK PROGRESS</p> <p>While there is still much work to do, we've made significant progress toward these goals.</p> <div style="display: flex; justify-content: space-around;"> <div style="background-color: #70AD47; color: white; padding: 10px; width: 45%;"> <p>1 Maintained a 75% recycling rate for waste generated in 2012.</p> </div> <div style="background-color: #70AD47; color: white; padding: 10px; width: 45%;"> <p>2 Increased by 38% hardware collection per unit sales compared to the 2007 baseline.</p> </div> </div> <div style="background-color: #70AD47; color: white; padding: 10px; margin-top: 10px;"> <p>3 Increased the Lexmark hardware collection rate per unit of sales in 2012 by expanding coverage of electronic recycling programs in Canada and Australia.</p> </div>
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WASTE MANAGEMENT AND RECYCLING PROGRAMS

BUSINESS WASTE MANAGEMENT AND RECYCLING PROGRAMS

Lexmark has established waste management and recycling programs at all our facilities worldwide. For example, at the Lexmark headquarters in Lexington, Kentucky, we have established programs to collect and recycle a variety of materials, including construction waste, cafeteria waste, electronic waste (such as end-of-life computers and telephones), aluminum cans, batteries, cardboard, office paper, glass bottles, metal scraps from our tool rooms, plastic bottles, florescent light bulbs, and cell phones. Several of these waste streams are recycled in unique ways. For example, carpet recovered during remodeling efforts and scraps from new construction projects are recycled in a closed-loop process. The carpeting and backing are separated, processed, and then made into new carpeting. Cafeteria waste from food preparation is composted and fertilizes gardens throughout Lexington. Paper from Lexmark offices are recycled as bathroom tissue and paper towels.

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

SUSTAINABILITY PROGRESS: BOULDER, COLORADO

At our facilities in Boulder, Colorado, working with Flortum, we reuse plastic trays as drum packaging. This worldwide project has kept 103 metric tons of waste from landfills. The recovery and reuse of 2.7 million photoconductor drums (84 percent from Juárez, Mexico, facilities and 16 percent from Boulder) represents 333 metric tons of waste recovered.

We reclaim and reuse waste solvent, which we use in our photoconductor manufacturing process, and we compost food waste and paper towels. Also, we send out our scrap wood pallets to be reused. Scrap paper, glass, plastic, and cardboard is recycled, saving it from landfill disposal, and scrap aluminum and metal is reclaimed for future use. Much of our liquid and solid waste that have BTU value becomes fuel substitutes. And our Boulder facilities continue to reduce our nonrenewable energy demand by purchasing 1 million kilowatt hours of wind energy, as well as implementing energy reduction initiatives.

SUSTAINABILITY PROGRESS: JUÁREZ MEXICO

Since September 2011, an average of 12,700 kilograms per month of developer roll scrap has been recycled. We significantly reduced hazardous waste in this plant by buying smaller wipes and using markers with alcohol instead of wipes with alcohol. We implemented a battery recycling program for Lexmark campus employees and contractors, and employees and contractors can also recycle their batteries for personal use.

Lexmark invested \$500,000 to upgrade the facility's water treatment plant, which included adding a flocculation and coagulation process and a filter press to recover more water reduce sludge generation. With a five-time reuse program for the ink mix drums, we avoid purchasing 426 drums and their disposition. We reduced nonhazardous waste by 44 percent. Most nonhazardous-waste



The LCCP (Laser Cartridge Collection Program) in Juárez Mexico is housed in a Gold LEED-certified building. The program is designed to ensure that a large percentage of laser cartridges are returned to Lexmark for reuse and recycling. The program generates the following:

- 1439 metric tons of cartridges and parts for remanufacture
- 3419 metric tons of cartridges, parts, and toner for recycling

reduction was with direct projects in Operations (baggers, cartoners and so on.)

Lexmark has additional programs in place to recycle packaging. For example, Lexmark has established a shipping container reuse 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.

In Lexington, many of the surrounding counties that our employees live in do not provide curbside recycling services for recyclables out of the home. Consequently, Lexmark has partnered with the Lexington Fayette Urban County Government to collect those recyclables on-site. A large recycle bin is available for employees to drop off items such as newspapers, plastics, glass bottles, cardboard, and aluminum cans. An estimated 225 tons of recyclables has been processed through this program since its inception in 2007.

- 197 metric tons of plastic HIPs for recycling into new cartridge parts
- 1913 metric tons of recyclable cardboard
- 543 metric tons of other recyclable material (plastic, aluminum, wood, metals)

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 including chemical waste (ink, toner, and component development and manufacturing), paper waste (print testing) and printers and other electronic components (performance and quality testing).

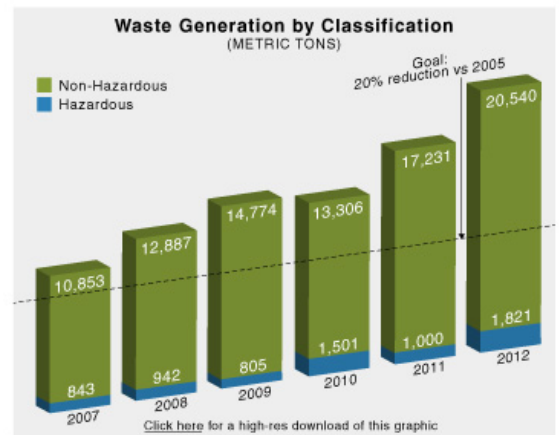
Chemical waste is primarily processed in an energy-recovery facility, which generates electricity while processing chemical waste. A portion of toner chemical waste is processed by a company that uses the toner as a colorant in plastics. Toner waste is also used as an additive to concrete. Paper from print testing is recycled as bathroom tissue and paper towels.

WASTE GENERATION AND RECYCLING STATISTICS

Lexmark generated a total of 22,361 metric tons of waste in 2012. Waste generation in 2012 was higher than 2011 as a result of increased production volumes of printer supplies and increased volumes of used printer supplies being recycled.

At our Lexington site, ongoing consolidation of our facilities generated additional waste in the form of recycled construction debris. This short-term impact provides long-term benefits from reduced carbon dioxide. Lexmark expects this short-term increase in waste to yield long-term environmental benefits from ongoing projects to reduce waste and optimize process and facility operational efficiency.

Hazardous waste accounts for approximately 8 percent of total Lexmark waste. The primary hazardous-waste materials are residues from manufacturing and development processes. Hazardous waste that is generated in Lexmark research and development, and manufacturing facilities is managed by external companies that specialize in the management of hazardous waste.



WASTE RECYCLING

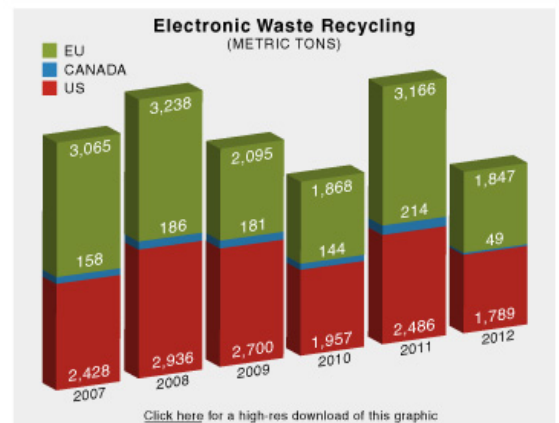
Disposal methods for waste are determined through the collaborative efforts of Lexmark and our waste-management partners. Working together, we have identified new opportunities for recycling waste, reducing our usage of incineration and landfill while increasing usage of waste-to-energy recovery where other recycling options are unavailable. Since 2007, Lexmark has increased its waste recycling rate from 63 percent to 75 percent. Lexmark achieved our recycling-rate goal of 75 percent.

ELECTRONIC WASTE RECYCLING

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 life, should be recycled by specialized firms that have processes to ensure any data stored on those devices is not compromised and that are committed to recycle those devices in an environmentally and socially responsible manner.

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 by R2 Solutions or e-Stewards.

The R2 Solutions R2 Standard is a comprehensive global criteria for e-recyclers in the market and requires responsible management of used computers and other electronics. 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 e-recycling best practices. Both R2 Solutions 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 Lexmark recycling partner, Sims Recycling Solutions, the world's largest electronics recycler, is R2 certified. Sims Recycling processed more than 5,500 metric tons of electronic waste on behalf of Lexmark in the United States, Canada, and Europe in 2012.

Lexmark also partners with Global Environmental Services (GES), offering solutions for customers that prefer e-Stewards. GES, with facilities in Georgetown, Kentucky, and Austin, Texas, is the seventh largest electronics recycler in North America. The Lexmark service organization works with our recycling partners to reclaim parts that can be used to refurbish printers, which keeps them 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, are harvested for parts that can be used in the refurbishment process.

Lexmark has set a goal to achieve a 30 percent increase in hardware collection and recycling by 2014 as compared to baseline year 2007. From 2010 to 2011 Lexmark increased its hardware collection rate by 48 percent, which means we can achieve our goal by 2014.

Lexmark currently offers standardized recycling programs in many countries and variable programs in other countries. We expanded the Lexmark Equipment Collection Program in 2012 and plan to further expand it in 2013.

UNITED STATES

In the United States, we offer the Lexmark Equipment Collection Program. Customers can return their Lexmark hardware products to us by whatever shipping method is 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 customer used devices, mark them for recycling, and arrange for them to be sent to the nearest recycling facility.

Over the past four years, electronic-waste legislation in some form has been proposed in a majority of states in



Global Environmental Services (GES)



Sims Recycling Solutions

the United States. By the end of 2011, 11 states—Connecticut, Hawaii, Illinois, Maine, Michigan, Minnesota, New York, North Carolina, South Carolina, Vermont, and Wisconsin—enacted EPR (extended producer responsibility) legislation that includes printers. 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 CEDs (covered electronic devices) at the end of the devices' usable lives.

CANADA

Lexmark is a member of EPSC (Electronic Product Stewardship Canada), 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. Some provinces require electronic manufacturers to pay a fee that is used to recycle electronic equipment in those respective provinces.

Alberta—Lexmark participates in the ARMA (Alberta Recycling Management Authority) program. This province-run program has been in place since October 2004 and offers 260 collection sites for businesses and consumers.

Saskatchewan—Lexmark participates in the SWEEP (Saskatchewan Waste Electronic Equipment Program), which launched in February 2007. SWEEP is the first industry-led stewardship program in Canada and it offers over 70 recycling depots.

British Columbia—Lexmark participates in the ESABC (Electronic Stewardship Authority British Columbia) recycling program, an industry led initiative begun in July 2010.

Nova Scotia and Prince Edward Island—Lexmark participates in the ACES (Atlantic Canada Electronic Stewardship) Program. This program was begun in Nova Scotia in February 2008 and Prince Edward Island in July 2010.

Ontario—Lexmark participates in the OES (Ontario Electronic Stewardship) Program, which was started April 2010.

Manitoba—Lexmark participates in the EPRA (Electronic Products Recycling Association) in Manitoba, which began collection in August 2012.

Quebec—Lexmark participates in the EPRA (Electronic Products Recycling Association) in Quebec, which began collection in 2012

Recycling regulations are anticipated in New Brunswick, Newfoundland, and Yukon in 2013.

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) WEEE (Waste Electrical and Electronic Equipment) Directive (2002/96/EC). 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.

ASIA PACIFIC

A primary focus for Asia Pacific environmental work has been preparation for the Australian national end-of-life IT equipment and recycling program. This was formally announced by the Australian federal government in November 2009. Lexmark has been an active participant in this process for six years. The scheme began formally in 2012 and is across all Australia, supported by government regulation.

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

The pilot for this national plan is the Byteback Program operated in the Australian state of Victoria. Lexmark was a founding member of this operation, which is an IT equipment take-back program that is no charge to customers. There are nine other founding IT industry members. Byteback has been in operation since 2007 and is collecting some 10,000 items per month. The program has proven to be invaluable for collecting data on IT hardware recycling and understanding consumer behavior. Consequently, Byteback has received strong community support. We continue our pioneering work in this area by actively contributing to the IT industry groups now preparing for the forthcoming national legislation and the start of the national take-back plan.

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 recently enacted forms of EPR (extended producer responsibility) legislation. Lexmark is working closely with our recycling partner, Sims Recycling Solutions, to set up regional recycling centers to meet these new requirements.

LEXMARK ELECTRONIC WASTE RECYCLING

[Click here](#) for more information on electronic waste recycling.

VOLUNTARY ENVIRONMENTAL CERTIFICATIONS

ENERGY STAR®

Lexmark is committed to designing energy-efficient products. The proof is the number of our products that are ENERGY STAR certified. Launched in 1992, ENERGY STAR is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy, which has become a globally recognized symbol for energy-efficient products and practices.

As a charter ENERGY STAR partner, Lexmark is committed to supporting the ENERGY STAR program through energy-efficient product design. For example, 100 percent of Lexmark product families released in 2012 have ENERGY STAR certified models and include the Auto Duplex feature. This achievement was through the development of products with instant warm up fusing technologies and factory-standard duplex options. For an entire list of Lexmark models that are ENERGY STAR certified, click [here](#).

LEXMARK INCREASES ENERGY EFFICIENCY FOR ALL PRODUCTS ANNUALLY

Product Segment	2010 Energy Efficiency Metric	Metric 2011 Energy Efficiency Metric	Metric 2012 Energy Efficiency Metric
Laser Products ¹	Fleet Average of 0.153 Energy Star TEC / PPM	Fleet Average of 0.150 Energy Star TEC / PPM	Fleet Average of 0.104 Energy Star TEC / PPM

LEXMARK INCREASES ENERGY-STAR CERTIFIED LASER MODELS ANNUALLY

Product Segment	2010 Product Offerings	2011 Product Offerings	2012 Product Offerings
Laser Products	83.5%	89%	92% ²

BLUE ANGEL

For years, Lexmark product designers have designed products to meet the Blue Angel standard for environmental design guidance. The Blue Angel environmental certification was established in 1978 in Germany and is one of the most prestigious green certifications awarded worldwide.

To find a current view of Lexmark's Blue Angel RAL-UZ 122 products, click [here](#).

Beginning January 1, 2014, Blue Angel RAL-UZ 171 will be the sole Blue Angel Imaging Equipment standard. Lexmark participated in the standard development process for Blue Angel RAL-UZ 171, which was published in December 2012. Lexmark intends to certify product to the new standard later this year.



ELECTRONIC PRODUCT ENVIRONMENTAL ASSESSMENT TOOL

On October 5, 2009, President Barack Obama signed Executive Order 13514, which calls for federal agencies to purchase products that are environmentally preferable and to give procurement preference for Electronic Product Environmental Assessment Tool (EPEAT®) registered electronic products. Lexmark supports the U.S. government in its goal of setting a leadership role in environmental stewardship, energy efficiency, and economic recovery.

The EPEAT system and the environmental criteria for computers and monitors were originally developed in a multi-stakeholder process. The EPEAT environmental criteria are contained in the Institute of Electrical and Electronics Engineers (IEEE) public standard, IEEE 1680. The system currently covers desktop and laptop computers, thin clients, workstations, and computer monitors (IEEE 1680.1).

IEEE 1680.2 was finalized October 2012 and will be used by EPEAT to qualify imaging equipment. Lexmark participated in the IEEE 1680.2 standard-development process.

Lexmark has registered many of our products to the EPEAT registry at the Bronze Level. For a list of EPEAT registered Lexmark products, click [here](#).

In November 2012, Lexmark held its annual Design for Environment seminar focused on EPEAT. Engineers were able to learn about EPEAT criteria to direct future development efforts.

OTHER CERTIFICATIONS

Lexmark pursues a number of other voluntary product environmental certifications worldwide. These certifications include the UL Environment/Canada Eco Logo (CCD-035), China certification HJ 2512-2012 (formerly HJ/T 302-2006) and Taiwan Green Mark.

THE ECO DECLARATION—ECMA 370

Lexmark has used The Eco Declaration (TED)/ECMA 370, for products for many years. Formerly known as IT Eco Declarations, ECMA 370/TED forms provide objective and comparable environmental information. Lexmark, along with other imaging-equipment manufacturers, signed the Industry Voluntary Agreement to Improve the Environmental Performance of Imaging Equipment placed on the European Market in June 2011. This agreement commits manufacturers to make certain environmentally friendly changes, including posting ECMA 370/TED forms, on a publicly available website. To display The Eco Declaration listing, click [here](#).

IT Eco Declarations for laser and ink print supplies may be requested.

1. 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.

2. While 92 percent of currently available Lexmark models are ENERGY STAR certified, nearly 100 percent (all but one model) meet the energy requirements of ENERGY STAR.

ENVIRONMENTAL ENGAGEMENT

At Lexmark, we believe in the importance of developing a culture of sustainability. This culture goes well beyond operations that make efficient use of resources and designing products with the environment in mind. Our goal is to inrain sustainability in all we do at work and at home.

NORTH AMERICA

SUSTAINABILITY SPEAKERS SERIES

The Sustainability Speaker Series is offered periodically at our headquarters in Lexington so that employees can learn more about sustainability topic. Experts are invited in to educate our employees about various topics, such as sustainability at state parks and composting. In addition, tours at the local recycling center are arranged for Lexmark employees.

ARBOR DAY VOLUNTEERS

Lexington employees collaborate with the Lexington Fayette Urban County Government, University of Kentucky Arboretum, and other local businesses and organizations to sponsor a community Arbor Day celebration open to the public. Arbor Day includes tree-seedling giveaways, exhibitor booths, children activities, and environmental exhibits that provide education and entertainment for all ages.

REFOREST THE BLUEGRASS

Lexington employees participate annually in Reforest the Bluegrass, which is designed to re-create presettlement, streamside forests that were once native to the inner Bluegrass region of Kentucky. This community effort is critical to protecting valuable water resources and enhancing living standards.

CANE RUN CREEK

For the fifth year, Lexington employees volunteered to help clean Cane Run, a stream identified as a focus watershed for Kentucky due its critical importance as a water supply.

TREE SEEDLING GIVE AWAY

Each year, Lexmark gives tree seedlings to employees for them to take, plant, and care for at a place of their choice.

ADOPT A HIGHWAY

Twice each year, Boulder, Colorado, employees pick up litter along a two-and-a-half mile stretch of Colorado Route 52.

RIDESHARE

Perceptive Software launched a RideShare program and held an electronic waste recycling day.

LATIN AMERICA

Reforestation and environmental cleanup projects took place in Ecuador, Mexico, and Venezuela. In addition, employees helped to refurbish gardens at local facilities in Argentina. Juarez donated and planted trees to an Elementary School. Earth Day activities took place in Latin America offices to promote environmental awareness and many offices participated in Earth Hour.

EUROPE

The Geneva, Switzerland, team initiated collecting old cell phones for Terre des Hommes. Terre des Hommes Suisses (assists disadvantage children) and the city of Geneva have signed a new eco-contract that uses funds for development projects such as rebuilding Haiti from the 2010 earthquake, the ravages of La Nina climate phenomena in Columbia, and developing a space for growing produce and raising livestock in Kombissiri, Burkina Faso.

In Budapest, employees and their families collected waste from a natural reserve near the Kamaraérdó Forest. For several years, Budapest employees have participated in the countrywide Cycle to Work campaign.



Lexmark employees and families planting trees in Lexington



Perceptive Software's Steve Roggenkamp hosted a session on biking to work at Lexmark's Lexington, KY headquarters.

Lexmark Italy has partnered with Sodalitas Foundation to promote sustainable marketing. This partnership's goal is to take a leadership role in promoting a culture of sustainable consumption and engage relevant stakeholders in a high-level debate about how to create and enable environmental initiatives and assert sustainability with innovative marketing approaches.

Lexmark@Work headquarters at Lexmark Italy opened in Milan in 2010. This facility is designed to have minimal impact on the environment and encourage the exchange of information and the generation of new ideas. It was built with environmentally sustainable materials and energy efficient tools. Lexmark Italy continues to promote sustainable office practices to our customers, distributors, and the press. The amount of interest has increased each year, drawing more visitors to our facility each year.

ASIA PACIFIC

The Asia Pacific offices cleaned many parks, rivers, and coastal beaches in 2012. Singapore, Beijing, Japan, Taiwan, ACC Shenzhen, and LASO Shenzhen all participated in these cleaning projects. In Beijing, Lexmark employees planted vegetables and fruits for their communities, and Hong Kong employees planted orange trees at the Fun Yuen Butterfly Reserve.

INDIA

Lexmark employees partnered with SAFE (South Asian Forum for Environment) to initiate a movement for better waste management. The goal is to keep the environment clean by segregating, recycling, and reusing waste.

PHILIPPINES

The Cebu team conducted a Coastal Clean UP removing trash and debris from waterways in Inuburan Naga and Catarman, Naga.

Lexmark adopted a Hectare to rehabilitate watershed in cooperation with the Philippine Business for Social Progress. Lexmark funded and planted 2,750 seedlings in their adopted hectare.

Lexmark developed programs to achieve environmental improvements to the community. The Waste Segregation Awareness and Community Clean Up programs allowed employees to hold organized clean ups in Cabantan, Hippodromo and Mabolo.

Lexmark volunteers planted 7,000 mangrove propagules in 2012 in Barangay Catarman and Inuburan, Cebu. The Mangrove Reforestation Project is a program that restores existing areas of damaged and routinely harvested forests.

CANADA

Lexmark employees instigated a garden spring-cleaning project at a senior home in Unionville, Ontario. Grateful seniors are now able to enjoy a tranquil, manicured sensory garden.



Lexmark employees picking up litter in Boulder



Lexmark Latin America employees help clean parks on Earth Day



Lexmark Budapest employees and families collecting waste



Lexmark volunteers planting mangrove seedlings in the Philippines

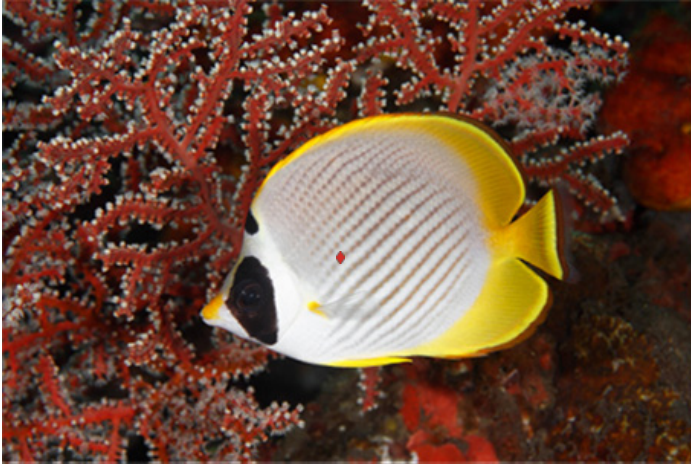
Canadian Lexmark volunteers spruced up



a senior home garden

IUCN Red List Species

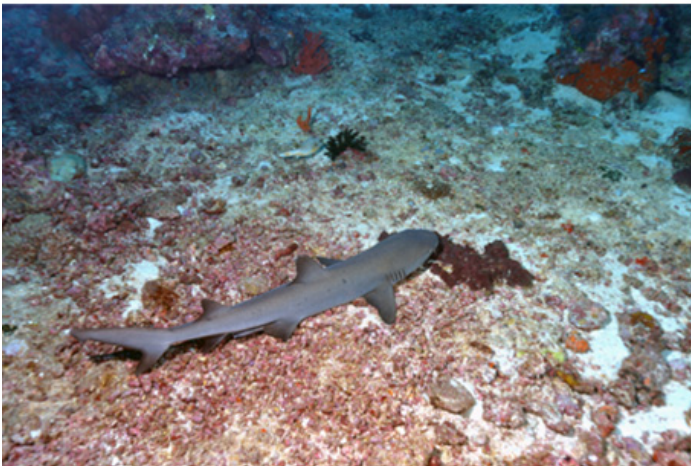
Four IUCN (International Union for Conservation of Nature) Red List species reside in the Philippines. While Lexmark operations do not impact the habitats of these species, Lexmark employees in the Philippines work diligently to restore their habitats through volunteer and philanthropic efforts that focus on reforestation and watershed protection.



Species: *Chaetodon adiergastos*
 Common Name: Philippine Butterflyfish
 IUCN Status: Least concern



Species: *Tarsius syrichta*
 Common Name: Philippine Tarsier
 IUCN Status: Near threatened



Species: *Squalus montalbani*
 Common Name: Philippines Spurdog
 IUCN Status: Vulnerable



Species: *Crocodylus mindorensis*
 Common Name: Philippines crocodile
 IUCN Status: Critically endangered

RECYCLED PAPER BECOMES NEW PRODUCT PACKAGING

In 2011, Lexmark Mexico supply base management and the operations team approached our supplies-packaging engineers about an opportunity to make a positive difference for the environment. The operations team wanted to do more than just recycle the paper produced from testing Lexmark toner cartridges.

The collaborative effort of the teams produced an innovative process of converting the test pages to molded pulp cushions. The pulp cushions are a cost effective solution and also provide a high level of protection to Lexmark toner cartridges during shipment. The new packaging cushions are used to protect our new high end and low end cartridges, can be recycled, and are made from 100 percent post-consumer Lexmark waste.

For their efforts on this project, Lexmark was recognized as a Manufacturing Leadership 100 Award winner (ML100) in the Sustainability Category. The ML 100 awards are given by The Manufacturing Leadership Council and recognize those that are shaping the future of global manufacturing.





DESIGNING PRODUCTS WITH RESPONSIBILITY IN MIND

The environment and social issues are primary concerns in today's society, and consumers are increasingly concerned about the environmental and social impacts of the products they use. Consequently, the environmental performance and social impact of products is a key issue for businesses large and small. At Lexmark, our design efforts focus on minimizing the environmental impacts of our products and offering products with social benefits in these essential areas.



Product Life Cycle



Acoustics



Materials



Product Emissions



Supplies



Packaging



Product Energy Use



Environmental Solutions



Socially Beneficial Solutions

DOCUMENTS AND FORMS

Environmental Specification
(English)
[Click Here](#)

Environmental Specification
(Simplified Chinese)
[Click Here](#)

Supplier Declaration of
Conformity
[Click Here](#)

Current Product Environmental
Profile Sheets
[Click Here](#)

PRODUCT LIFE CYCLE

The Lexmark life cycle assessment (LCA) provides us with a realistic, data-based evaluation of trade-offs in the product design, manufacturing, distribution, use, and end-of-life of our products. More importantly, LCA data indicates the potential improvements we can make systemwide across our entire enterprise. By incorporating LCA results in our product-design process, we can develop sustainable products that combine high standards of performance, efficiency, and environmental stewardship.

To clearly understand the environmental impact of our printers, Lexmark examines each phase of a product's life—from product design to end-of-life—with a product LCA. Each LCA is done according to the ISO 14040 and ISO 14044 standards. We commission third-party environmental companies to assess our products. We also submit our findings to independent reviewers.

Lexmark commissioned LCAs for several of our products, including the Lexmark X646dte monochrome laser multifunction printer (MFP) as well as the Lexmark X544de and Lexmark X736de color laser MFPs. The findings measured our products' environmental impact on multiple indicators in accordance with methodology established in 2002 by the Institute of Environmental Sciences, Leiden University, in the Netherlands. The significant environmental indicators that were measured include the following:

- Global warming potential and climate change
- Nonrenewable resource potential (abiotic depletion)
- Nonrenewable primary energy demand
- Water footprint

LCA results for the Lexmark X736de color laser MFP indicate that the printer's main carbon and water footprint (62 percent for carbon footprint; 85.4 percent for water footprint) is from paper consumption during printing. More energy is consumed to produce a single sheet of paper than required to print or copy it. The production of a single sheet of paper consumes about 17 watt-hours, which is approximately 50 times the amount of energy to print a single sheet. LCAs on our printers reveal that the Lexmark commitment to *print less, save more* is an effective approach to improve sustainability efforts for Lexmark and its customers.



X646DTE CASE STUDY



Lexmark X646dte monochrome laser MFP

X736DE CASE STUDY



Lexmark X736de color laser MFP

X544DN CASE STUDY



Lexmark X544dn color laser MFP

PRODUCT ACOUSTICS

Acoustics is the science of sound and vibration, and designing products for the environment includes considering audio comfort in the workplace. Lexmark printers offer an ideal combination of efficient performance and quiet operation to enhance comfort in the workplace, which increases productivity.

GRI
EN26

The Lexmark design teams assess our equipment acoustics and focus on reducing unwanted noise while selectively incorporating helpful sounds. Finding technical solutions to unwanted noise requires creativity and innovation. Since 2009, all laser products are designed with a Quiet Mode feature. With this setting, customers can adjust the sound level of their printers to meet their personal preferences.

Germany's Blue Angel Eco-Label was one of the first to include noise levels in its certification criteria. Today, all [Lexmark laser-printing products](#) meet the noise requirement in the Blue Angel specification RAL-UZ 122.



The Lexmark Acoustic-Energy Lab

MATERIALS

The variety of technologies used in Lexmark printers includes several different types of materials ranging from plastics to metals to ceramics. The largest quantity used in Lexmark products by volume are plastics, such as HIPS (high-impact polystyrene) and ABS (acrylonitrile butadiene styrene). Other plastics include polyesters, polyamides, and filled or blended versions of these materials. Usually manufactured from gas and petroleum feedstocks, the environmental impact of these feedstocks can be offset by increased use of recycled plastic. Metal content in Lexmark printers is dominated by steel products sourced from both recycled and new feedstocks. Other types of metals and ceramic alloys are used in smaller components of our systems.

GRI
EN1-2,
EN26

LEXMARK GOAL	LEXMARK PROGRESS
<p>Lexmark's materials goal:</p> <div style="background-color: #0070C0; color: white; padding: 10px; text-align: center;"> <p>1 The current Lexmark printer product line will contain a minimum of</p> <h1 style="margin: 0;">10%</h1> <p>by weight of postconsumer (PCR) plastic of the total plastic components.</p> </div>	<p>Lexmark has made progress with several products exceeding our original goal:</p> <div style="background-color: #70AD47; color: white; padding: 10px; text-align: center;"> <p>1 The newest Lexmark printers contain a PCR content of up to</p> <h1 style="margin: 0;">40%</h1> <p>by weight of the plastic components.</p> </div>

POSTCONSUMER RECYCLED CONTENT

Lexmark continually strives to optimize our use of postconsumer recycled (PCR) materials in our products. By using PCR materials, we can have a positive impact on the environment, reducing both consumption of natural resources and the amount of waste in landfills.

Lexmark recognizes the environmental benefits of reusing metal content, 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% to 80% recycled content. Lexmark is committed to using these grades of steel with recycled content wherever possible.



Optra printer from the mid-1990s



Current laser color printer

Because of a complicated feedstream and changing logistics, recycling engineering plastics has been a struggle for the electronics industry as a whole and a significant challenge for Lexmark. At Lexmark, despite these barriers, we were an early adopter of recycling and have worked hard to maintain our leadership position in generating recycled plastic feedstreams and incorporating PCR materials in our products. In the mid-1990s, we succeeded in incorporating recycled plastics in our Lexmark Optra series of printers with a controlled North American feedstream and closed-loop materials.

In recent years, new regulations and changes in consumer attitudes have resulted in our suppliers offering recycled plastic materials of increased quality on the global market. Through years of working closely with these suppliers, Lexmark engineers have been able to identify grades of plastic with suitable quality and competitive pricing. Consequently, we have been able to increase our use of PCR material in Lexmark printing products.

With the availability of high-quality PCR plastics, the development team created 2012 Lexmark laser printers with significantly higher levels of PCR plastic compared to previous generations. The newest Lexmark printers contain a PCR content of up to 40 percent by weight of the plastic components. Using recycled materials in our products

ensures that waste formerly earmarked for a landfill has a new destination and purpose, helping to protect natural resources. It also means Lexmark and our customers

are making significant progress to achieve our sustainability goals.

CLOSED-LOOP RECYCLING

Lexmark continues our innovative closed-loop toner-cartridge recycling operations. Capitalizing on our award-winning Lexmark Cartridge Collection Program, Lexmark engineers reclaim a feedstream of high-impact polystyrene plastic. After returning this material to near virgin quality, it is incorporated in new toner cartridges, thus closing the loop. Reclaiming this material is another reason we are proud to demonstrate leadership in our industry. Lexmark is our industry's leader with 10 percent average postconsumer plastic content across Lexmark toner cartridges. Lexmark's goal is to increase the post consumer plastic content in toner cartridges to 25 percent by 2016.

We also use similar techniques in our closed-loop recycling of Lexmark inkjet-cartridge plastic. Reclaiming cartridge bodies from our return program, we reuse 25 percent of this material in closed-loop recycled plastic that is used for manufacturing components for new Lexmark inkjet cartridges.

Because of these two programs, Lexmark was the first printer manufacturer to successfully implement a closed-loop recycling system for both ink and toner cartridges. At Lexmark, we're proud to support this effort and are always working to expand these highly sustainable recycling programs.

RESTRICTIONS OF HAZARDOUS SUBSTANCES

When specifying materials used in Lexmark printers, supplies, and packaging, we evaluate compliance with 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 known as RoHS 2, which restricts the use of certain hazardous substances in electrical and electronic equipment. The RoHS directive limits the amount of four metals (lead, mercury, hexavalent chromium, cadmium) and two brominated flame retardants (polybrominated biphenyl and polybrominated diphenyl ether), which can be used in our products. At Lexmark, we comply with RoHS international legislation and are committed to bringing RoHS compliant products to world markets.

As Lexmark develops new products, we work closely with all our suppliers to ensure that all materials in Lexmark products are compliant with the RoHS directive. We are committed to continuously improving the environmental design of all of our Lexmark products and services. Reducing environmentally harmful materials, such as those listed in the RoHS directive, is a part of our commitment, too. For example, a few years before the RoHS requirements went into effect, Lexmark completely eliminated PBBs and PBDEs from our products. Since July 1, 2006, all Lexmark products, including ink and toner cartridges, have been fully compliant with the RoHS directive.

REGISTRATION, EVALUATION, AUTHORIZATION AND RESTRICTION OF CHEMICALS

At Lexmark, in cooperation with our suppliers, we are vigilant to ensure that the correct processes are in place for our continued compliance with international material-restriction regulations including 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. In 2008, Lexmark completed the first steps of REACH, including pre-registration, material review, and required communications associated with the initial release of the Substances of Very High Concern (SVHC) candidate list of chemicals. As REACH evolves with chemical registration deadlines and the addition of new chemicals to the SVHC list on a regular basis, Lexmark will continue to track REACH developments and comply with all requirements of the REACH legislation. More information about Lexmark REACH initiatives is available to our customers by request.

MONTREAL PROTOCOL

At Lexmark, we apply the Montreal Protocol to all our products. Lexmark prohibits the use of ozone-depleting chemicals in the manufacture and development of Lexmark products.

PAPER

Lexmark aggressively tests recycled papers—specifically papers made with 30%, 50%, and 100% postconsumer recycled content—on all Lexmark imaging devices. Our expectation is that the runnability of recycled papers in Lexmark devices is equivalent to the runnability of virgin-fiber paper. While no all-encompassing official standard exists for office equipment use of paper, Lexmark has studied and employed European Standard EN 12281 as a minimum properties standard and runnability guide for test paper. To ensure breadth of testing, test paper includes 100% recycled papers from Europe and Asia. Also, testing conditions are conducted at 8% to 80% relative humidity in an attempt to cover all physical paper variables relevant to office equipment use. Testing includes automatic and manual duplex printing, which has the potential to be challenging with some recycled papers.

Lexmark offers a limited number of environmentally preferable papers for sale in the Europe. Lexmark PerfectFinish™ photo paper is made with materials harvested from forests certified by the Programme for the Endorsement of Forest Certification. This paper is readily available at retail shops in Europe and on the European Lexmark website.

DID YOU KNOW?

Customers using Lexmark devices have many choices when it comes to the types of environmentally preferable paper they can use. Customers can use general office paper that meets European Standard EN 12281 and has one of the following:

- Renewable content
- Recycled content
- Chlorine-free content

LEXMARK PRODUCT ENVIRONMENTAL SPECIFICATION

In 2012, Lexmark released an update of our Lexmark Product Environmental Specification. This publicly available specification defines the minimum environmental requirements for the designing, manufacturing, and marketing of Lexmark products and parts. This important criteria is based on the latest global regulatory obligations, international treaties and conventions, and certain market demands. The 2012 update also includes the REACH Substances of Very High Concern (SVHC) directive in Europe and the recast of the European Union Restriction of Hazardous Substances (EU RoHS) directive.

To support these efforts, Lexmark has implemented a new materials-content data collection and management system, which optimizes our ability to communicate with our suppliers about the substances in their parts and assemblies used in our products. It also enhances our ability to respond to customer questions about the

substances in our products and to address regulatory issues regarding substances of concern.

Click [here](#) for a link to Environmental Specifications and additional documents and forms.

MATERIAL SAFETY DATA SHEETS

Current Material Safety Data Sheets are available on the Lexmark Web site. [Click Here](#)

PRODUCT EMISSIONS

Emissions from printers in the workplace are subject to the occupational exposure restrictions of individual countries for specific chemicals. Lexmark printers are tested throughout their development for emissions of styrene, benzene, ozone, total and individual volatile organic compounds, and total and ultrafine particulates. All laser printers emit small amounts of volatile organic compounds, due to the heating of plastic parts, and produce small amounts of dust (mostly paper remnants) as paper moves through the printer.

Current Lexmark laser printers do not generate more than trace amounts of ozone. (The printing technology that resulted in significant ozone generation is no longer used.) All Lexmark printer families are tested for emissions following the protocols of the internationally recognized German Blue Angel environmental certification. Results are compared to the Blue Angel requirements, and summary reports are available to customers upon request.

PRODUCT ENVIRONMENTAL PROFILE SHEETS



For additional information about Lexmark product-specific emissions, refer to Lexmark product environmental profile sheets. [Click here](#)

LEXMARK SUPPLIES

LEXMARK CARTRIDGE COLLECTION PROGRAM: REDUCING WASTE TO LANDFILL

The Lexmark Cartridge Collection Program (LCCP) continues to divert millions of Lexmark toner and inkjet cartridges annually from landfills by enabling our customers to return used print cartridges for reuse and recycling to Lexmark free of charge. Currently, our collection programs are available in more than 60 countries, which represent approximately 90% of our global market.

GRI
EN2

LEXMARK GOALS

Lexmark has two supplies goals:

1 Increase the postconsumer recycled (PCR) plastic percentage to **25%** by 2016.

2 Increase the cartridge material by weight reused through our collection program to **50%** by 2018.

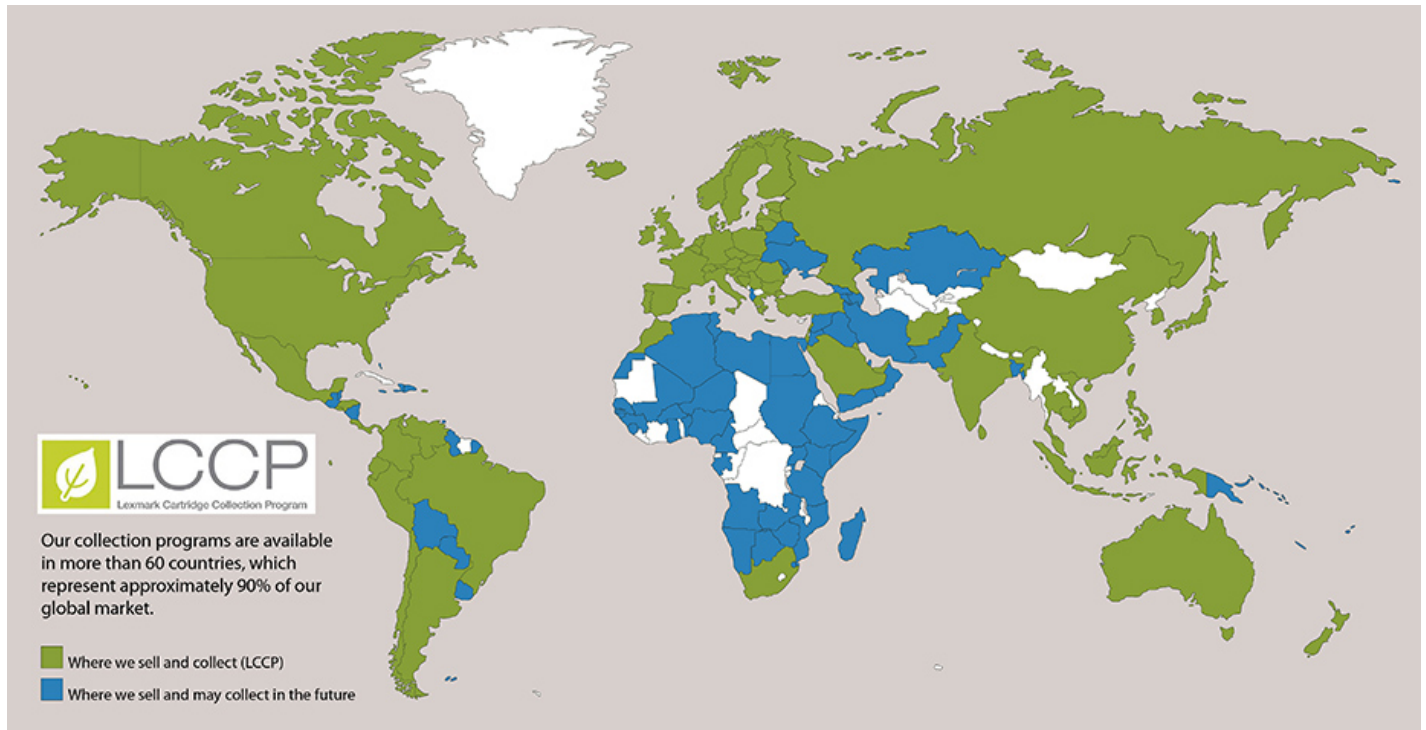
LEXMARK PROGRESS

Lexmark has seen significant improvement:

1 Lexmark's toner cartridge product line currently contains an average of **10%** by weight of PCR plastic.

2 In 2012, approximately **30%** of the cartridge materials by weight returned were reused.

Our customers can return individual toner cartridges by placing the used cartridge in the new cartridge box and applying the prepaid label. Other methods of returning our toner cartridges include bulk returns and container pick-up service for large-volume customers (availability varies by country). For inkjet cartridge returns, customers can request free recycling bags from the easy-to-use Lexmark website, in addition to other country-specific inkjet cartridge collection methods.



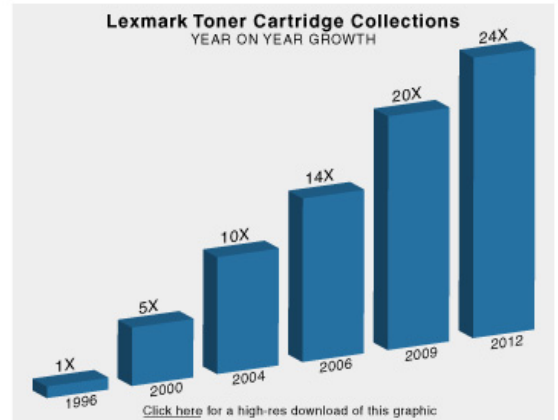
Our extensive cartridge-collection network has made Lexmark an industry leader in the recovery, remanufacturing, and recycling of empty toner cartridges. The number of empty toner cartridges we collect and process continues to be impressive. In 2012, our customers returned more than one out of every three toner cartridges shipped. In some regions, the Lexmark return rate is even higher. In the United States, for example, the number of toner cartridges returned has continued to average between 40 percent and 50 percent of shipments over the past several years. We believe that industry average collection rates are between 20 percent and 30 percent.

We credit this achievement to our customers' exceptional commitment to the environment, along with creative incentives that make it easy to do the right thing for the planet, such as:

- **C540/X540 Series Rewards Program**—A unique program for our new C540/X540 series color laser printers that rewards customers for recycling their used toner cartridges with Lexmark. Customers can earn free high yield toner and imaging kits for returning their empty cartridges to Lexmark. In 2012, this program was

expanded to include our new CS31/CS41/CS51 series color laser printers.

- **Lexmark Return Program cartridges**—Program for many of our most popular printer models. Toner and inkjet cartridges are sold at discounted prices in exchange for agreeing to return the empty cartridges only to Lexmark.
- **Singapore return program**—Lexmark participates in the Project Homecoming initiative supported by the NEA (National Environmental Agency) and the NLB (National Library Board). The initiative encourages the recycling of cartridges through easily accessible bins in 13 NLB libraries.
- **Expanding the Cartridge Recycling Container Program**—In 2012, Lexmark continued to expand the use of our cartridge recycling containers to customers in the United States, and we initiated a pilot program in Canada. These North American customers join the thousands of customers in more than 25 European countries that already use the LCCP Cartridge Recycling Container.



Cartridge recycling containers are designed to be displayed and used at customers' locations to facilitate free-of-charge recycling of both Lexmark toner and ink cartridges. Additionally, the containers enable Lexmark Eco Reports which provide customers with a measure of the sustainability benefits related to their returned cartridges.

GIVING CUSTOMERS A CHOICE

We've made recycling toner cartridges and keeping them out of landfills easy, especially with the broad selection of Lexmark cartridge offerings:

- Lexmark regular cartridges can be returned to us through the LCCP.
- Lexmark Return Program cartridges offers customers an up-front discount in exchange for their agreement to return the cartridge only to Lexmark.
- Lexmark-certified reconditioned toner cartridges are a quality-assured remanufactured alternative.

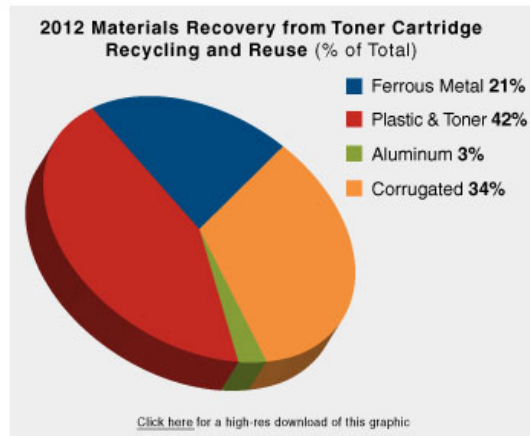


RESOURCE CONSERVATION THROUGH RECYCLING AND REUSE

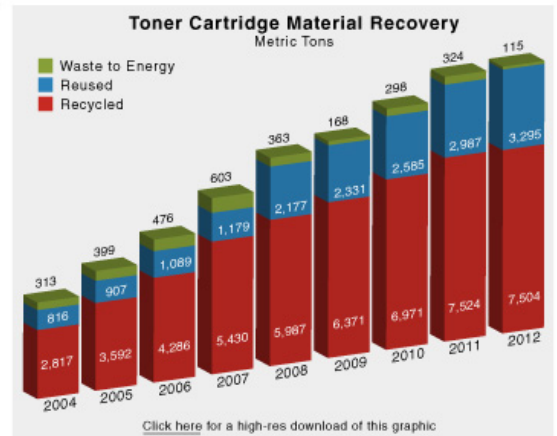
Not only does the LCCP help reduce landfill waste, but it also conserves natural resources in conjunction with our recycling program. When managing the end of life for the empty cartridges that our customers return to us, Lexmark always aims to be at the top levels of the standard environmental hierarchy. At the bottom of the hierarchy are landfill disposal and incineration, the least desirable options. At the highest levels are recycling and reuse, which produce the greatest sustainability benefit for the environment. To consistently scale this environmental hierarchy, Lexmark follows a zero-landfill and zero-incineration policy for all empty cartridges that we collect. Of the empty cartridges returned to Lexmark, 100 percent are either reused or the materials are recycled.



[Click here for a high-res download of this graphic](#)



[Click here for a high-res download of this graphic](#)



[Click here for a high-res download of this graphic](#)

Our ultimate goal is to give as many cartridges as possible a second life by reusing their materials. Since 1996, Lexmark has reused over 37 million pounds of recovered cartridge material by converting millions of empty toner cartridges to Lexmark-certified reconditioned toner cartridges. The eligible empties that we collect are disassembled and cleaned, and the critical components are replaced with genuine Lexmark components. Each reconditioned cartridge is tested to assure high-quality output and reliable performance.

We have been consistently moving up the environmental hierarchy. Between 2004 and 2012 by continually optimizing our collection and remanufacturing processes, Lexmark was able to gain a more than fourfold increase in the absolute amount of cartridge materials reused through our collection program. In 2012, approximately 30 percent of the cartridge materials by weight returned to Lexmark were reused. The Lexmark goal is to increase this percentage to 50 percent by 2018.

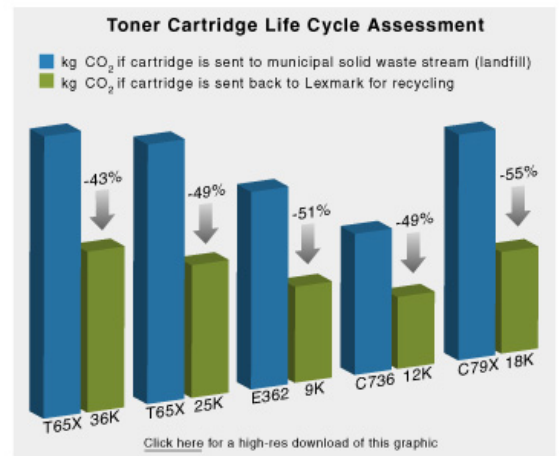
Lexmark toner cartridges that cannot be successfully reconditioned are deconstructed with a process that maximizes materials recovery for use in secondary products. In 2012, we, again, recycled or reused more than 10,000 metric tons of plastic, metals, and packaging. Conserving these materials for reuse in cartridges and other products translates into fewer raw materials that need to be mined or extracted, and thus reducing the impact on the environment.

END-OF-LIFE MANAGEMENT: TONER CARTRIDGE CARBON FOOTPRINT

Lexmark uses life cycle assessments (LCAs) extensively to better understand the environmental impact of our cartridges and as a guideline when considering potential product and process design improvements. An LCA is designed to evaluate the environmental impact of a product throughout its lifetime, from raw materials extraction, production, distribution, and use to the end of its life cycle. These studies demonstrate just how significant the benefit to the environment can be by recycling a used toner cartridge through the LCCP. The Lexmark LCA cartridge studies (by a third party in accordance with the ISO 14040 and 14044 guidelines for LCA) demonstrate that sending a used Lexmark toner cartridge back to Lexmark for recycling, as opposed to discarding it in a landfill, reduces the overall carbon footprint of those cartridges studied by up to 50 percent (excluding paper consumed during the use phase).

USE OF POSTCONSUMER RECYCLED CONTENT

In 2012, Lexmark continued its use of postconsumer recycled (PCR) plastics to manufacture some of our new toner cartridges. The Lexmark toner-cartridge product line contained, on average, 10 percent by weight of PCR plastic. In some models, the PCR content of newly molded plastic components can provide up to 28 percent by weight of the plastic used. The Lexmark goal is to increase this percentage to 25 percent by 2016.



CHARITABLE CONTRIBUTIONS – SOUTH AFRICA

In South Africa, the Cartridge Recycling Initiative for Babies (CRIB) seeks to protect the environment and children. By returning empty laser and inkjet cartridges to Lexmark for recycling, customers 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 both inkjet and laser cartridges. Since 2002, CRIB had donated more than 79,000 “Baby Days” to Cotlands. One Baby Day equals the cost of housing, feeding, clothing and care for one child at Cotlands for the period of one day.

CHARITABLE CONTRIBUTIONS – FRANCE

In France, Lexmark has continued its partnership with the Cancer League charity, *S'inscrire dans le temps*, donating one euro per empty cartridge collected through the LCCP. Some of the funds are used to support a program aimed at helping teenage cancer patients stay connected to their friends and school through personalized diaries focused on a brighter future.

CARTRIDGES TURN INTO PENS



The world's first pen made almost entirely from materials recovered from end-of-life inkjet cartridges. [View Video](#)

MANUFACTURING LEADERSHIP 100 AWARD

For the second consecutive year, Lexmark has been named a Manufacturing Leadership 100 (ML100) Award recipient for Sustainability.

In 2011, Lexmark was recognized for having implemented closed-loop PCR content in both our inkjet and laser supplies through the LCCP.

For 2012, our innovative use of recycled print test paper as the raw material for the toner cartridge's internal packaging was recognized. For more information, click [here](#).

PACKAGING

We design our packaging with the environment in mind. The Lexmark packaging team assesses the impact of our packaging life cycle on the environment. We focus on how much packaging is delivered to the customer, as well as how packaging designs affect transportation efficiencies. In addition, we carefully study how our component choices affect the environment. We minimize the materials we use as much as possible and choose materials that are easy to recycle through municipal recycling programs whenever possible.

GRI
EN1

During the design phase, Lexmark engineers look at the shipping requirements of our products. Our engineers consider the overall size of the product, the shape of the outer covers, and how this can affect the accessories shipped with the printer. The overall ruggedness of the printer is another significant factor: The more robust the printer is, the less packaging it requires. At Lexmark, we apply eco-logic not only to printers, but also supplies and service parts.

Lexmark printers and supplies are packaged with materials derived from both renewable and nonrenewable sources. Packaging materials derived from renewable sources include corrugated cardboard boxes and cushioning materials made of molded pulp and wooden pallets. Packaging materials derived from nonrenewable sources include cushioning materials made of EPS (expanded polystyrene) or EPE (expanded polyethylene), polyethylene bags, fasteners including staples, twist ties and tape, plastic pallets, plastic strapping, and plastic stretch wrap.

Less packaging helps reduce costs and materials disposed in local landfills. Less packaging also ensures that goods are being transported in the most efficient manner. Our efficiency can be quantified through an LCA, or *life cycle assessment*. Acting on our findings, we expect to reduce greenhouse gas emissions, save energy, and conserve natural resources.

Minimum Recycled Content of Packaging Materials	
Material	Minimum % of Recycled Content Specified
Corrugated fibreboard	25%
EPS foam	5%
Molded pulp	100%

SHIPPING AND PACKAGING GUIDELINES

For shipping and packaging guidelines, click [here](#).

SHIPPING AND PACKAGING FORMS

For packaging certification forms, click [here](#).

ROLL-OFF PACKAGING INNOVATION



Easy-to-use recyclable roll-off packaging. [Read More](#)

RECYCLED PACKAGING INNOVATION



Recycled paper becomes new product packaging. [Read More](#)

PRODUCT ENERGY USE



The demand for products that consume less energy—and ultimately result in lower emissions—continues to skyrocket. Whether at home or work, our customers tell us that they want to decrease their impact on the environment while simultaneously reducing energy costs. At Lexmark, we continually strive to update our products with innovative features that make them more energy efficient.

GRI
EN6

LEXMARK GOALS

Lexmark has two product energy use goals:

1 All 2012 models will meet the energy requirements of **ENERGY STAR® V2.0**

2 Lexmark devices will have a power consumption of **4 Watts in sleep mode** for all new products by 2015.

LEXMARK PROGRESS

Lexmark intends to meet these goals in 2013:

1 2012 models will **meet** the energy guidelines by the **4th quarter of 2013**.

2 The 2012 product line will **meet this goal** by the end of 2013.

Lexmark 2012 laser printers exemplify our commitment to innovation for energy efficiency. We continue to meet rigorous requirements for ENERGY STAR® ratings and for regulations in Europe. Our newest printers were developed with the following advancements:

- Significant reduction in sleep power energy due to more efficient power supplies, as well as lower power electronics.
- Overall reduction in energy consumption due to the instant warm-up fusing, which enhances the product responsiveness across our entire range of products.
- Hibernate mode, which is in our entire 2012 product line, is critical to our products meeting the Tier 2 requirements of European Union Standby/Off Mode regulations.
- Our 2012 products are designed to meet the ENERGY STAR Imaging Equipment Version 2.0 guidelines, which saves the customer money and protects our environment.

The new Lexmark product line's energy efficiency is significantly improved compared to previous generations. The Lexmark printer product line averages a 30 percent reduction in the ENERGY STAR Typical Electricity Consumption measurement and a 60 percent reduction in power consumption while the printer is in sleep mode when compared to the previous generation of our products. These greatly improved reductions in power demonstrate the Lexmark commitment to leadership in the energy efficiency arena.

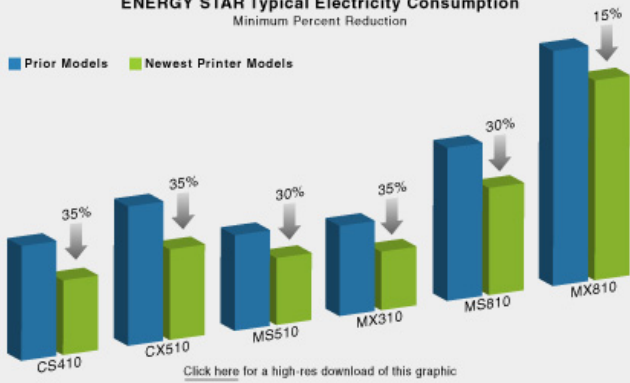
To learn more about Lexmark energy innovation efforts [click here](#).

Typical Electricity Consumption and Sleep Mode Energy were measured according to ENERGY STAR Test Method for Imaging Equipment V1.2

ENERGY STAR Typical Electricity Consumption

Minimum Percent Reduction

■ Prior Models ■ Newest Printer Models

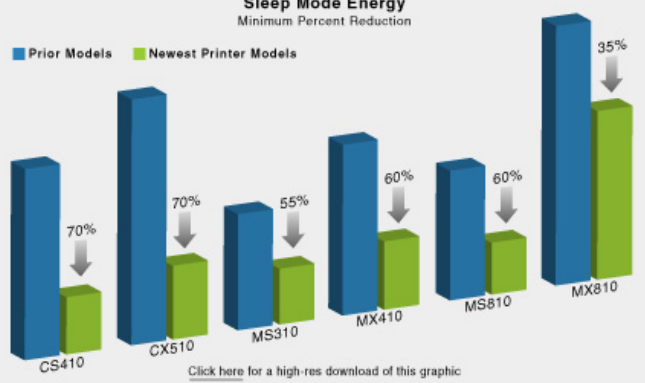


[Click here for a high-res download of this graphic](#)

Sleep Mode Energy

Minimum Percent Reduction

■ Prior Models ■ Newest Printer Models



[Click here for a high-res download of this graphic](#)

ENVIRONMENTAL SOLUTIONS



We not only care about the performance of our products but also how they affect the Earth and the communities where they're made and used. Being environmentally and socially responsible is good for everyone, and for the long term, it's good for the bottom line. Good corporate citizenship is encouraged at every level throughout the Lexmark company, and the way we design, manufacture, and deliver our products is real-world proof of our efforts.

We use best practices to ensure that our manufacturing processes operate efficiently so their impact on natural resources and landfills is minimized. We also care about the people who design and make our products, so we implement policies and procedures to ensure the well being of not only Lexmark employees but also the people in the communities where we operate. Because delivering our products to market and getting our employees to work is critical to our success, we are always seeking ways to lower the environmental impact of our transportation. And after our customers receive our products, we help them use Lexmark products in ways that are both environmentally and socially beneficial. At Lexmark, our attitude is to have a positive impact on society in all that we do.

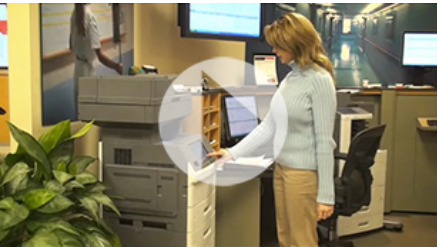

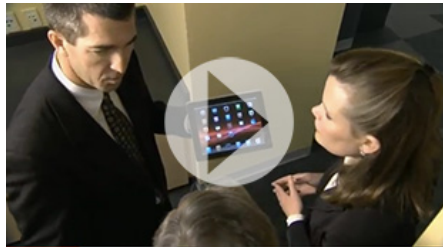
At Lexmark, we firmly believe that the most cost-effective and sustainable page is *the one you never print*. We design our Lexmark hardware and software solutions to help our customers receive the maximum benefit from the minimum of resources. This focus on efficiency and waste reduction is not only good for the environment, but it's also good for the customer's financial bottom line. Following are some Lexmark solutions that help businesses print less and save more.

Hardware—Many Lexmark imaging-device features help our customers print less. Users can reduce their overall paper-related environmental impact by choosing to take advantage of their devices' duplex capabilities, compatibility with recycled papers, and multipage printing feature. Lexmark devices also have settings to customize print jobs while optimizing the use of energy.

Software and solutions—Lexmark software solutions and services enable our customers to reduce their environmental impact from printing. Lexmark offers industry-specific software solutions, such as the paper-saving Downtime Reports application designed for the health care industry, and cross-industry solutions, such as Print Release.

Services—Taking a holistic view of customer environments, Lexmark Managed Print Services (MPS)—a mix of software tools, services, and custom solutions and strategies—improves business processes and overall printing efficiency by eliminating unnecessary printing and reducing energy use.

Lexmark programs for cartridge and hardware collection and recycling assist customers reduce the impacts end-of-life disposal of our products. These Lexmark solutions and services have a positive environmental impact as opposed to the landfill alternative.

Downtime reports	Print less	Managed print services
 <p data-bbox="126 1730 217 1751">View Video</p>	 <p data-bbox="591 1730 682 1751">View Video</p>	 <p data-bbox="1055 1730 1146 1751">View Video</p>

SOCIALLY BENEFICIAL SOLUTIONS



Organizations are under increasing pressure to conduct their businesses with respect for corporate social responsibility (CSR) and demonstrate that their operations are in compliance with national and international standards. Investors, governments, and customers all have unique CSR requirements of the companies they interact with. To thoroughly address stakeholder CSR demands while remaining transparent, successful companies find the appropriate solutions so that they can conform to CSR performance standards such as Executive Order 13514, an executive order mandating sustainability performance reporting, and HIPAA (Health Insurance Portability and Accountability Act), which focuses on medical information privacy. Other important CSR protocols include the Sarbanes-Oxley Act, which encourages financial accountability and aids in investor protection and Section 508 of the Rehabilitation Act, which mandates accessibility for disabled individuals and countless others.

At Lexmark, we develop solutions for our customers so they can address these mandates, as well as many others, and comply with CSR standards more easily and more effectively. Our Lexmark research and development teams focus on designing solutions so that our customers can operate in a socially responsible manner and demonstrate transparency in their disclosures.

We understand CSR challenges because we are vertical-market experts. Since Lexmark began, we've been listening to our customers, and studying their challenges and needs as well as the markets they serve. Consequently, we have a broad knowledge base on every industry we serve. And we understand our customers' "pain" points, that is, the problems they're trying to solve to be successful. In addition to our own research and development, Lexmark solutions are based on feedback we receive directly from our customers' end users. And we understand these challenges because they are the same we face—doing the right things for our business while working toward a greater good.

We have developed a suite of Lexmark solutions—hardware and software combined—so that our customers can operate with CSR behavior while serving the best interests of their customers. Following are examples of the many Lexmark solutions in our portfolio.

LEXMARK COMPLIANCE SOLUTIONS

Solutions for Financial Compliance

The financial accounting scandals of the early 2000s were devastating to the world economy as a whole and to individuals who lost their jobs, their savings, and the intangibles that don't make it to the evening news. As a response to these scandals, the Sarbanes-Oxley Act was ratified with the goal of preventing this kind of criminal behavior. And the ratification of this act generated a significant paperwork for corporations in general. Section 404 of Sarbanes-Oxley charges senior managers with the responsibility of documenting and ensuring the integrity of their companies' internal financial controls. The amount of paperwork that must be generated, and shared and stored to comply with these requirements can be overwhelming.

Perceptive Software, a Lexmark business unit, specializes in ECM (enterprise content management) software, which focuses on managing an organization's unstructured content and aids in compliance with CSR regulations such as Sarbanes-Oxley. Through the combined solutions of Lexmark and Perceptive (Lexmark hardware and Perceptive software), corporations can manage documents electronically. Documents can be scanned with Lexmark hardware and data is captured with Perceptive Content (formerly known as *ImageNow*). This solution compared to paper records improves the transparency of financial documentation, making it easier to satisfy Section 404 criteria and ensuring compliance with this important social mandate.

Solutions for Privacy and Data Security

HIPAA (Health Insurance Portability and Accountability Act) requires the security and privacy of health information. Protecting patient privacy is of great concern to all health care providers and patients alike. Ensuring privacy while maintaining timely access to patient records and complying with the requirements of HIPAA can be a challenge.

Lexmark and Perceptive Software work together to offer health care providers solutions that make it easier to comply with HIPAA and that providers overall efficiency and



Secure Content Monitor

[View Video](#)

effectiveness. Perceptive Content can be used to capture, access and manage patient records, ensuring privacy while improving authorized provider access to the records they need.

LEXMARK ACCESSIBILITY SOLUTIONS

Navigating office environments can be a challenge for workers with physical, sensory, and cognitive limitations. As a result, the unemployment rate in the disabled community is extraordinarily high. Some studies have suggested that unemployment rate within the blind community, for example, can be as high as 75 percent. Lexmark is committed to doing its part to eliminate barriers to workplace success, such as printing or scanning a document. Lexmark imaging devices and assistive software solutions are designed to help users of varied abilities be productive and independent in the workplace.

For additional information about Lexmark accessibility solutions, click [here](#).

INNOVATION

Innovation is core to Lexmark's business strategy. Innovation allows us to deliver solutions that make them more productive and efficient. Our focus on socially and environmentally beneficial innovation allows us to be more productive and efficient while being respectful of our environment and socially responsible.

Refer to the case studies below for examples of recent environmentally and socially beneficial innovations.

During training, our employees are made aware that looking for and discovering better, more efficient and improved eco-friendly ways of doing things, is the surest method of bettering our company, helping our customers and safeguarding the environment. Whether it's improved energy efficiency in our facilities or better ways of making, packaging and shipping our products, we expect all our employees to think outside the box.

ENCOURAGING INNOVATION



We offer our interns, engineers, designers, and other employees several opportunities to learn more about innovation and career development. To demonstrate the solutions that are produced by our creative participants, Lexmark held the following events in 2012:

- Entrepreneurial Challenge—A platform for our employees to demonstrate new and innovative ideas that benefit Lexmark customers.
- Career Start Symposium—A showcase of student-intern and new-employee work, as well as helpful career development information and networking opportunities for all attendees.
- Experience Design—The Customer Connection—A series of speakers and panel discussions to teach how and why our customers use Lexmark products, as well as what customers like and where we can improve their Lexmark experience.
- Research & Technology Symposium—An event of 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.

TONER INNOVATION



Unison toner – optimized for Lexmark's completely new toner and print delivery system.
[Read More](#)

PACKAGING INNOVATION



Cost-effective and environmentally friendly packaging.
[Read More](#)

ENERGY INNOVATION



Energy efficient laser printer design.
[Read More](#)

ACCESSIBILITY INNOVATION



Solutions that make imaging devices accessible to all.
[Read More](#)

ACCESSIBILITY SOLUTIONS



At Lexmark, we develop technologies for people of various abilities so they can be more productive. We are committed to eliminating physical barriers to workplace success like printing or scanning a document. Lexmark solutions are designed to be accessible to everyone. We incorporate features that make our devices more intuitive, less physically demanding, and easier to use for people with sensory disabilities. Designing for varied abilities not only helps individuals with physical limitations be fully productive and successful in their careers, but it also helps our society address the broader issue of unemployment in the disabled community.

STRATEGY

Architect Ronald Mace coined the phrase universal design to describe the concept of making buildings, products, and environments that are accessible to both people without disabilities and people with disabilities. More broadly, Mace intended universal designs to be usable to the greatest extent possible by everyone, regardless of their age, ability, or status in life. At Lexmark, we strive to make our products with these universal-design principles.

By designing to include everyone in the workplace, our innovations bring us closer to our goal of producing Lexmark products that are the most accessible on the market.

Accessibility innovation at Lexmark is driven by the Lexmark Accessibility Council. Our council is a team that comprises product designers, software engineers, user experience experts, solutions designers, and publication writers. To determine the best path forward for future generations of Lexmark products, our council of experts monitors accessibility legislation and regulations, conducts research with customers and other users, and consults with industry experts.

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

At Lexmark, we've defined processes and methodologies that help us educate our staff, gather information, and ultimately ensure that Lexmark solutions are increasingly accessible.

CUSTOMER FEEDBACK

USER INPUT

Before we develop products and solutions, we seek input from customers with disabilities to better understand their unique requirements, and then we incorporate their ideas and feedback into our designs.

ACCESSIBILITY ROAD TRIP

In 2012, members of the Lexmark Accessibility Council and Sustainability Teams hit the road to visit customers, prospects, and nonprofits to talk about sustainability solutions for office environments. Their goal was to learn what we can do better as a provider of technology printing and software solutions so we can empower our disabled customers more. We met with actual end users and saw how Lexmark solutions are being utilized. We listened to all ideas and suggestions these customers had for future solutions applications that we might develop.

Two of the organizations we met with, Georgia Institute of Technology (Georgia Tech) and Winston-Salem Industries for the Blind (IFB), are using Lexmark devices equipped with the [Lexmark Accessibility Solution](#) and the [Lexmark Speech Solution](#). Both organizations offered valuable feedback that will influence the future designs of our products.

DESIGNING WITH ACCESSIBILITY IN MIND



The Lexmark MX6500e Multifunction Option makes access easy. Unlike large, bulky copiers, this device can be placed at a lower height for wheelchair accessibility. In addition, hearing and visually impaired users can take advantage of Lexmark's innovative tactile and audio features. With the Lexmark MX6500e Multifunction Option, all workers can conveniently copy, fax, email and scan.

GEORGIA TECH ALTERNATIVE MEDIA ACCESS CENTER



WINSTON-SALEM INDUSTRIES FOR THE BLIND





AMAC at Georgia Tech

The **Alternative Media Access Center (AMAC)** at Georgia Tech removes barriers for individuals with disabilities by improving the human condition through technology in academic and workplace environments. The AMAC team is charged with research and development of products and services to support individuals with disabilities.

AMAC employees use a Lexmark X792dte equipped with both the Lexmark Accessibility Solution and the Lexmark Speech Solution.



IFB Manufacturing Floor

Winston-Salem Industries for the Blind (IFB) is the largest employer of people who are blind or visually impaired in the United States. In an effort to provide employment opportunities to persons who are blind or visually impaired, IFB began in 1936 as a two-room shop in downtown Winston-Salem, North Carolina, with only six blind workers. Today, IFB has grown into a \$130 million provider of products and services, such as eyeglasses, ink pens, and cloth products used by the military.

The IFB computer lab, which provides training, evaluation, and services such as generating Braille documents to accompany the use of their equipment, uses a Lexmark X748e. The device is also equipped with the Lexmark Accessibility Speech solution.

STANDARDS AND REGULATIONS

We are guided by current and developing standards and regulations that prescribe best practices in the development of office equipment, software solutions, and communications. Section 508 of the United States Rehabilitation Act, the European Union Mandate 376, and Web Content Accessibility Guidelines (W3C WCAG 2.0) are examples of the many national and international standards and regulations we apply to our designs.

CONSULTATION WITH EXPERTS

The Lexmark Accessibility Council has established relationships with accessible design experts and accessibility analysts including the American Foundation for the Blind (AFB). Our product designers and software developers apply insight acquired through consultations with these experts to the design of future products and solutions.

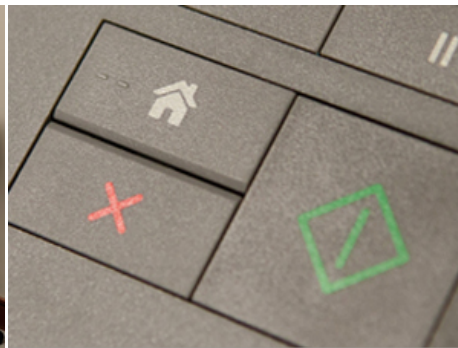
ACCESSIBILITY FEATURES AND SOLUTIONS

At Lexmark, accessibility is a key marker in every phase of our product development process. Through the Lexmark Accessibility Council, which manages our accessibility initiatives, we are able to incorporate a number of helpful features into our products.

Following is a list of features added to Lexmark products to assist people with accessibility issues :



Accessible height and reach—Universal-design principles applied to our products to accommodate the height, reach, and force needs of all users.



Tactilely discernible numpad—Bumps on the 5 and Home keys so that visually impaired users can orient themselves to control the printer.



On-device guidance—Large, high-contrast pictures guide users to perform common tasks.



Extra-large user interface—Extra-large color touch screens so users with reduced vision can operate multifunctional printers with ease. (Lexmark offers some of the largest user interfaces on the market.)



Adjustable display—Displays that can be tilted to optimize their viewing angle.



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



Lexmark Accessibility Speech Solution—Users press the asterisk (*) and 0 keys in sequence to hear an audio message about the printer's status, for example, "Tray 1 is out of paper."



New 2012: Magnification—Users with limited vision can magnify the user interface display by 200%.



New 2012: Reverse image—Users with sensitivity to light can reverse the image.

ACCESSIBILITY VIDEOS



Lexmark incorporates many accessibility features into our hardware and software.

[View Videos](#)

WEB CONTENT ACCESSIBILITY



Incorporating Web Content Accessibility Guidelines design features.

[Read More](#)

DONATIONS AND VOLUNTEERING



Lexmark looks for opportunities to help individuals with disabilities.

[Read More](#)

EDUCATION AND INSPIRATION

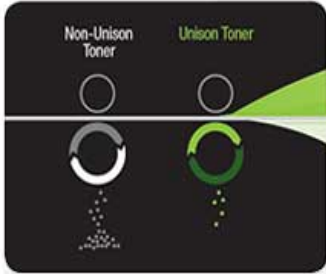


Lexmark hosts education seminars on the topic of accessibility.

[Read More](#)

UNISON TONER

In 2012, Lexmark announced new mono- and color-laser devices that contain a completely new toner and print delivery system. Unison—the most advanced Lexmark toner—is optimized for the newest Lexmark printer architectures, which separate the toner and imaging components. By keeping these components separated and using Unison toner, the usable life of each component is maximized and improves many factors significantly—cost, sustainability, reliability, print quality, and speed.



Unison toner transfers efficiently to the page so there is less toner waste.

In addition to the Unison toner, the new architecture features a shake-free design—no user action is required to achieve maximum yield performance, and most interventions are reduced. Unison toner has the lowest percentage of waste of any Lexmark toner ever developed, improving overall efficiency and maximizing the life of both the devices and imaging components. Unison toner reduces the cumulative Lexmark carbon footprint by reducing waste, fusing energy, and maximizing component life.



Unison toner reduces internal wear on long-life components and protects the print system.

ROLL-OFF PACKAGING

Lexmark high-end multifunction printers are protected by foam packaging to ensure the safe delivery of devices to our customers. Recognizing the opportunity for improvement, the packaging team initiated a project aimed at increasing the amount of recyclable material in the packaging as well as improving the ease of unpacking.

The foam packaging components have been replaced with easy-to-remove corrugated wrap style cushions that are easy to recycle. To aid in the removal of the printer from its shipping box, the packaging team created roll-off packaging, which includes a ramp to easily lower the printer from the pallet to the floor. The redesigned packaging greatly improves the customer experience unpacking the printer, as well as minimizing the packaging impacts on the environment by increasing the recyclable content and minimizing landfill waste.

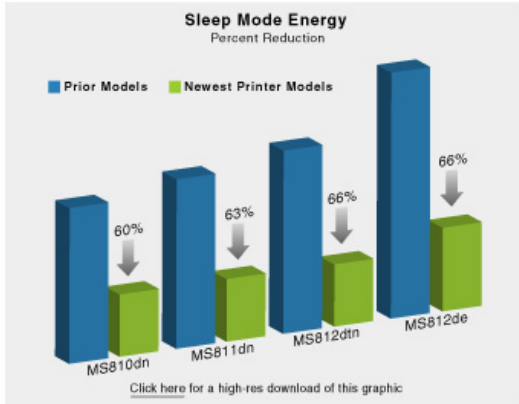


SIGNIFICANT ENERGY REDUCTION VERSUS PREVIOUS GENERATION PRODUCTS

The newly released Lexmark MS810, MS811, and MS812 monochrome laser printers are great examples of our commitment to increasing energy efficiency through innovation. The MS810, MS811, and MS812 models incorporate the latest Lexmark energy improvements, including the following:

- Higher efficiency power supplies
- More discrete control of the electronic system components
- More intelligent operating system to turn off sensors, lights, chips, and devices when in sleep mode
- More intuitive interface for a better user experience when scheduling sleep and hibernation
- Significant reduction in energy consumption due to instant warm-up fusing

The Lexmark MS810, MS811, and MS812 devices offer at least a 30 percent reduction in the ENERGY STAR® Typical Electricity Consumption measurement and an impressive 60 percent, or greater, reduction in power consumed in sleep mode compared to the previous generation of products.



GRI
ENG



With the energy-efficient design of the Lexmark MS810, MS811, and MS812 devices, the newest Lexmark printer models are designed to meet the ENERGY STAR Version 2.0 guidelines before the fourth quarter of this year. With the commitment from our development team to gain significant reduction in energy use in the MS810, MS811 and MS812 devices, our customers have the opportunity to produce presentation-ready documents at a fast pace while reducing their environmental impact and costs.

Sleep Mode Energy was measured according to ENERGY STAR Test Method for Imaging Equipment V1.2

RECYCLED PAPER BECOMES NEW PRODUCT PACKAGING

In 2011, Lexmark Mexico supply base management and the operations team approached our supplies-packaging engineers about an opportunity to make a positive difference for the environment. The operations team wanted to do more than just recycle the paper produced from testing Lexmark toner cartridges.

The collaborative effort of the teams produced an innovative process of converting the test pages to molded pulp cushions. The pulp cushions are a cost effective solution and also provide a high level of protection to Lexmark toner cartridges during shipment. The new packaging cushions are used to protect our new high end and low end cartridges, can be recycled, and are made from 100 percent post-consumer Lexmark waste.

For their efforts on this project, Lexmark was recognized as a Manufacturing Leadership 100 Award winner (ML100) in the Sustainability Category. The ML 100 awards are given by The Manufacturing Leadership Council and recognize those that are shaping the future of global manufacturing.





ECONOMIC PERFORMANCE AND MARKET PRESENCE

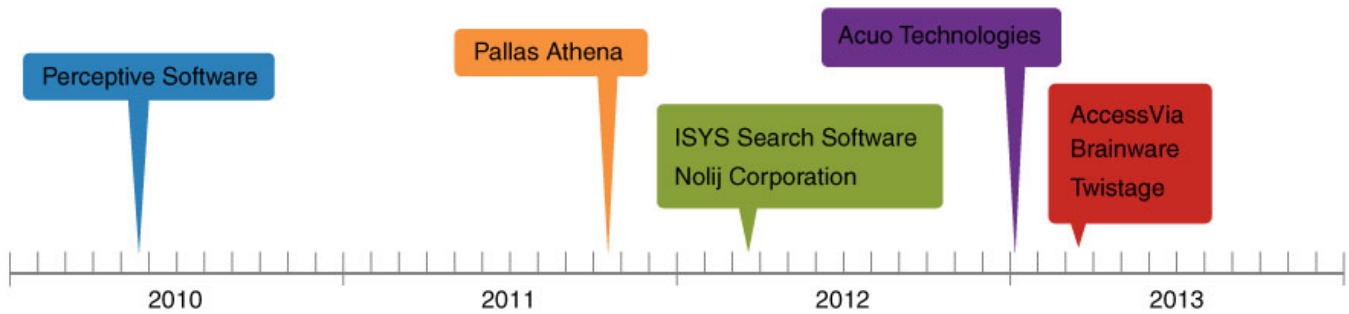
Lexmark International (NYSE: LXX) provides businesses of all sizes with a broad range of printing and imaging products, software, solutions, and services that help customers to print less and save more. Perceptive Software, a Lexmark company, is a leading provider of process and content management software that helps organizations fuel greater operational efficiency. In 2012, Lexmark sold products in more than 170 countries and reported more than \$3.8 billion in revenue.

GRI
EC1,
EC3-5,
HR1, SO1

For more organizational-profile information, refer to the Lexmark Form 10-K in the [Investor Relations](#) section of the Lexmark website.

CHANGING THE FACE OF LEXMARK THROUGH ACQUISITIONS

Since 2010, Lexmark has engaged in several significant, nontraditional investment agreements. These include the acquisition of AccessVia, Acuo Technologies, Brainware, ISYS Search Software, Nolij Corporation, Pallas Athena, and Twistage. These investment agreements moved Lexmark into the ownership position of these corporate entities. All seven acquired companies are part of Perceptive Software, a Lexmark company.



INDIRECT ECONOMIC IMPACTS

Lexmark's presence has positive impacts on the economies of the communities that surround our global locations because of our efforts to provide competitive employee compensation, use local resources, and practice of hiring the majority of employee from surrounding communities.

A significant portion of Lexmark employees work in locations that have minimum-wage rules that apply regardless of gender. 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 in each of the countries in which we operate. Plans are benchmarked frequently to ensure that compensation and salary levels remain competitive. With maintaining competitive salaries and benefits, we can attract and retain employees in each region. Providing above-average employee compensation has a favorable economic impact on the markets in which we do business.

GOVERNMENT ASSISTANCE AND PRESENCE IN SHAREHOLDING STRUCTURE

Lexmark received no significant financial assistance from the U.S. or other governments in 2012. No government is part of Lexmark's shareholding structure.

HIGHLIGHTS



Dow Jones Sustainability World Enlarged Index

Lexmark has been selected for inclusion in this prestigious index.

[Read More](#)



Socially Responsible Investing

Lexmark engages with providers of environmental, social, and governance (ESG) research including IW Financial, whose data is used to select CR



Lexmark Investor Relations

The Lexmark investor relations page contains links to a variety of financial information.

[Read More](#)



Recent acquisitions

Information about Lexmark acquisitions can be found in our Form 10-K.

[Read More](#)

Magazine's 100 Best Corporate
Citizens.
[Read More](#)

SOCIALLY RESPONSIBLE INVESTING

Investors today are seeking not only companies that perform well financially but also those that perform well through the lens of social responsibility. Investors expect the companies they invest in to be responsible, accountable, and transparent about their corporate social responsibilities. They also expect them to act in an environmentally responsible manner, while operating with high regard for human rights and offering products that provide environmental and social benefits. At Lexmark, while we're sensitive to investor and customer expectations, we operate in a socially responsible manner because it's the right way to conduct business to help make a better world.

GRI
HR1

Currently, Lexmark has three investment agreements. All three Lexmark investment agreements include human-rights clauses specifically prohibiting investments in companies that engage in discrimination based upon race, color, religion, gender, sexual orientation, gender identity, national origin, disability, age, or veteran status.

Dow Jones Sustainability Index

In 2012, Lexmark was again included on the prestigious [Dow Jones Sustainability World Enlarged Index](#) (DJSI). Launched by Dow Jones in 2010, the DJSI tracks the performance of the most sustainable 20 percent of companies of the largest 2,500 companies in the Dow Jones Global Total Stock Market Index. The DJSI is considered the premier sustainability index, valued around the world by investors and customers alike.



EMPLOYEE HEALTH, SAFETY AND SATISFACTION

Safe, healthy working conditions, job security, and an opportunity for growth and advancement are considered fundamental human rights for our Lexmark employees. All decisions related to our workforce—internally and through our supply chain—are made with these rights in mind. This section is about our commitment to the betterment of our employees’ and their families’ lives, including opportunities for personal growth and empowerment such as training and other ongoing education.

Among the many commitments described in this section are fair employment practices and diversity. We adhere to these practices in hiring, as well as when interacting with our employees. Lexmark embraces the conventions of the ILO (International Labour Organization) that aim, among other things, to promote open channels of communication among employees.

HIGHLIGHTS



Addressing conflict minerals

Lexmark is committed to positive labor practices in our facilities as well as our supply chain.

[Read More](#)



Child care and wellness

Lexmark offers its employees child care and wellness benefits.

[Read More](#)



An Employee Journey

One of Lexmark’s Vice Presidents talks about how work-life balance programs helped her throughout her career.

[Read More](#)



Supplier code of conduct

All Lexmark suppliers are required to comply with the human rights guidelines outlined in the supplier code of conduct.

[Read More](#)

HUMAN RIGHTS

At Lexmark, we follow highly regarded guidelines for nurturing human rights, such as the Universal Declaration of Human Rights, Social Accountability International, and the Ethical Trading Initiative.

GRI
EC7,
HR3-9,
HR11,
SO1

EMPLOYEE RIGHTS

Lexmark is committed to providing a work environment free from harassment or discrimination based on race, color, religion, gender, 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 and investigate them in an expedient and non-retaliatory manner. For example, any employee, worldwide, who is found to have engaged in harassment or discrimination according to the terms of this policy, or to have misused their positions of authority in this regard, are subject to immediate disciplinary measures, up to and including dismissal. For reasons of privacy and legal limitations, Lexmark cannot disclose information about specific cases. Actions taken in response to incidents include reviewing the incident as well as the development and implementation of remedial plans.

Lexmark upholds the human rights of our employees and treats them with dignity and respect as understood by the international community. Lexmark closely monitors our operations to ensure that our company adheres to accepted standards regarding freely chosen employment, child labor, discrimination, harsh or inhumane treatment, minimum wage, and freedom of association. Lexmark International has never been cited for any human rights violations.

Lexmark respects the conventions of the International Labour Organization (ILO), which promote workers' rights, fair-employment opportunities, and unimpeded 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. 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 Conduct to which Lexmark and applicable Lexmark suppliers are bound. The Code of Conduct also describes the Lexmark Freely Chosen Employment Policy. We 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 Electronics's Industry Code of Conduct and Lexmark's Business Code of Conduct.

Lexmark continually analyzes its supply chain in accordance with EICC processes and SEC regulations, to identify conflict minerals used in Lexmark products and their origins. Read [more](#).

Lexmark employees are covered by collective bargaining agreements where required by law. Works councils are established at some Lexmark European locations which, on behalf of employees, 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 <http://www.etuc.org/r/57>. No operations have been identified in which employee rights to exercise freedom of association or collective bargaining may be violated or at risk.

Lexmark employs 13 full time security personnel and utilizes contract personnel. All Lexmark security personnel, including contracted security personnel, have been trained in the organization's policies on, or specific procedures for, human rights issues and their application to security.

In our experience, open communication and direct engagement between workers and management are key factors in resolving any workplace issues. Whenever possible, Lexmark provides employees several weeks notice of significant operational changes that can substantially affect them.

Lexmark has not identified any incidents violating indigenous rights among the organization's own employees or in communities near existing operations that are likely to be affected by planned or proposed future operations.

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, most employees at each location are local hires 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 from a few weeks to a few years.

Lexmark currently requires training on the human rights aspects of EEO policies for every manager. New Lexmark employees are required to know and understand the Code of Conduct, which addresses EEO and aspects of human rights relevant to our operations. All employees are required to review the Code of Conduct every year.

We investigate all credible complaints of discrimination brought to the attention of management and deal with them in an expedient and non-retaliatory manner. For reasons of privacy and legal limitations, Lexmark cannot disclose information about specific cases. Actions taken in response to incidents include reviewing the incident as well as the development and implementation of

WHY LEXMARK?



Lexmark offers competitive pay, awesome benefits and a supportive work environment. And, our facilities are located in some of the best cities in the world.

Lexmark is committed to equal opportunity. All Lexmark business activities – including all employment-related activities – are administered without regard to race, color,

remedial plans.

religion, gender, sexual orientation, gender identity, national origin, disability, age or veteran status.

Lexmark does not discriminate against qualified applicants with disabilities and is committed to providing reasonable accommodations to the known disabilities of such individuals so as to ensure equal access to, and benefits and privileges of, employment. Individuals with a disability who would like to request a reasonable accommodation may do so as part of the employment selection process.

[Watch video](#)

CONFLICT MINERALS—THE LEXMARK POSITION

LEXMARK GOAL

Lexmark's goals include:

1 | Lexmark will make all newly manufactured hardware and supplies
"Conflict Free"
 by May 2015

LEXMARK PROGRESS

Because this is a new goal for Lexmark, progress will be reviewed:

1 | Lexmark continually
tracks and monitors
 the sources of our hardware and supplies.

Tantalum, tungsten, tin and gold, regardless of where they originate, are defined as conflict minerals. These items are used in a wide variety of electronics and consumer products, including Lexmark's printers and printing cartridges. One region where these minerals are sourced is in the Great Lakes Region of Africa, notably in the eastern provinces of the Democratic Republic of the Congo and bordering nations. This region has been involved in an ongoing conflict which has been funded in part by the illegal trade in conflict minerals. Lexmark, as part of its corporate social responsibility program is engaged with the Electronics Industry Citizenship Coalition (EICC), an organization devoted to improving social and environmental conditions in electronics supply chains, and to help identify the origin of these minerals.

The United States enacted the Dodd-Frank statute and related SEC regulations which require electronics companies to report on the existence of conflict minerals in their products and the sourcing of those minerals. The purpose of the legislation and related SEC reporting is to promote peace and security in the eastern Democratic Republic of Congo by supporting efforts of the Government of the Democratic Republic of Congo, other governments in the Great Lakes Region of Africa, and the international community by monitoring and ending commercial activities involving the natural resources of the Democratic Republic of Congo that contribute to illegal armed groups and human rights violations in the Democratic Republic of Congo. Companies who use products that include conflict minerals are required to report on the existence of those minerals in their products and the source of such minerals. Lexmark fully supports this goal and is committed to working with a responsible supply chain.



Lexmark is aware that some of its products contain one, or more, of the conflict minerals, though at this time Lexmark is not aware of any sources of conflict minerals which support the prohibited activities of concern. As part of its ongoing effort to responsible sourcing, Lexmark began analyzing its supply chain in 2012 in accordance with EICC (Electronic Industry Citizen Coalition) processes and SEC regulations, to identify conflict minerals used in Lexmark products and their origins. This analysis is an exhaustive, comprehensive, and time-consuming process, involving Lexmark's suppliers and is planned for 2013 completion. The initial reporting under SEC rule is due May 2014. At this point in the analysis, we are not aware of any sources of conflict minerals which contribute to illegal armed groups or human rights violations in the affected region, but we are continuing to examine our suppliers' sourcing, as well as the sourcing of their suppliers to work toward our goal of being able to certify that we are conflict free.

EMPLOYEE HEALTH AND SAFETY

The health and safety of employees is a priority at Lexmark. We strive to offer places of work that are free from unsafe equipment, situations, and practices, so we monitor facilities for safety issues on an ongoing basis.

GRI
LA6-7, LA9

OHSAS 18001 is an international standard providing requirements for an occupational health and safety management system. Lexmark's 18001 management systems provide a framework in which to control occupational health and safety risks and improve performance. All Lexmark-owned and leased manufacturing facilities in Boulder, Colorado; Cebu, Philippines; Lapu-Lapu, Philippines; Lexington, Kentucky; and Juárez, Mexico have received OHSAS 18001 certification. To assure our facilities are ISO 14001 and OHSAS 18001 certified, Lexmark pays as much as \$8,000 per facility for fees related to that 2012 certification.

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

All Lexmark facilities are guided by our corporate environmental, health, and safety instructions, which define the essential programs that each facility must manage to meet the objectives of our health and safety policies. At Lexmark, it is mandatory to develop written programs that assure legal and regulatory compliance has been adequately addressed. Any changes to health and safety procedures are communicated to all applicable employees through bulletin boards, internal website postings, electronic communications, handbooks, and meetings with managers. Lexmark employees are not represented by unions; therefore, there are no formal work agreements in which health and safety is addressed.

All of our main locations, including Boulder, Lexington, Budapest, Cebu, and Juárez, have safety committees comprised of Lexmark employees. The members of these committees represent the interests of all workers. For example, in Lexington, Kentucky, there are four health and safety committees that include some managers. The members on these committees account for 2 percent of the overall Lexington workforce. Female employees represent 46 percent of committee membership.

Lexmark has corrective and preventive action teams, which work with responsible personnel to monitor and report on progress, and determine if actions are completed. Internal audit teams determine the effectiveness of actions taken to address nonconformities with the Health and Safety Management System.

All employees and contractors with jobs that require training receive health and safety training annually and are encouraged to report concerns about health and safety issues. Online courses, instructor-led classes, and on-the-job training are offered to all employees and contractors, depending on which best fits their needs. Training requirements . 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.

Safety performance of subcontractors is reviewed during initial contract discussions. The subcontractors must have proof that their employees are properly trained and aware of all health and safety aspects of the jobs they will perform on behalf of Lexmark.

Compliance and safety teams conduct inspections on a regular basis with all aspects of the health and safety management systems covered in these activities. Findings are documented, entered in the corrective- and preventive-action system, and tracked to ensure actions are completed in a timely fashion. Follow-up inspections verify completion and effectiveness of the actions taken. Best-practice measures 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. One feature of emergency preparedness training is an icon on the Lexmark internal website that plays audio of the tones of a fire alarm and a tornado warning.

The 2012 global Lexmark overall OSHA reportable injury rate was 0.35 and the industry average was 1.50. Lexmark has not had any reported occupational diseases or work-related fatalities.

Lexmark Location	Injury Rate	Annual Lost Work Days
Boulder, CO	3.95	43
Juarez, Mexico	.48	529
Cebu , Philippines LIPI	0	0
Lexington/North America	.41	72
China TSC	0	0
Cebu, Philippines LRDC	.05	4
Other	0	0
Total	.35	648

ISO 14001 CERTIFICATES

- Boulder, Colorado [Certificate](#)
- Budapest, Hungary [Certificate](#)
- Cebu, Philippines [Certificate](#)
- Juárez, Mexico [Certificate](#)
- Lapu-Lapu, Philippines [Certificate](#)
- Lexington, Kentucky [Certificate](#)
- Shenzhen, China [Certificate](#)

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- Shenzhen, China [Certificate](#)

CONTINUING EDUCATION AND CAREER ADVANCEMENT



At Lexmark, we encourage professional and personal growth for all employees. To that end, 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 development opportunities and highlight career goals, interests, strengths and development areas, both short term and long term for employees. These plans are the basis for identifying education and ongoing learning activities, movement through succession planning, as well as career advancement and growth. Employees update their career goals and development plans in the internal HRIS system each year in preparation for two different conversations with their managers regarding career goals and their development plans. In addition to their managers, employees are encouraged to recruit a mentor to provide guidance and support.

GRI
EC9,
LA11-12

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 ability.

Lexmark offers our Technical Rotation Program. The purpose of this program is to recruit and hire top, diverse, entry-level talent and expose them to various parts of the business to better prepare them for future leadership roles (technical and/or managerial). This is a great opportunity for the participants to have the opportunity to rotate throughout multiple areas of the Lexmark organization 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, which offers extensive libraries that include proprietary courses. At the corporate level, leadership training and participation in companywide development programs are offered. Employees work on projects such as operational excellence and change management, and can earn yellow-, green-, and black-belt certification.

All employees are required to complete the Code of Conduct and IT Security programs every year. In 2012, the courses *Blue Ocean* and *Competing Values Framework* were offered to all employees to learn more about the strategic direction of our company. Courses critical to learning about legal compliance, such as *Global Anti-Corruption* and *Your Role in the Control Structure* are popular, and various courses, such as *EEO Training in the United States*, are required every year, based on the Lexmark location.

The most popular courses worldwide include *Basics of Effective Communication*, *Communicating Across Cultures*, and *Communicating Clearly and Solving Problems as a Team*. Additional examples of global course offerings include Global Teamwork courses to help employees understand and work more cohesively together in an international environment. Additional courses such as those focusing on *on boarding*, as well as open-enrollment sessions to learn more about our business are also offered. In the United States, new managers are required to attend at least 24 hours of training with similar programs being offered worldwide.

With the Lexmark Educational Leave of Absence, employees with at least two years of regular employment and who have demonstrated professional ability and potential, can enhance their educational experiences and résumés for mutual benefit of employees 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. Lexmark provides retirement planning assistance through online and on-site workshops offered by our 401(k) partner.

All 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, multirater feedback tool and other forms of data gathering to solicit feedback on their performances measured against their objectives. Eighty-five percent of Lexmark employees participate in this process. The 15 percent that do not participate in this process are hourly workers in two plant locations and do not have access to the system containing the multirater tool. These employees use site-specific processes and tools to set and review performance goals. Managers and employees have performance-progress discussions at the end of each review period.

2012 Continuing Education Training

Employee Category	Number of Employees	Average Training Hours
Exec Vice President	64	26
Director	195	26
Senior Manager	88	40
Manager	1,046	40
Individual Contributor	10,765	40

These numbers are based on the corporate-level systems that capture employee development activities and do not include formal education paid for in part by Lexmark. Therefore, the actual hours are greater than reported in some employee categories.

EMPLOYEE BENEFIT PLANS



Childcare facility - LEED registered project

Lexmark and our subsidiaries around the world offer benefit plans that are highly competitive in each of the countries in which we operate. Plans are benchmarked frequently to ensure that compensation and salary levels remain competitive, which means we can attract and retain quality employees in each region. Offerings include defined benefit and defined contribution pension plans that cover certain regular employees as well as two supplemental plans that cover certain executives. We also provide medical, dental, and life insurance plans for U.S. retirees and retirees from certain non-U.S. subsidiaries.

GRI
EC3, LA3,
LA8, LA15

Lexmark is continually evaluating how we can better support the needs of our employees and their families. External benchmarking is conducted periodically to ensure that we remain competitive. 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. All full-time regular employees are entitled to Lexmark's Sickness and Accident Income Plan and time away from work. This plan includes parental leave.

Part-time employees in the United States are eligible for the same benefits (some on a prorated basis) as full-time regular employees. They have access to the same health care plans and pay the same rates as regular full-time employees. In addition to traditional benefit plans, we offer 24 hours of paid volunteer time for full-time employees and 12 hours for part-time employees. Following is additional information regarding our benefits.

(Benefits vary by location.)

Financial	Time Away From Work	At Work	Wellness
Adoption Assistance	Vacation	Nursing Facilities	Healthcare Insurance (family)
Education Benefits	Special Leave	Childcare in Close Proximity to Lexmark Facilities	Dental Insurance, Healthy Mouth, Healthy Body program
Relocation Assistance	(Marriage/Bereavement/Compassionate)	Travel Assistance Programs	Vision Insurance
Employee Bonus Program	Paid Sick Days	Service Awards	Life Insurance (employee/spouse/domestic partner/child)
Employee Referral Programs	Sickness and Accident Income Plan Including Paid Maternity/Paternity Leave	Marriage, Birth, Condolence Recognition	Accidental Death and Dismemberment (AD&D) Insurance (employee/spouse/domestic partner/child)
Lexmark Incentive Program	Modified Working Schedules for Nursing Mothers	Social Clubs	Special Care for Children Assistance Program (SCCAP)
401(k)/Retirement Plans	Military Leave Compensation	Onsite Childcare (construction began in 2012 for Fall 2013 opening)	Short- and Long-Term Disability Insurance
Healthcare and Childcare Flexible Spending Accounts	Sabbatical Program		Onsite Health and Wellness Facility
Employer Retirement Contributions	Flex Time Program		Employee Assistance Program
Employee Discounts	Occasional work from home		Wellness/Fitness Program
Allowances (meal, rice, transportation, laundry and medical)	Telecommute Program		Onsite Fitness/Sporting/Recreation Facilities
Disaster Assistance	Work/Life Support Program		Wellness Incentives – earning money for health assessments, physicals and other screening visits
Health Savings Account			
Financial Planning Tools			
Tuition Reimbursement			
Auto and Home Insurance programs			
Survivors Support Financial Counseling Service			

EMPLOYEE HEALTH AND HOUSING PROGRAMS

Recognizing that adequate housing and proper health care are vital human needs, we try to provide our employees access to these two basic necessities. At corporate headquarters in Lexington, Kentucky, an onsite health and wellness facility opened in November 2012. At Lexmark, we think it's important to promote good health. Providing health care at work is a benefit that is designed to increase access to high-quality care while allowing for convenience. Our licensed health care providers are offering employees an allergy injection program, emergency medical assistance, international travel vaccinations, physical therapy, OSHAworkers compensation and health coaching, preventative visits, and sick visits.

U.S. employees also have access to an online wellness program that allows them to track their health-risk factors, receive online health education, and it provides a secure site for the storage of personal health records. In addition, the Lexmark Employee Assistance Program (EAP) makes professional counseling available to employees and family members for a wide range of personal problems, including substance abuse and marital issues.

The Lexington, Kentucky, location's Wellness Center sponsors weight-loss programs for its employees throughout the year. For example, a 12-week program requires 10 weigh-in times. The program offers bi-weekly drawings for giveaways and, at the end of the session, the three top participants with the highest percentage of weight lost receive their choice of several prizes. This program is set up to inspire employees and the Wellness Center staff offers coaching and support as well as a health portal with tools to stay on track.

Lexmark offers its employees a wide range of training, educational materials, and preventative measures, including appropriate tools in the workplace for prevention of serious diseases. Lexmark does not have employees who are involved in occupational activities that have a high incidence of high risk of specific diseases.

Employees are trained on ergonomic issues related to their jobs, receive guidance on injury prevention, and are offered a variety of preventative equipment such as chairs and other workstation equipment to prevent injury. Employees can receive physical therapy as needed.

Prior to international travel, employees have access to free vaccinations at the our travel clinic. They can also obtain educational information and a travel kit that includes antibiotics, as well as antidiarrheal and pain-relief medicines. A medical and emergency assistance program that is designed to serve the needs of our employees while working internationally is also available.

In Juárez, Mexico, and Cebu, Philippines, employees have use of onsite medical care to help ensure that they and their families have access to modern facilities as well as health and wellness education. Also, in Juárez, employees receive free screening for various illnesses, preventative vaccines, and eye exams. In the United States, employees and their families can choose to receive full medical, dental, and vision insurance. In China, employees are eligible for medical insurance, medical reimbursement for children, an annual routine health checkup, personal accident insurance, household property insurance, social pension insurance, a welfare fund, and a housing fund. Also in China, where housing costs are high and availability is low, Lexmark offers some benefits related to living facilities. Utilizing these benefits is not mandatory, but it is available.



A Lexmark seminar for students and parents on drug use prevention



In 2012, Lexmark received the When Work Works, Alfred P. Sloan Award for Excellence in Workplace Flexibility. The Lexmark flexible work-life balance programs enhance operational efficiency, promote business goals, and enrich the quality of life of our employees. With the Lexmark Telecommuting Program, U.S. employees who receive approval from their manager can work from an alternate work site. With the Lexmark regular part-time program, U.S. full-time employees can work a reduced schedule with a minimum schedule of 20 hours per week. Lexmark also offers a paid volunteer time off program to encourage employees to participate actively in the life of their communities by volunteering their time, talents and resources. Full-time employees qualify for up to 24 hours of volunteer time off per calendar year. Part-time employees qualify for up to 12 hours per calendar year.

EMPLOYEE ENGAGEMENT

Communication with employees is an important part of the Lexmark community and culture. We strive to make that communication a true discourse rather than a single channel or a one-way dissemination of information. For example, Lexmark managers have conversations about career and development, as well as those aimed at retaining staff, both with individual employees and employee round tables. Our commitment produces true engagements with employees that in turn result in mutual goodwill.

Every quarter, our CEO updates all employees at a meeting that ends with an open question-and-answer session with our CEO, Paul Rooke, and his direct reports. Those who cannot attend can call in to attend the meeting. Remote attendees can also submit questions by way of a webinar connection.

Lexmark has implemented an online collaboration tool called Innovate. As part of an open forum, employees can post ideas and concerns with each other and senior leaders. All employees can create groups and spaces for increased collaboration across our global company. Many executive blogs are accessible on Innovate as well. Employee comments are welcomed and addressed on these blogs. Innovate has proven to be an excellent form of global communication with all levels of employees.



DEMOGRAPHICS

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 under-represented groups such as women and minorities.

GRI
4.3, EC5,
HR3,
LA1-3,
LA13-14,
SO3

DEMOGRAPHICS BY EMPLOYMENT TYPE

Geography	Regular Employees	Temporary Employees/ Contingent Workers
AP	4,480	737
EMEA	1,376	683
LA	3,221	527
North America	4,124	2,477
Total employees:	13,201	4,424

The Lexmark workforce includes regular employees, temporary employees (limited assignments, students and co-ops), and contingent workers around the world.

Lexmark recognizes the value of tracking the turnover rate of our employees in the many countries we operate. We monitor employee turnover rates and layoffs based on the ILO publication *A Guide to Worker Displacement: Some Tools for Reducing the Impact on Workers, Communities and Enterprises*. We continuously look at ways to improve our view of employee attrition and are establishing system processes to enable us to better report and analyze global information.

DEMOGRAPHICS BY RACE, ETHNICITY, AND GENDER

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

For example, the Lexmark board of directors comprises 12 directors*. Two of the 12 board members (17 percent) are female while 2 (17 percent) are African-American. Eleven of the 12 board members are over 50 years of age. One of the seven executive management team members (14 percent) is female and one (14 percent) is Hispanic. Three of the team members (43 percent) are over 50 years old while four (57 percent) are 30 to 50 years old.

BOARD SELECTION

The Corporate Governance and Public Policy Committee of the board of directors is responsible for seeking future board members. The committee does not set specific, minimum qualifications (including specific requirements for diversity) that nominees must meet for the Corporate Governance and Public Policy Committee to recommend them to the board of directors for election, but rather believes that each nominee should be evaluated based on his or her individual merits, taking into account the needs and composition of the board at the time. The Corporate Governance and Public Policy Committee considers candidates for election who would bring a wide range of attributes to the board. The general criteria that the Corporate Governance and Public Policy Committee looks for in candidates is a person of high integrity with (i) broad general-management experience in a significant organization, (ii) experience with major management, technical, operational, marketing, or financial issues, (iii) diversity of background, and thought or experience in areas of special interest to the Company, such as brand development or technology, (iv) strong track record of success, (v) strong international experience, (vi) board experience at other international companies, (vii) ample time to devote to board duties, and (viii) ability and desire to serve multiple terms as a board member. With respect to diversity, the Corporate Governance and Public Policy Committee believes that a director nominee with a diverse background, professional experience, education, skill, and differences of viewpoint fulfills that specific attribute and contributes to a heterogeneous board. In the past, the committee has identified director nominees from various

DEMOGRAPHICS BY JOB LEVEL

Employee Category	Number of Employees
Exec Vice President	64
Director	195
Senior Manager	88
Manager	1,046
Individual Contributor	10,765

Lexmark is committed to supporting a diverse range of employees at all levels with the company. From hourly wage employees up to senior executives, Lexmark provides access to the training and experience to grow within the organization.

ONE WOMAN'S JOURNEY AT LEXMARK



Linda Hollembaek, Lexmark's Vice President and General Manager of Global Services Operations, talks about her personal career journey and how Lexmark's work-life balance programs have helped her advance through the ranks at Lexmark while achieving goals in her personal life. [Read More](#)

sources, including officers, directors and professional search consultants, but the Committee also considers nominees recommended by stockholders. The Corporate Governance and Public Policy Committee applies the same evaluation for nominees for director whether the nominee is recommended by a stockholder or other source.

EQUAL PAY

Salaries vary at Lexmark, as they do in all companies, 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, an annual analysis is done by a third party to ensure pay equity based on demographics. Actions taken in response to these analyses, including promotion of educational and career advancement opportunities, and salary adjustments, help Lexmark uphold its commitment to equal pay for equal work.

**11 of whom are independent*

LEXMARK SUPPLY CHAIN

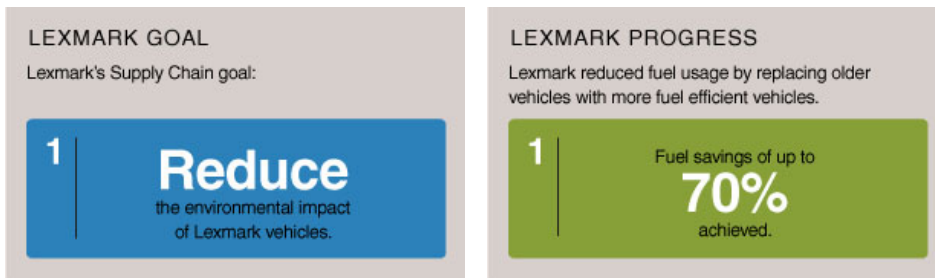
SUPPLIER DIVERSITY

At Lexmark, we strive 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. 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. All Lexmark employees are encouraged to take an active role to support the supplier diversity program by ensuring that all vendors are encouraged and given an opportunity to do business with Lexmark.

GRI
4.13,
EC6-7,
EC9, EN7,
HR2-3

SUPPLIER LOCATIONS

To positively impact local economies, Lexmark engineers 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.



SUPPLIER RESPONSIBILITY

Our membership and participation in the [Electronic Industry Citizenship Coalition®](#) (EICC) has further strengthened our organizational efforts in support of human rights, labor standards, and other CSR (corporate social responsibility) values. The EICC Code of Conduct is a pledge of best practices adopted and implemented by some of the world's major electronics brands and their suppliers to improve conditions in the electronics supply chain. The code sets forth performance, compliance, auditing, and reporting guidelines across five areas of social responsibility, including labor, health and safety, environment, management systems, and ethics policies. In accordance with EICC guidelines, Lexmark conducts third-party audits for several of our Tier 1 suppliers to monitor compliance in these areas.

Lexmark works with a multitude of direct and indirect suppliers. Approximately 100 of these account for the majority of direct spending by Lexmark. All Lexmark suppliers are required to comply with the EICC Code of Conduct, which also addresses human rights. In addition, we have increased our scrutiny of the human rights records of Lexmark suppliers.

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 three 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 nonsubstitutable suppliers. Lexmark has nearly 13,000 suppliers, 2.7 percent of which have been identified as critical¹. The percentage of our critical Tier 1 suppliers for which Lexmark procurement represents more than 30 percent of the supplier's total revenues is less than 1 percent.

Less than 1 percent of our suppliers are determined to be high risk, with the depth of that analysis varying based on how critical the risk is. Based on the results of the spend analysis, Lexmark has chosen to conduct 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, ILO conventions), working conditions (working hours, layoff practices, remuneration), occupational health and safety and business ethics (corruption, anti-competitive practices).



Self audits and site audits using the code are conducted through the EICC. To date, approximately 200 Lexmark suppliers—including global key and strategic suppliers (those with which 2012 spend was over \$1 million and those that are Lexmark critical-part suppliers)—were asked to complete the EICC SAQ (Self-Assessment Questionnaire) and enter performance data in a web-based data-collection-and-analysis tool that helps companies collect, manage, and analyze social and environmental responsibility data from suppliers.

These suppliers account for a significant percentage of Lexmark total procurement spending. Based on 2012 spending, 236 suppliers make up about 80 percent of our spending and our top 100 suppliers make up about 65 percent of our spending. In 2012, additional key and strategic suppliers are being asked to provide this data. We expect that by 2014, 100 percent of the top 80 percent of our suppliers (by spending) will have completed the SAQ.

Lexmark continually analyzes its supply chain in accordance with EICC processes and SEC regulations, to identify conflict minerals used in Lexmark products and their

origins. Read [more](#).

SUPPLY CHAIN RESPONSIBILITY PROGRAM AT LEXMARK

The Lexmark global vice president of Supply Base Management is the senior person responsible for delivering on the environmental, social, and governance (ESG) objectives we have identified (as stated previously). At the operational level, the global manager of Corporate Supply Base Management has responsibility for implementing the ESG objectives. The global manager is a direct report to the global vice president.

All Lexmark prime-contact procurement staff have received training in environmental, social, and governance issues related to our procurement processes. Lexmark procurement personnel also have access to a database of supplier information that includes the suppliers' environmental, social, and governance commitments, as well as their performance metrics. All Lexmark staff that engage with suppliers are expected to consider the environmental, social, and governance 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 impacts team and individual performance reviews.

Sustainability is integrated with the Lexmark supplier selection and retention processes. Rather than assign a weight to specific ESG factors in the analysis process, Lexmark has set EICC compliance as the minimum threshold for retaining existing suppliers and selecting new suppliers. Lexmark offers long-term contracts, agrees to fill production volume at suppliers' facilities, buffers stock, consolidates suppliers, and offers collaborative development and engineering as incentives for suppliers to adhere to EICC guidelines.

1. Critical suppliers are those that spend annually more than US\$1 million.

ONE WOMAN'S JOURNEY AT LEXMARK



Linda Hollembaek, Lexmark's Vice President and General Manager of Global Services Operations, talks about her personal career journey and how Lexmark's work-life balance programs have helped her advance through the ranks at Lexmark while achieving goals in her personal life.

I began my career at Eastman Kodak Company in Rochester, New York. At Eastman Kodak, I was able to take on a variety of assignments across many cross-functional areas. Serving in system analyst, financial analyst, corporate real estate, and field service planning roles allowed me to build my business knowledge in the early years of my career.

In 1999, I discovered an opportunity to kick my career into high gear. I was offered a position with Lexmark that would allow me to grow my leadership and business skills. I was excited for the opportunity, but concerned about uprooting my young family. Lexmark headquarters is in Lexington, KY, more than 650 miles from my hometown in New York State. Moving would have meant moving my children to a new school, relocating extended elderly and disabled family members who relied upon us for daily care and impacting my husband's work.

Lexmark gave me the opportunity to take on a new challenge while living in New York. For close to five years, I lived in Rochester, New York and traveled around the globe, leading the development of the operational infrastructure of a new business within Lexmark — our Solutions and Services business. The ability to telecommute and the global experience of working with our large enterprise customers and our geographies allowed for personal growth pulling on the broad experiences from earlier in my career. In 2003, while in New York, I was named vice president and general manager of worldwide customer delivery operations of Lexmark services.

By 2004, the time was right to move my extended family to Lexington, KY. With the support of Lexmark's leadership team, we were able to successfully transition our entire family to Lexington.

Early in 2005, I was asked to lead a portion of the Supply Chain organization. From 2005 through 2013 we integrated all worldwide supply chain operations (including planning, supplier based management, manufacturing, logistics, and service centers) into one organization. My responsibilities increased significantly throughout this time and I continued to grow my expertise and business acumen.

While serving in this role, Lexmark encouraged me to set aside some time to work on issues that were important to me personally and were important to Lexmark. From 2005-2006, I led Lexmark's Diversity Council. While serving in this role, we created diversity network groups (DNGs) and launched programs and initiatives that helped Lexmark develop an increasingly inclusive culture. A few years later, I was asked to serve as the chairperson of Lexmark's Sustainability Cross Functional Team (CFT) from 2008 – 2011. During that time, our company issued its first ever Corporate Social Responsibility report, ingrained sustainability in its development processes and marketing messages, won numerous awards and was added to socially responsible investing (SRI) indexes. I'm currently serving as the executive chairperson for Women @ Work, one of Lexmark's most active diversity network groups.

While I enjoy serving in roles that advance social and environmental issues at Lexmark, I want to give back to the greater community. Lexmark's Volunteer Time Off (VTO) program allows me to contribute to the community without making a trade-off of precious family time. I use my VTO hours to serve on local boards and am a member of the University of Kentucky, College of Business MBA Advisory Board. Serving in these roles, supported by my leadership, allows for highly satisfying personal growth and the feeling of 'giving back' to the community.

During the phases of my life that the demands of family required a tipping of the balance towards personal priorities, Lexmark was there for me —our leadership, peers and all of our colleagues always support each other to ensure both personal and professional success can be achieved.



CUSTOMER EXPERIENCE

When our customers buy Lexmark products, they can be assured they're purchasing from a company that is not only determined to provide a quality product and unique solution at a good value, but that is also sensitive to social and environmental issues.

GRI
PR1

Our products are designed to perform beyond customer expectations. However, they're also engineered to exceed stringent standards for the welfare of our customers, as well as for the sustainability of the environment.

HIGHLIGHTS



Product accessibility for everyone

Improving product usability for customers with disabilities creates a better user experience for all our customers.

[Read More](#)



Innovation fuels new solutions

Innovation is fostered at Lexmark in a variety of ways, including a series of symposiums and presentations.

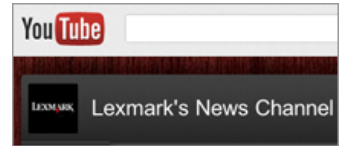
[Read More](#)



Understanding and solving customers' needs

Lexmark has a corporate vision of "Customers For Life."

[Read More](#)



Using social media to support customers

The Lexmark News Channel on YouTube has helpful videos our customers can access.

[View Them Here](#)

UNDERSTANDING OUR CUSTOMERS

CREATING CUSTOMERS FOR LIFE



Our expression for the Lexmark corporate vision is *Creating Customers for Life*. To that end, the Lexmark customer-experience team's mission is *understanding the customer journey with Lexmark* so that we can deliver a differentiated customer experience. Our commitment doesn't stop with the team's findings, however. The entire organization, from the CEO to each employee, is engaged in understanding customer needs and concerns, and proposing solutions to meet those requirements. Not just a saying posted on corporate halls, a significant facet of all Lexmark employee performance reviews is called Customer Focused Objectives.

GRI
4.17, PR5

MAPPING THE CUSTOMER JOURNEY

How do our customers really feel about their interactions with Lexmark? What can we do to give them a differentiated experience—and increase their loyalty?

Customer journey maps can hold the key.

Best-in-class companies use customer journey maps as a solid foundation in managing the customer experience.

According to Forrester Research, customer journey maps are "documents that visually illustrate customers' processes, needs, and perceptions throughout their relationships with a company. The journey-mapping process helps firms align around a shared vision of target customers, identify broken moments of truth, and get the insights they need to improve."

Lexmark began the journey-mapping process in 2012, and maps are being created for each business area where the customer experience is different. Maps are created internally and then validated with customers who either confirm, or challenge, the internal view of the customer experience and identify the key opportunities for improvement. A governance team of senior leaders is assigned to each map. The team designs improved customer experiences in those areas identified as most important.

It's about making the biggest positive difference in our customers' journey with Lexmark, that is, delivering a customer experience aligned with the differentiated promise of the brand, driving loyalty and the bottom line.

At Lexmark, we believe that companies that execute the most consistently on behalf of the customer win. With customer-journey maps, we can establish a framework to identify critical customer interactions worldwide and develop consistent strategies and tactics to deliver a differentiated experience.

UNDERSTANDING OUR CUSTOMERS

How do we collect mapping information from our customers? What form does this collection take?

At Lexmark, we seek customer input across the entire customer life cycle, from awareness through usage and replacement. We ask customers to fill out surveys that can tell us customer perceptions of Lexmark products and services. This information is collected and analyzed to enhance both current and future development efforts. We also use customer needs-based research to identify ideas and technologies that have the greatest potential for creating customer value in our products and services.

For customer research, we use the following:

- Annual surveys that are for both decision makers and end users provide customer feedback about customer loyalty and perceptions regarding value, quality, ease of use, and service throughout customers' expected product life cycles.
- Needs-based research with our target customers to identify customer needs and opportunities.
- Post-service transitional surveys.
- Post-installation transactional surveys for both decision makers and end users.
- Customer Web panels used to field feedback on new ideas.
- Customer user-testing for ease-of-use issues in early product development to drive improvement prior to start of production.

CLOSED LOOP QUALITY SYSTEM

How is our survey data used to improve Lexmark products and services? Does it identify immediate problems or long-term issues?

Our Closed Loop Quality System (CLQS) is a continuous process that uses direct customer feedback to better understand and resolve problems that our customers experience. Customer feedback is combined and categorized by theme, and then prioritized according to customers' loyalty and concerns. A team of cross-functional leaders addresses each theme with robust problem-solving tools. The system is designed to address immediate issues in addition to improving the processes for prevention of similar problems in the future. Finally, the system has a confirmation phase to ensure that the product or service has been improved. The Lexmark CLQS ensures that our process-improvement efforts are focused on customers and that they address what matters most to customers.

INITIAL CUSTOMER EXPERIENCE DURING ROLLOUT

Do we ever go to customer sites? How does this help the customer experience?

Lexmark is focused on maximizing the customer experience during the rollout of a new product. One program sends our product-engineering team to customers onsite to engage the customer and ensure an affirmative product introduction. Not only is the customer satisfied, but the engineering team also receives feedback directly from the customer in their working environment to continuously improve the rollout experience for all customers. In 2011, the Lexmark product-engineering team was onsite with 10 customer rollouts, in addition to being engaged with the rollout team for more than 50 customers.

CUSTOMER VISIT PROGRAM

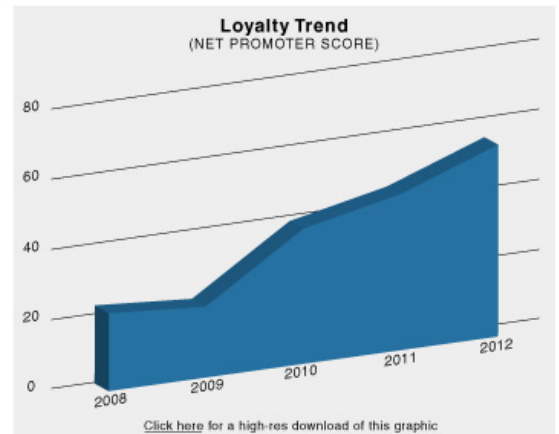
In addition to rollouts, does Lexmark ever visit customer sites to improve the customer experience?

Lexmark launched a new customer visit program, in which our engineers and product designers visit our customers. These face-to-face interactions help us better understand the needs of our customers and result in improved designs for solutions in the future.

CUSTOMER-FOCUSED EMPLOYEES

At Lexmark, our formal employee performance reviews worldwide includes a process to measure progress of customer-focused objectives. Every employee is required to set objectives to help them focus on improving the customer experience. These employee objectives are based on employees understanding 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 customer experience for all our customers.

The Net Promoter Score (NPS) has been adopted by the customer-experience team as a common language used to broadly communicate and set targets for improving customer satisfaction. We established a set of repeatable processes that use direct customer feedback to improve Lexmark products and services, driving a deeper understanding of and continuous improvement to our customers' experience. We can proudly point to our NPS scores, which have been steadily climbing for several years.



CUSTOMER SECURITY AND PRIVACY

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

GRI
PR8

- 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 product purchased from Lexmark for warranty purposes
- To get help for resolving a product issue, either unassisted help with the Lexmark knowledgebase or assisted help from 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' personal information and takes safeguarding it very seriously. During the reporting period we have no customer complaints regarding any breach of personal information collected through Internet marketing, sales activities or third-party channel partner.

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 has been a breach of their personal data. A designated email and designated postal address are available:

website@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 contact every user. 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, visit lexmark.com/privacy.



MARKETING COMMUNICATIONS



According to Lexmark's Code of Business Conduct to avoid any misstatement of fact or misleading impression in any of its advertising, literature, exhibits or other public statements, we insist that all statements made in support of our products and services are true statements that can be supported to the satisfaction of a reasonable person. In addition, any omission of fact, wrongful emphasis, or use of illustrative material that tends to mislead a reader, listener, or viewer is also to be avoided. No claim, comparison, or other statement of fact should be included in a Lexmark message without having sufficient evidence to support it. It is the joint responsibility of the Corporate Communications Department (and marketing representative preparing the message) and the person in the business area responsible for the product or service involved to verify that all facts are true and correctly supported. Also, we do not sell any Lexmark product that is banned in any market worldwide.

GRI
PR6, PR7

We review our compliance with these standards annually. Lexmark had no incidents of noncompliance with regulations and voluntary codes concerning marketing communications in 2012.

PRODUCT HEALTH AND SAFETY IMPACTS

At Lexmark, we consider the health and safety impact of all our products and services on our customers and our communities. Whether it is conceptualization, research and development, manufacturing, distribution, use, service, or disposal (reuse or recycling) of a product, we take into account each stage of a product's life cycle and how it affects our environment and human health and safety. Many health and safety considerations are mandatory, such as the creation of material safety data sheets for our ink and toner cartridges. Others are voluntary, such as the toxicity-testing protocols from the Organization for Economic Co-operation and Development (OECD), which Lexmark completes in accordance with OECD 404, 405, 406 and 423. We can report with confidence that, in 2012, Lexmark did not identify any case of noncompliance with regulations or voluntary codes concerning the health and safety impacts of Lexmark products or services, and no fines were imposed.

GRI
PR1-4

PRODUCT AND SERVICE INFORMATION

We know that the safety and compatibility of our products is of utmost importance to our customers and the communities we do business in. So, as required by our Lexmark procedures, we always make the following product and service information available to the customer:

- Sourcing of the components
- Content
- How to use the product or service safely
- How to dispose of the product
- Environmental and social impacts

We comply with worldwide standards and local laws by having our products tested in laboratories that are accredited by third-party agencies. This certification helps ensure that the data collected and the reports submitted for regulatory compliance are obtained from test facilities and personnel that comply with the relevant ISO standards.

The laboratories testing Lexmark products are accredited to conduct tests for certifications associated with specific regulatory standards and agency marks such as Blue Angel, the Federal Communications Commission (FCC), Comité International Spécial des Perturbations Radioélectriques (CISPR), Underwriters Laboratories (UL) and Conformité Européenne (CE). For permission to export our products beyond U.S. borders, data is also collected and submitted 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, and Taoyuan, Taiwan.

To maintain these capabilities, the 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 employed by our suppliers worldwide at subassembly and finished-product stages. Suppliers are audited regularly for compliance by the respective agencies whose regulatory marks are applied to each product. Any noncompliance or variation notices issued as a result of these audits are promptly addressed within the required compliance period and resolved prior to shipping our products. At Lexmark, we had no incidents of noncompliance with regulations and voluntary codes about service information and labeling in 2012, and no fines were imposed.

PRODUCT SAFETY TEAM



Lexmark is committed to providing safe products to our customers. The Lexmark Product Safety Team verifies each product's safety through detailed research and testing. The team also educates the Lexmark development community about our design requirements to meet our safety standards in new products. Team members also certify that current Lexmark products conform to national and international safety standards, requirements, and regulations.

In addition, the team establishes safety-testing requirements for our products that are applied during the manufacturing process. Investigating all reported safety incidents, the Product Safety Team takes appropriate action which can include recommendations for design changes or changes to manufacturing processes and procedures. The team's comprehensive approach involves supporting the certification of Lexmark products throughout their life cycles to ensure our ultimate goal of protecting the health and safety of our customers.

INNOVATION

Innovation is core to Lexmark's business strategy. Innovation allows us to deliver solutions that make them more productive and efficient. Our focus on socially and environmentally beneficial innovation allows us to be more productive and efficient while being respectful of our environment and socially responsible.

Refer to the case studies below for examples of recent environmentally and socially beneficial innovations.

During training, our employees are made aware that looking for and discovering better, more efficient and improved eco-friendly ways of doing things, is the surest method of bettering our company, helping our customers and safeguarding the environment. Whether it's improved energy efficiency in our facilities or better ways of making, packaging and shipping our products, we expect all our employees to think outside the box.

ENCOURAGING INNOVATION



We offer our interns, engineers, designers, and other employees several opportunities to learn more about innovation and career development. To demonstrate the solutions that are produced by our creative participants, Lexmark held the following events in 2012:

- Entrepreneurial Challenge—A platform for our employees to demonstrate new and innovative ideas that benefit Lexmark customers.
- Career Start Symposium—A showcase of student-intern and new-employee work, as well as helpful career development information and networking opportunities for all attendees.
- Experience Design—The Customer Connection—A series of speakers and panel discussions to teach how and why our customers use Lexmark products, as well as what customers like and where we can improve their Lexmark experience.
- Research & Technology Symposium—An event of 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.

TONER INNOVATION



Unison toner – optimized for Lexmark's completely new toner and print delivery system.
[Read More](#)

PACKAGING INNOVATION



Cost-effective and environmentally friendly packaging.
[Read More](#)

ENERGY INNOVATION



Energy efficient laser printer design.
[Read More](#)

ACCESSIBILITY INNOVATION



Solutions that make imaging devices accessible to all.
[Read More](#)



GIVING BACK

Lexmark products and solutions are sold in more than 170 countries around the globe, and Lexmark facilities or offices are in more than 70 of these destinations. With such a broad footprint, it is imperative that our operations have a positive effect on the citizens of those communities in which we do business.

We strive to be the kind of company that communities welcome, the kind of company people in these communities want to work for because we are a company that cares. Charitable giving, volunteerism, educational support, and commitment to diversity are part of the Lexmark culture.

The need for societal contribution is ongoing and we continually seek opportunities to improve in this area. In this section, we document our efforts to have a positive social impact and discuss some of our plans for future initiatives.

HIGHLIGHTS



Diversity at Lexmark

Embracing our differences makes Lexmark a better place to work.

[Read More](#)



Volunteerism at Lexmark

Lexmark supports the communities where our employees live and work through our volunteer efforts.

[Read More](#)



Lexmark Financial Contributions

Lexmark's commitment to its communities takes tangible form in donations of equipment, providing volunteers and offering financial support.

[Read More](#)



Equipment Donations

Lexmark donates new and used printers to qualified non-profit organizations.

[Read More](#)

LEXMARK'S IMPACT ON OUR COMMUNITIES

WHERE WE DO BUSINESS

Lexmark products and solutions are sold in more than 170 countries. Lexmark owns or leases 6.0 million square feet of various types of facilities worldwide and operates sales offices in more than 70 countries. During the reporting period, Lexmark had three manufacturing centers in Boulder, Colorado, Juárez, Mexico, and Lapu-Lapu City, Philippines.

GRI
EC1, EC6,
EC8, SO1,
SO9

Lexmark has programs and policies in place that guide our decision making and operations prior to entering a community, while we are operating in a community, and as we exit a community. These programs and policies help to ensure that our impact on the communities we live and work in is positive.



PRIOR TO ENTERING A COMMUNITY

Lexmark carefully considers potential social and environmental impacts of doing business in all our locations *before* building or opening a facility in a community. Our Corporate Real Estate and Facilities Team assesses all proposed locations, taking into consideration, among other things, the potential for severe weather, such as floods or tornadoes, the proximity, availability, and reliability of police and fire departments, local crime statistics, government stability, and our operations' potential impact on local utilities and ecosystems.

Whenever possible, we choose to do business in locations that have stringent environmental, safety, and labor regulations in place that protect the environment and local residents as well as assist Lexmark in compliance. The environmental screening tools and checklists used by the Lexmark Corporate Real Estate and Facilities Teams ensure that Lexmark sites are as energy efficient as possible before starting operations.

Whether Lexmark builds a new building or chooses to lease an existing facility, our preference is to use a previously industrialized area. That choice precludes the deforestation and habitat destruction that comes with building in undeveloped areas. It also offers the benefit of locating our operations near the homes of employees, and thereby reducing commuting time and distance, which in turn increases employee alternative transportation options (walking, biking, public transportation).

OPERATING IN A COMMUNITY

While Lexmark does not have a global policy for granting preference to local residents when hiring in significant locations of operation, most employees are members of the local community and are offered educational and skill-development opportunities. We also offer transfer programs where employees in one region can go to another to train for a job for a few weeks to as many as a few years.

The Lexmark presence has positive impacts on the economies of the communities surrounding our locations through our efforts to provide above-average employee compensation and use of local resources, where possible. A significant number of Lexmark employees—including those in the United States, Mexico, and the Philippines—work in locations that have minimum-wage laws. Lexmark is committed to rewarding our employees for their hard work. Lexmark and its subsidiaries around the world offer salaries and benefit plans that are highly competitive in each of the countries in which we operate. Plans are benchmarked frequently to ensure that compensation and salary levels remain competitive, so we can attract and retain employees in each region. These efforts to provide above-average employee compensation have a favorable economic impact on the markets in which we do business.

The patronage of Lexmark and its employees increases business for local utility companies, service providers, restaurants, and retailers. The corporate taxes paid by Lexmark and additional wage taxes paid by our employees help support local governments and schools. These impacts are quantified in terms of dollars spent. For example, highlights of the Lexmark economic impact worldwide in 2012 are:



The Lexmark commitment to our communities, including contributions of equipment, volunteers, and financial support to social organizations, can also be quantified. Volunteer hours for 2012 exceeded 150,000 hours of service at more than 300 nonprofit organizations.

Lexmark has not conducted a formal community-needs assessment, but based on feedback from local citizens, charities, and governments, needs and requests are addressed when reasonably possible.

THE DECISION TO EXIT A COMMUNITY

Over the past several years, business needs, including a changing product portfolio and demand for increased operational efficiency, have resulted in the geographical movement of several Lexmark operations. Recent plant closures have included an inkjet facility in Scotland (2006), inkjet supply manufacturing facilities in Juárez (2007) and Chihuahua, Mexico (2008), as well as a circuit-assembly facility, also in Juárez (2009).

In 2012, Lexmark announced a restructuring plan to shift from a hardware-centric company to a solutions provider. The restructuring plan resulted in reductions primarily in inkjet-related infrastructure as well as positions in research and development, the supply chain, manufacturing, and other support functions. The Lexmark inkjet-supplies manufacturing plant in Cebu, Philippines was acquired in 2013 by a Lexmark partner to continue to manufacture supplies. Employees in Cebu will continue manufacturing inkjet-supplies as employees of the new company.

Communities experiencing losses have had to deal with increased unemployment and a decreased tax base. Lexmark takes care to reduce the impact on the locations that experience these losses. When exiting buildings, we ensure that the locations are clean and secure. We make every possible effort to avoid leaving an unoccupied building, and we comply with all local laws to ensure that employees and local governments are given notice of imminent changes and assistance in their efforts to secure new employment, in some instances, even offering some nonexempt employees the opportunity to continue their employment with us at other Lexmark facilities.

While there are no standard metrics that can be used to gauge the effectiveness of these efforts, we have seen evidence that these initiatives have eased negative impacts. The Lexmark inkjet facility in Chihuahua was purchased by a developer who leased this facility to a manufacturer. In an effort to help the community transition this property to another manufacturer, Lexmark ensured that the existing building was not left unoccupied and that the new occupant offered employment opportunities to laborers in the area.

When leaving an area, Lexmark is proactive in assisting employees in finding new employment in their community. The Scottish Government's Partnership Action for Continuing Employment (PACE) posted the following on its Web site with regard to our closing of the Scotland Lexmark facility.

"Lexmark has been in Rosyth for 10 years and employed some 700 staff in the production of printer cartridges. Due to a downturn in demand and company restructuring, the decision was reluctantly taken to close the Rosyth operation. . . . From the outset, Lexmark was extremely proactive and, prior to meeting the representatives of the PACE team, had set up a well resourced Job Shop. . . . Due to the publicity over the closure and successful marketing by both Lexmark Job Shop staff and Jobcentre Plus, employees were made aware of over 1,500 vacancies. These covered a wide spectrum of opportunities including engineering, call centre work, and care vacancies."

[Click here to read more.](#)

LESSONS LEARNED

As Lexmark traverses each step in the business process, we take what we have learned and apply that knowledge to future engagements.

FINANCIAL AND IN-KIND CONTRIBUTIONS

Lexmark's commitment to its local, national and global communities takes tangible form in contributions of equipment, volunteers, financial, and in-kind support. Our corporate giving focuses on educational excellence, specifically in the areas of science, technology, engineering and math (STEM), diversity, and employee volunteerism. Lexmark applies the same standards of excellence to its contribution and community support activities that it demonstrates in all business practices.

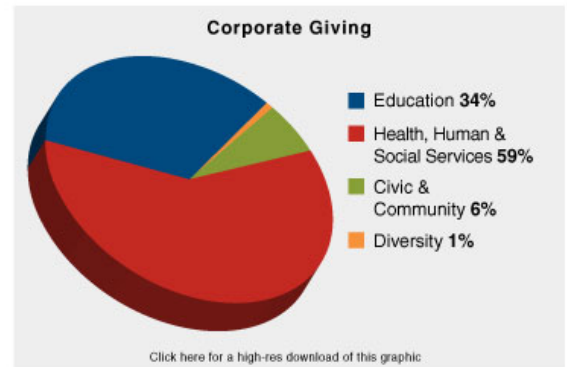
GRI
EC1,
SO5-6

CORPORATE GIVING PROGRAM

As outlined in the [Lexmark Vision and Values](#), we strive to be good corporate citizens in the communities where our employees live and work. Our commitment to local, national, and global communities is evident in our financial contributions, as well as equipment and volunteer support to organizations working to help meet the challenges and needs of our society.

Lexmark contributes to deserving schools and nonprofit organizations that have tax-exempt status under Section 501(c)(3) of the U.S. Internal Revenue Code. Lexmark places special emphasis on programs that provide employees with the opportunity to serve as volunteers in the community.

2012 Charitable Giving	
United Way U.S. employee pledges of cash and in-kind gifts makes Lexmark the largest supporter of United Way of the Bluegrass contributing \$1 million every year for 21 years.	\$1 Million
University of KY Gift STEM Initiative	\$0.6 Million
Community Sponsorships	\$0.9 Million
In-kind and equipment donations	\$0.5 Million
Total giving	\$3 Million



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.

FINANCIAL CONTRIBUTIONS

SUPPORT OF THE UNITED WAY

Lexmark continues to be a proud supporter of the United Way. Lexmark finds unique ways to raise money for the United Way, including disc golf, Ping-Pong, and softball tournaments, as well as the annual auction of Lexmark employee art. We have reached our \$1 million goal for 21 straight years. Lexmark not only supports the United Way through charitable giving, but also encourages employee volunteerism. During 2012, over 400 Lexmark employees volunteered more than 1900 hours to the United Way. Employees completed 35 community service projects.

SUPPORT FOR STEM EDUCATION

Lexmark corporate giving continues to be focused around the improvement of STEM education. We donated \$1 million to the University of Kentucky in support of science, technology, engineering and mathematics (STEM) education outreach initiatives. The new UK/Lexmark center houses a training facility to provide professional development to Kentucky science and math teachers, a new lab for fieldwork-based ecology education, and a shared meeting room for community outreach.

We have created the INSPIRE Award to recognize middle and high school teachers across central Kentucky for their outstanding contributions to STEM education.

NATURAL DISASTERS

In times of tragedy, including weather disasters, Lexmark supports relief efforts, especially in those areas where we have facilities. Lexmark employees are encouraged to make personal contributions to the International Red Cross and Red Cross Crescent Societies or the Red Cross International Response Fund. Lexmark often matches these contributions.

For example, during Hurricane Sandy, Lexmark donated \$10,000 to the American Red Cross to help provide relief to the communities affected by this disaster. We also offered up to \$10,000 in additional funds to match individual employee contributions to the International Red Cross.

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](#).

Country of major operation*	2012 Total monetary value of contributions

Lexmark is committed to complying with local laws related to the disclosure of political dealings such as those that require reporting of political contributions to the appropriate state or federal political and/or ethics authorities and publication on their respective websites. No financial or in-kind political contributions have been made in the United States or non-U.S. countries where we do business or at the national level in the United States.

United States (HQ)	\$0
Mexico (Mfg)	\$0
Philippines	\$0

Lexmark employs the services of a remunerated attorney advocate from time to time. This advocate is remunerated for providing Lexmark with guidance on proposed and enacted legislation, and communicates the Lexmark positions on legislation to interested parties.

**No reporting required for the countries of Europe, the Middle East, Africa, Australia and New Zealand because no major Lexmark operations (R&D, manufacturing or HQ) are located in these geographies.*

COMMITMENT TO VOLUNTEERISM

At Lexmark, we support the communities where our employees live and work and places special emphasis on programs utilizing the time and talents of our employees as volunteers. We encourage members of our workforce to be involved with charities that interest them, and we have programs in place to support organizations of particular importance to them.

Employee volunteer efforts include such organizations as United Way of the Bluegrass, Junior Achievement, Habitat for Humanity and many more. Over the last 21 years, Lexmark employees have been the leading employee campaign for United Way of the Bluegrass, contributing thousands of volunteer hours in addition to their generous monetary contributions.

VOLUNTEER OF THE YEAR AWARD

We know our employees have interests beyond Lexmark and we support their efforts to be involved in their communities. So, we encourage our employees to volunteer their time, talents, and resources to their local communities. By providing innovative programs, such as volunteer time off and matching gifts for disaster relief, we empower our employees to give back to their communities with their time, talent, and skills. Each year, we present a Volunteer of the Year Award to support corporate citizenship.

The Lexmark Global Living the Vision Committee reviews the candidates and selects the recipient of the award. The committee evaluates criteria such as the community need that has been addressed, the number of hours contributed, the number of people affected, as well as leadership. The recipient is honored at an onsite event, and Lexmark donates \$2,500 to the winner's choice of an eligible nonprofit organization or school.



2011 Lexmark Volunteer of the Year Karen Almendra



2012 Lexmark Volunteer of the Year Christina Ballard (center)

The 2011 Lexmark Volunteer of the Year is Karen Almendra. Ms. Almendra was recognized for her service at Oprra Elementary School, a Lexmark adopted school in Cebu, Philippines. She serves as a tutor for children who are struggling with reading. Almendra also participates in other volunteer projects such as tree planting and earthquake donation drive.

The 2012 Lexmark Volunteer of the Year is Christina Ballard. Ms. Ballard was recognized for her leadership and influence in aiding a tornado devastated eastern Kentucky elementary school, West Liberty Elementary. She organized and influenced volunteers as well as gathered donations of furniture for the school. She was instrumental in getting the school back in operation. In addition, Ballard organized educational field trips for 300 children to Lexmark's headquarters.

VOLUNTEER ACTIVITIES

NORTH AMERICA +

UNITED STATES

United Way—Lexmark not only supports the United Way through charitable giving but also encourages employee to volunteer for the organization. During 2012, nearly 400 Lexmark employees volunteered 1,900 hours. Employees completed 21 community service projects in Boulder, Colorado, and Lexington, Kentucky.

Habitat for Humanity—The 17th Lexmark Habitat for Humanity house was built in Lexington in 2012. Over 100 volunteers participated over the course of the entire project. Employees were able to use their volunteer time off hours to participate in the project. Habitat for Humanity strives to provide affordable and energy-efficient homes to low-income families. The organization has helped more than two million families worldwide.

Junior Achievement—During the 2012 – 2013 school year, Lexmark sponsored courses at our adopted school William Wells Brown Elementary, with approximately 50 employees volunteering to teach business and economics courses.

Volunteers also taught at other Fayette County Public Schools.



Engineering volunteers—Lexmark encourages its engineers and scientists to participate in National Engineers Week each February by volunteering to share their passion for math, science, and technology with students from across Kentucky. Lexmark volunteers help create an engineering station for students at the Fayette County District Science and Engineering Fair. Volunteers also judge student projects.

Women in Engineering Career Day is an annual event also held in February where high school girls from Fayette County are welcomed for a day of engineering activities. Lexmark volunteers assist with on-site tours and other hands-on activities.

Also in February, University of Kentucky College of Engineering hosts UK Engineering Day, an event of learning and exploration at University of Kentucky for students of all ages. Lexmark volunteers support the event with product demonstrations, explanations of science concepts, and a behind-the-scenes look at the product development process.

Lexmark Teacher's Institute—Lexmark sponsored this week-long institute that pairs K through 12 teachers of science, technology, engineering, math (STEM), and language arts with companies to better understand how businesses use what schools are teaching, to gain real-world examples, and to study real-life scenarios. The teachers learn about how business works and what students must do to compete in the real world.

Substitute teaching initiative—Using their three days of volunteer time off, Lexmark employees are matched with a teacher in one STEM field to provide teachers the opportunity to pursue professional development and provide significant teaching opportunities for Lexmark volunteers.

Tubby's Clubhouse/Dell TechKnow—The Dell TechKnow Program is a 40-hour, after-school initiative in which students learn about computers and software applications through hands-on activities. Five Tubby's Clubhouses in Lexington, Kentucky, offer the program, and we provide support through in-kind gifts. Nearly 1,250 middle-school students have graduated from the program to date, with each graduate receiving a Lexmark printer.

Kentucky Governor's Scholars—Lexmark supports engineering programs by hosting students for a day-long session focused on applying and using the diverse areas of science and technology.

Louisville Science Center and Lexmark for National Engineers Week—We partnered with the Louisville Science Center to celebrate 2012 National Engineers Week with several activities. Lexmark volunteers participated in hands-on demonstrations at LSC for school groups to encourage critical thinking. It was also an opportunity for students to learn more about how different areas of science have real-life applications.

OTHER VOLUNTEER EFFORTS

Following are other Lexmark volunteer activities:

- Lexmark employees from the Schaumburg, Illinois, office packed food for a local organization that helps feed malnourished children. The team packed boxes that provided 8,640 meals for Filipino children.
 - Lexington employees hosted a field trip for students from tornado-ravaged West Liberty Elementary School. Volunteers helped the children participate in engineering and science experiments. They also had lunch with the children in the park and played games.
 - Lexington employees volunteer for the One to One Reading Program. Volunteers are trained to help struggling readers (grades 1 through 3) to gain reading practice, build self-confidence, and gain personal motivation.
 - Lexmark employees assisted The Nature Conservancy (TNC) of Kentucky to plant 250 trees in the Kentucky River Palisades. Lexmark also donated an additional 5,750 trees, which are being planted on a separate TNC property. We donated a total of 6,000 trees to offset our paper used for printer testing.
 - Lexmark, The PGA of America, and TNC teamed up with the Chicago Boys and Girls Clubs to plant trees and shrubs at the Forest Preserve District of Cook County near Chicago to offset PGA paper consumption during the Ryder Cup Championship. Similar tree planting events are planned for the PGA Senior Championship and the PGA Championship in 2013.
 - Twice each year, Boulder, Colorado, employees pick up litter along a two-and-a-half mile stretch of Colorado Route 52. The 2012 cleanup dates were March 23 and October 12, each with 18 participants.
 - In Boulder, 73 Lexmark employees helped with cleanup, weeding, landscaping, painting, food sorting, and facilities maintenance at the Our Center in Longmont, CO.
 - In Boulder, volunteers harvested food for Earth's Table, which contributes to Community Food Share.
 - Boulder employees held two blood drives and in-kind donations for Hurricane Sandy victims.
 - Perceptive Software established the Educating Excellence program, in partnership with the University of Kansas School of Engineering, to recognize outstanding Kansas and Kansas City area high school science, technology, engineering and math (STEM) teachers.
 - Perceptive Software supports their community food network, Harvesters, with events throughout the year. Employees compete between departments to collect the most donations for Kansas City's only food bank.
- Perceptive Software joined Rebuilding Together Shawnee as a Founding Sponsor. They work to preserve affordable home ownership and revitalize communities.

CANADA

- In Unionville, Ontario, Lexmark employees volunteered for a garden spring-cleaning project. They made a big impact on the facility offering some tranquil relaxation for seniors.
- Lexmark employees painted The Toronto Alliance Church Outreach Centre, where people come for a hot meal and care, brightening the lives of the many who use the facility.
- Lexmark Canada participated in Earth Hour 2012, a global call to action to raise awareness about the environment. During Earth Hour, all nonessential lighting



Lexmark retiree and Habitat volunteer turns over the keys to the proud owners of a new home.

and electricity is turned off, leaving only emergency and exterior safety lighting.

ASIA PACIFIC +

In our Asia-Pacific operations, Lexmark employees volunteered for the following.

- Seventy five Singapore employees cleaned the beach and park at East Coast Park.
- In China, employees planted vegetables and fruits in Beijing.
- Shanghai employees volunteered by cleaning up White Cloud Mountain and educating locals about how to avoid wild poisonous mushrooms.
- In Hong Kong, employees planted orange trees at the Fung Yuen Butterfly Reserve.
- Meals were provided to senior citizens at the Senior Welfare Center in Seoul, Korea.
- Employees in Japan did environmental cleaning of a building and river.
- Taiwan employees cleaned Shaluen Beach.
- In Malaysia, employees spent time visiting at an orphanage home.
- ACC and LASO Shenzhen employees cleaned up the seaside, as well as a metro subway.
- Australia employees sold merchandise to raise money for children with serious illnesses.



Lexmark employees donating food to seniors

PHILIPPINES

Lexmark employees volunteered for many worthwhile projects:

- Lexmark GK employees volunteered for several initiatives to improve local communities, including a medical and dental mission and a livelihood and financial planning seminar.
- Lexmark employees volunteered to help protect and maintain aquaculture by replanting mangroves.
- Lexmark employees joined a coastal cleanup to remove debris from waterways at Inuburan and Catarman, Naga, and help change community behavioral patterns that contribute to pollution.
- Lexmark employees made environmental improvements to their community through organized cleanups in partnership the local villages. Waste Segregation Awareness seminars were conducted in communities of Cabantan, Hippodromo and Mabolo.
- Lexmark volunteers participated in Adopt a Hectare Program by funding and planting seedlings in their adopted hectare.
- For the second year, teams from University of Louisville in Kentucky teamed with Lexmark to visit four different schools for a dental and educational mission. The schools visited were Paril, Banilad, and Binaliw, and the Mabini Elementary School.
- Lexmark employees participated in a donation drive with funds, clothing, canned goods, blankets, noodles, and many other survival materials for Typhoon Pablo victims. The drive was conducted through ABC CBN Grand Halad Kapamilya.
- Lexmark continues their 2004 Adopt a School program to help achieve better school facilities and improve their conditions. OPPRA Elementary School is the current adopted school where they have landscaped, painted, and held book drives to promote literacy for ages 8 through 12.

INDIA

Following are some of the volunteer efforts by Lexmark employees in India:

- A team of Lexmark volunteers in India recently traveled to a remote village to help provide medical care to people in need. About 250 villagers who have almost no access to health care participated in the Free Health Checkup and Health Awareness Camp in Sundarban. The Lexmark volunteers assisted three doctors by arranging patient waiting rooms, enrolling patients, and distributing medicine.
- Lexmark India employees visited with the Avenue Welfare Society shelter for elderly and children. They had a day of visiting, and breakfast and lunch.
- Lexmark collaborated with SRISHTI Bosepukur Welfare Association to sponsor a girl for a year. They also raised funds for the organization by selling paintings.
- Partnered with the Nistha Project, Lexmark employees work with women who have never been to school or girls who are driven to household and fieldwork activities. They counsel parents about sending their daughters to school so they can develop more fulfilling lives.
- Lexmark supports Nabadisha, which is a project by Vikramshila Education Resource Society and Kokata Police, and is dedicated to education and development for underprivileged children. Lexmark employees spent a day with children at their center and helped Vikramshila with its documentation for its archive.
- Lexmark India partnered with Pratyush, a center for downtrodden children and women. They donated food items such as rice, pulses, oil, sugar, and so on, as well as clothing.
- Lexmark India employees organized a blood donation camp with the help of the Indian Red Cross Society.
- Lexmark organized a sit-and-draw competition supporting the children of SOS International for underprivileged children. Lexmark employees purchased the pictures to raise money for the children.
- Lexmark provided the orphanage Bachpan, run by Avenue Welfare Society, with educational stationary for one year. Lexmark also took the boys and girls for a trip to the zoo, which was an exciting and educational first time experience for the children.



Lexmark employees in India donating food and clothing

EUROPE, MIDDLE EAST AND AFRICA (EMEA) +

Across EMEA, Lexmark employees from 18 different countries have invested over 3,000 hours in supporting projects that benefit their local communities.

- A team of employees in South Africa made food parcels with sandwiches for thousands of hungry children. 1,000 kg or 1 ton of sandwiches were made.
- Switzerland employees helped collect clothing and prepared them for needy homes in Geneva.
- The Geneva office participated in the Movember Project, raising awareness about prostate cancer. In addition, funds were donated to the association PROSCA, which supports cancer patients.
- Employees in Geneva worked with Caritas and the Center Social Protestant, in Switzerland. They collected and sorted clothing to be distributed to homes in need in the Geneva area.
- Lexmark Hungary employees spent a Sunday helping to collect waste from a natural reserve near the Kamaraerdő Forest in Budapest.
- In Germany, employees updated outdoor installations at a local Kindergarten, as well as trimmed plants and hedges, and spent time entertaining the children.
- A Swedish Lexmark team repainted the clubhouse of the Åkersberga Children's Soccer Club, which is a sports club operated solely on donations and volunteer support.
- A Danish Lexmark team taught dance, horseback riding, and sports, in addition to supporting a local kindergarten and mentoring immigrant women.
- The main office in EMEA, Budapest Competence Center recorded 313 volunteer hours. They collected clothing and gifts to donate to different organizations
- Budapest participated in the countrywide Cycle to Work campaign
- Budapest employees collected clothing and gifts to donate to different organizations multiple times during the year and volunteered for painting a school hall.



Lexmark employees in Budapest painting a school

LATIN AMERICA +

Following are some of the volunteering efforts of Lexmark employees in Latin America:

- Lexmark Juarez is an active donor and participant with the United Way. Juarez employees have participated in activities such as providing for children's shelters and schools as well as nursing homes. Many have volunteered repairing buildings and appliances. Donations such as medical supplies, wheel chairs, roofing, books, appliances, paint and equipment were given.
- Lexmark Juarez employees helped various local schools by painting and donating computer equipment and garbage containers.
- Lexmark Argentina prepared boxes with food and toys for children in December and visited an elderly home. Volunteers refurbished their garden and held two blood-donation campaigns.
- Lexmark Brazil employees spent a day with underprivileged children preparing treats and donating furniture for their classrooms. In addition, they visited nursing homes and orphanages, and donated food and clothes.
- Lexmark Mexico participated in a variety of volunteer activities, including toy drives, raising funds to help children in need, and doing a reforestation project in Topilejo and cleaning a park at Desierto de los Leones National Park. They also donated food to seniors with Alzheimer's disease and donated school supplies.
- Lexmark Columbia employees participated in Minuto de Dios programs to help the community. Employees interacted with children and supported the daily work and teaching of the institution.
- The Lexmark Ecuador team worked on park reforestation and school activities in Esmeraldas and Cayambe. They coordinated recreation activities for participants and donated gifts and groceries to them.
- Lexmark Coral Gables employees prepared food for homeless people, participated in arts and crafts with blind and visually impaired individuals, promoted breast cancer awareness, and joined other companies in a running event.
- Lexmark Venezuela employees participated in community events, including environmental-protection activities and cleaning beaches. In addition, they assisted the Fundación Amigo del Niño que Amerita Protección staff in their daily work and feeding the children.



Lexmark employees in Argentina donating food and toys

RYDER CUP

Lexmark partnered with The Nature Conservancy and PGA of America to plant trees.

[Read More](#)

TORNADO CLEAN UP

Several Lexmark employees were part of the first team that went to the West Liberty Elementary School (WLES) to help get it set up for classes in a warehouse building after a devastating tornado struck in

VOLUNTEER TIME OFF PROGRAM

At Lexmark, we want our employees to have the time to help make their communities a better place to live and work. To that end, Lexmark offers all regular U.S. employees three paid days off each year through the Volunteer Time Off Program. The Lexmark volunteer program has generated more than 10,000 hours of service to more than 200 nonprofit organizations and schools. By participating in the program, our employees can volunteer their time for organizations that are important to them. Activities include



volunteering at local schools as mentors, and tutoring or working at nonprofit organizations.

March.

[Read More](#)

COMMITMENT TO DIVERSITY

Lexmark strives to value and respect the individual differences of its employees, customers, and business partners. Embracing our differences makes Lexmark a more competitive company and a better place to work. At Lexmark, we support a variety of programs within the company as well as in the communities where our employees live and work.

A DIVERSE WORKFORCE

Lexmark is a global company, and as such, it is our goal to have a highly diverse and inclusive workplace that understands and is responsive to the needs of our customers around the world. Such diversity, while obviously good for the company, can present unique challenges for our employees in the workplace and their families at home. Lexmark is aware of these challenges and we take action to make working for Lexmark a positive experience.

We recognize, for example, that employees who have emigrated can face the challenge of dealing with unfamiliar social norms and a longing for their homeland. Lexmark, in conjunction with motivated employees, has developed a number of **diversity affinity groups**. These groups were created to help employees adjust to new cultures and serve as support networks that disseminate knowledge and increase comprehension and understanding of minority group issues. Click on the logos below to see more information on each group.



LEXMARK EQUAL EMPLOYMENT OPPORTUNITY (EEO)

All Lexmark business activities – including all employment-related activities – will be administered without regard to race, color, religion, gender, sexual orientation, gender identity, national origin, disability, age or veteran status.

Lexmark adheres to the requirements and embraces the spirit of affirmative action and equal employment opportunity (EEO).

Today, the Lexmark EEO policy incorporates requirements from numerous federal, state, and local laws and prohibits discrimination based on race, color, age, gender, sexual orientation, gender identity, national origin, religion, disability, and veteran status.

As a result of legislation and executive orders issued since the civil rights movement, federal contractors, such as Lexmark, have specific affirmative-action obligations with respect to hiring and promoting women, minorities, individuals with disabilities, special disabled veterans, Vietnam-era veterans, and all other covered veterans. These obligations include:

- Maintaining written affirmative action plans
- Ensuring Lexmark employment practices are administered in a nondiscriminatory manner
- Analyzing Lexmark personnel activity, including hires, promotions, and terminations
- Increasing employee representation to reflect the communities we serve

A UNIFIED VISION

Lexmark values diversity in the workplace. The company has adopted the Lexmark Diversity Mission Statement (see the following) which our employees are required to understand and follow. The mission statement calls for respecting and valuing individual differences among co-workers. These practices help Lexmark operate with one unified vision—using the individual talents of our diverse workforce to the fullest. Respecting diversity fosters good relations within the company as well as in the communities in which we live and work.

THE LEXMARK DIVERSITY MISSION STATEMENT

We, the employees of Lexmark, will value and respect our individual differences. This appreciation of a diverse workforce will help each employee attain his or her full potential, adding value to our company and giving us a competitive advantage in the marketplace. As we achieve a diverse global workforce at all levels, we will fully utilize the talent of all our employees and enjoy a positive reputation in our communities. The economic benefits of diversity will become a reality. As a company and as individuals, we embrace this opportunity and the responsibility to make it happen.

CEO DIVERSITY LETTER



[Click here](#)

DIVERSITY NETWORK GROUPS (DNGS)



[Read More](#)

IT GETS BETTER VIDEO



[Watch Video](#)

FACILITY ACCESSIBILITY



[Learn More](#)

NETWORK ALLIANCE OF BLACK LEXMARK EMPLOYEES

The Network Alliance of Black Lexmark Employees focuses on helping members grow within the organization by offering resources to enhance and broaden career experiences. The group also interacts outside the organization, hosting several events that sponsor opportunities to give back to the external community.



MISSION

The mission of the Network Alliance of Black Lexmark Employees (N-ABLE), a Lexmark Diversity Network Group, is three fold:

- To make Lexmark a better place to work and improve employee retention by providing a networking forum for African-American employees.
- To develop and enhance interpersonal and professional skills through mentoring and facilitating social, educational, and community events.
- To give back to the internal and external community through humanitarianism and service.
- To assist the N-ABLE community with career development, leadership, and Lexmark internal initiatives.
- To improve the retention and recruiting efforts in the N-ABLE community and the Lexmark corporation.
- To develop and maintain internal and external relationships through community service.

ACTIVITIES



ANNUAL ROOTS & HERITAGE FESTIVAL

Lexmark is a corporate sponsor of the annual Roots & Heritage Festival in Lexington, Kentucky, which began in 1989 and is held in early September. According to the Kentucky Tourism Council, the festival is one of Kentucky's top 10 fall festivals. The festival weekend features an African marketplace, multiple stages for entertainment, and vendors lining the streets with cultural art, jewelry, clothing, and a broad range of vendors. A parade is held on the festival's Saturday that includes members of Lexmark N-ABLE.

MONTHLY LUNCHESES

N-ABLE hosts monthly luncheons to give members a chance to meet and greet other Lexmark members.

MARTIN LUTHER KING, JR. DAY

Every January, we encourage our Lexington Lexmark employees to join millions of people across our nation to honor the memory of Dr. King by participating in local community service projects on Martin Luther King Day. Dr. King campaigned to forge common ground so that all people in our society can join together to improve the quality and equality of life for everyone.

The City of Lexington joins this effort to celebrate Dr. King's legacy by transforming community concerns into citizen action. The King Day of Service brings together people who might not ordinarily meet. It breaks down barriers that have divided us in the past and leads us to better understanding of each other and our ongoing relationships.

GEM PROGRAM

The National GEM Consortium Program (National Consortium for Graduates Degrees for Minorities in Engineering and Science) is an annual program that promotes the growth and support of minority graduate students in engineering and science. We are an active participant in the GEM Program and currently host 3 students every summer.

BLACK HISTORY MONTH

N-ABLE members commemorate Black History Month each February with activities that celebrate and share African-American culture. Recent events included a Black History Month quiz. Also presented were several displays and information booths about African-American culture that demonstrate the African-American culture's influence on society from artistic, educational, political, and social perspectives.

COMMUNITY SERVICE AND VOLUNTEERS

N-ABLE members participate in local programs, such as the National Society of Black Engineers, where they work to increase the number of culturally responsible African-American engineers who excel academically, succeed professionally, and impact the community in a positive way. N-ABLE also takes part in the community-wide United Way Care Day volunteer events, where, as a group, members chose a volunteer activity for a local community organization. Previous events have included volunteering for the Christian Care Communities Adult Day Care and the Carnegie Center. The group contributes to various relief efforts and other community-based

initiatives.

To see other diversity group's information click on a logo below.



VETERANS ASSOCIATION OF LEXMARK: ORGANIZED TO RECOGNIZE AND RESPECT

One of the newest Lexmark Diversity Network Groups, the Veterans Association of Lexmark: Organized to Recognize and Respect (VALORR) is dedicated to helping military veterans and people currently serving in the U.S. armed forces.

MISSION

The VALORR mission is to recognize and honor the sacrifice and commitment of veterans employed by Lexmark, veterans in the communities in which Lexmark resides and serves, and the immediate, extended families or friends of Lexmark veterans.

- To drive awareness of veterans' sacrifices, and personal and family challenges; to develop and effectively implement outreach programs that support veterans and veteran families; and to cultivate and mobilize a network of corporate and higher-education contacts for maximum impact.
- Be recognized by the U.S. government as a veteran friendly company; to increase active member participation; to extend VALORR to other Lexmark companies, such as Brainware and Perceptive; and to establish and maintain strategic employee programs designed to retain, support and develop Lexmark-employed veterans.



ACTIVITIES



In 2012 our VALORR activities included a Veterans Day celebration (employee recognition through the limited edition Challenge Coin with guest speakers); the Lexmark Veterans Mentor Pilot Program; Veterans Administration volunteer activities, including magazine- and book-donation drives; Lexmark Boulder Golf Outing fund-raiser; Employee greeting and thank-you cards (approximately 1,800 handwritten cards); Military Missions care-package assembly (greeting cards included); and VALORR company-intranet page that serves as a clearing house of information for veterans (for example, links to websites for veteran benefits).

Our VALORR plans for 2013 include the following activities:

- Veterans Administration magazine- and book-donation drives
- Cell for Soldiers Program
- Military Missions care-package assembly and ongoing greeting card creation (Lexington and Boulder)
- Hiring-manager training
- Wounded Warriors and AUSA (Association of the United States Army) golf outing fund-raiser
- Golf outing fund-raiser (Boulder)
- Pilot participant of RallyPoint, a networking website similar to LinkedIn for veterans transitioning to civilian jobs (www.RallyPoint.com)
- Urban Challenge fund-raiser with Humana (fall 2013, Louisville)

To see other diversity group's information click on a logo below.



HISPANIC DIVERSITY NETWORK GROUP

The Hispanic Diversity Network Group (HDNG) champions social and professional efforts in support of its members and greater Hispanic and Latino community.

MISSION

Members of HDNG seek to be a valuable resource for corporate diversity initiatives and for our community by sharing our knowledge, creativity, and enthusiasm. The group focuses on four key areas: professional, organizational, social, and community service.



- To promote professional development by mentoring, coaching, networking, and encouraging membership in national professional organizations.
- To assist in attracting qualified, newly hired Hispanic candidates by supporting Lexmark recruiting efforts.
- To provide tutoring for Lexmark co-workers seeking to develop their Spanish or Portuguese language skills.
- To assist Lexmark co-workers translating business-related documents from Spanish and Portuguese to and from English
- To support Lexmark community-relations initiatives by promoting and participating in community events that celebrate the Hispanic culture.
- To identify and support volunteering opportunities for the benefit of the Hispanic community.
- To become role models and a positive influence for Hispanic students at the elementary, middle school, and high school levels for the benefit of the Hispanic community.
- To become role models and a positive influence for Hispanic students at the elementary, middle school, and high school levels
- To organize events for our members and their families, such as picnics, pot-luck dinners, and holiday parties.

ACTIVITIES



SOCIETY OF HISPANIC PROFESSIONAL ENGINEERS

Hispanics represent more than 15 percent of the U.S. population*, the largest ethnic minority group in the country. That number is expected to double by the year 2050. However, the numbers are not soaring when it comes to education. In fact, Hispanics have the highest high school dropout rate in the nation.** A group of Lexmark engineers is working to change that.

Two Lexmark employees – a hardware engineer and a materials-development manager - co-founded the Kentucky Bluegrass Chapter of the Society of Hispanic Professional Engineers (KYBG-SHPE). The co-founders were motivated by that organization’s efforts to inspire middle and high school students to stay in school and pursue higher education in science, technology, engineering and math (STEM) subjects. This passion is shared by HDNG at Lexmark.

The chapter meets monthly and is involved in community outreach, including visiting high schools to talk about STEM careers, as well as mentoring students and participating in college fairs. For example, in 2012, HDNG and KYBG-SHPE established the first SHPE Jr. Chapter in the state of Kentucky at Paul L. Dunbar High School. The SHPE Jr. Chapter serves a group of young Latinos, who benefit from the activities sponsored by HDNG and KYBG-SHPE, such as corporate and university tours, STEM-related hands-on activities, and useful information that helps them succeed in high school, which includes being well prepared for a transition to college.

TECHNICAL ROTATION LEADERSHIP PROGRAM

HDNG members support Hispanic students in the Lexmark Technical Rotation Program, a leadership program for entry-level bachelor’s- and master’s-degree graduates. The Lexmark program develops young and innovative talent from diverse backgrounds.

To see other diversity group’s information click on a logo below.



*www.census.gov

**www.nces.ed.gov/FastFacts/

ASIAN NETWORK DIVERSITY ASSOCIATION

Lexmark's Asian Network Diversity Association (ANDA) celebrates and promotes all Asian cultures.

MISSION

Lexmark employees of Asian descent and members of the ANDA will work together to:

- Better prepare members to contribute to Lexmark by promoting professional and personal development and growth through sessions that help members exchange and share ideas.
- Enable members to become more informed, satisfied, and effective in supporting Asia Pacific and other global activities to meet Lexmark business objectives.
- Plan, facilitate, and implement social, educational, and community outreach activities.
- Assist new employees and members in need as they adjust to the Lexmark work environment and to provide opportunities to meet and network with other Asians.
- Enhance understanding and appreciation of different Asian cultures within ANDA and among all Lexmark employees.



ACTIVITIES

ANDA members and their families and friends engage their community through several activities, which include a Chinese New Year Celebration; a professional speaker series, which offers speakers on various business topics; a cultural speaker series, which hosts events such as Chinese New Year, Indian cultural festivals, and Sushi-making events. ANDA members also volunteer in the community with a focus on the organization Big Brother Big Sister of the Bluegrass.



To see other diversity group's information click on a logo below.



CHRISTIAN BUSINESS PERSONS

MISSION

Following are the missions of Christian Business Persons (CBP):

- To promote the growth and development of Christian Business Persons by providing the opportunity to meet and network with other Christian business persons.
- To promote ethical business practices by its members and for its members to use a Christian perspective when handling various business situations.
- To encourage its members, coworkers, and employers.



Ethical practices that are biblical principles are encouraged, such as always tell the truth, never steal, never use a false measure, and to treat others as we would want others to treat us, or the Golden Rule. The Christian perspective includes treating all individuals as equals that have a diversity of gifts. We are to seek wisdom and wise counsel, to forgive others, to work diligently, and to honor those placed in authority over us.

ACTIVITIES

To its members and interested parties, CBP disseminates Christian information that includes daily inspirational thoughts, as well as prayers for those members and relatives facing illness or hardship. CBP members also conduct workshops and study sessions about Christian issues such as the following.

HOST A PASTOR-APPRECIATION LUNCHEON

October is Pastor Appreciation Month and to celebrate, the CBP has a PAL (pastor appreciation luncheon) day to break bread with our favorite pastors. A PAL day includes an encouraging speaker, good food, good music, and a time to say thank you to those who minister to Christians.

OBSERVE NATIONAL DAY OF PRAYER

Proclaimed by the U.S. Congress, the first Thursday in May is the National Day of Prayer. CBP members offer a modest lunch and with a dynamic speaker for dessert. CBP encourages people to pray for our country, state, city, schools, churches, and fellow employees.

To see other diversity group's information click on a logo below.



WOMEN AT WORK

The Lexmark Diversity Network Group (DNG) Women at Work (W@W) offers growth, wellness and engagement opportunities for women at Lexmark.



MISSION

W@W is focused on equipping women to be more successful at Lexmark and encouraging women to be a positive influence for change. Through our actions, we will help to create a culture that fully leverages the value that women can bring to Lexmark.

ACTIVITIES



VOLUNTEER WITH AN EXECUTIVE

Quarterly volunteer events are planned with various Lexmark executives as a way to give back to the community in which we live and work. W@W activities also provide a way to network with our leaders and each other, and learn from each other.

LEADERSHIP LUNCH AND LEARN SERIES

Women at Work hosts Stand Up and Stand Out events. Speakers at these events address everything from leadership to work/life balance.

HEALTHY LIVING

The W@W Healthy Living Committee hosts various events to bring to our attention a range of topics on health, fitness, wellness, and balance. These activities include Lunch and Learn speaker sessions, onsite exercise, and organized running and walking groups.

BOOK CLUB

The W@W Book Club is a new addition to the W@W DNG. The Book Club utilizes Lexmark's internal social media web page, where employees can read book excerpts and share their insights through online discussions.

SOCIAL EVENTS

W@W sponsors several social activities throughout the year to promote a lively and interesting Lexmark culture and foster networking and discussion throughout our company. One of the group's most popular activities is Grow Your Circle, a networking activity. Participants are given the names of two new coworkers to meet with during the next month over lunch or coffee. Grow Your Circle helps build new connections that are important to personal development, as well as enabling business connections.

To see other diversity group's information click on a logo below.



LEXNEW ACTIVITIES GROUP

To strengthen relationships within the Lexmark community, the LexNew Activities Group, or LexNew, assists newly hired employees as they transition to the Lexington area.

MISSION

LexNew is on a mission—to expand social and networking opportunities for new Lexmark employees.



- To inform members about social activities in the Lexington area.
- To conduct both social and educational events to improve networking opportunities within the Lexmark community.
- To assist in the personal and professional development of members by encouraging them to exchange and share ideas.

ACTIVITIES



LexNew activities in 2012 included its kickoff event, “Summer in January,” trips to Perfect North Slopes in the winter months, monthly social hours after work, volunteering at local organizations, a Kentucky Derby party and Keeneland day, a summer picnic, two Lunch-and-Learn Series events (technology research, and development and career paths), and various social events around Lexington.

- Quarterly events—On-campus meet-and-greet activities for members to network, play fun games, and learn about upcoming event
- Monthly lunches—Lunch events for members to socialize and explore local restaurants
- Biweekly social outings—Evening events for members to socialize at local restaurants
- Monthly social event—Events designed for members to experience nearby attractions, including activities like skiing, hiking, baseball games, and so on
- Monthly volunteer events—Activities where members can contribute to our community. Past volunteer events have been staged at the Bluegrass Technology Center, The Lexington Arts, and the Science Center
- Monthly Lunch-and-Learn Series—Lunch-time presentations, often of technical issues, are designed to give members a better understanding of topics that are key to Lexmark business

To see other diversity group's information click on a logo below.



LINKED: LEXMARK YOUNG PROFESSIONALS

Linked: Lexmark Young Professionals (LLYP) is a brand new Lexmark Diversity Network Group focused on connecting, developing, and empowering young professionals at Lexmark between the ages of 21 and 45 (and for those who are young at heart!). LLYP members engage in civic and professional activities to cultivate skills that advance personal and professional growth.



MISSION

Linked is on a mission—to expand social and networking opportunities for new Lexmark employees.

ACTIVITIES



- **On-site professional development**—Speakers and facilitators present topics that are of specific interest to young professionals
- **Quarterly on-site networking**—Quarterly networking sessions on a Friday morning with refreshments,
- **Lunch Link-Up**—Lunch Roulette Program on-site to connect professionals from different areas of Lexmark to meet and network during lunch
- **Off-site business soft skills**—Off-site events, such as a lunch demonstrating etiquette, golf lessons, and wine classes, designed to enhance young professionals' social graces and broaden their experiences
- **Community involvement**—Volunteering at local organizations
- **Collaboration with young professionals in the Lexington area**—Connects Lexmark young professionals with other young professionals in the area
- **Mentoring**—LLYP members partner with local schools to mentor engineering and business students

To see other diversity group's information click on a logo below.



GAY STRAIGHT ALLIANCE OF LEXMARK EMPLOYEES

The Gay Straight Alliance of Lexmark Employees (GALE) is a group of straight and lesbian, gay, bisexual, and transgender (LGBT) Lexmark employees working together to create and promote a work environment at Lexmark where people are comfortable being themselves.

MISSION

GALE emphasizes the Lexmark core values of mutual respect, integrity, and employee satisfaction by fostering an understanding of the real differences—and similarities—between LGBT and straight employees and their families. By providing a forum for open discussions, we seek to increase the understanding and acceptance of LGBT employees at Lexmark.



ACTIVITIES



TASTE OF DIVERSITY

GALE participated in the annual Lexmark in-house event Taste of Diversity event. The event is designed to educate a wide audience of Lexmark employees about diversity issues and support organizations.

EMPLOYEE EVENTS

GALE hosts educational share sessions and networking events for Lexmark employees. In 2013, Wil James, President of Toyota Motor Manufacturing Kentucky, spoke at Lexmark about diversity in the workplace. The group also hosted a St. Patrick's Day themed networking event.

IT GETS BETTER PROJECT

GALE spearheaded the Lexmark effort to create a video for the It Gets Better project, a video project to prevent LGBT youth suicide. GALE sponsored an onsite premier event for the video, as well as a public premier.

For additional information about the It Gets Better project, go to www.itgetsbetter.org.

SPONSORSHIPS

Lexmark sponsors the annual Lexington Pride Festival, the Lexington Fairness Awards and other similar events. These events promote an understanding of the LGBT community through education, information, and outreach programs and offer an insight into the issues those citizens face.

In 2012, Lexmark also sponsored the JustFundKY staged reading of the play "8", an account of the federal lawsuit to overturn Proposition 8. The event was attended by members of GALE.

To see other diversity group's information click on a logo below.

