



2010 Corporate Social Responsibility Report

Overview

In terms of business activities, sustainability is not a new term. Yet it has become one of those meaningful issues that occasionally emerge that cannot be dismissed as merely a trend. That's because 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.

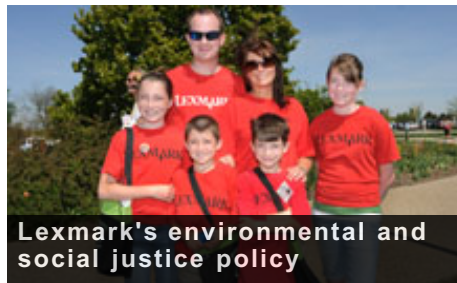
At Lexmark, we realize our responsibility as a global entity to operate our business in a manner that results in a better world from both a humanitarian and an ecological perspective. We accept the challenge to build products that positively impact all the people our company touches and all those who 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 the Company's environmental and social progress. This report addresses 100 percent of all GRI indicators including environmental, product, finance & economics, society, human rights and labor.

We have identified five components of sustainability that, in particular, have substantial materiality to our operations and this report is segmented by those components. You will note as you read these sections that measuring progress against and in the context of goals and objectives is a substantial part of Lexmark's management approach.

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 realize that their input is relevant and beneficial. In support of this objective, this year we have changed our Corporate Social Responsibility report from a view-only PDF document to one of considerable interactivity.

In essence, we are all stakeholders in each other. Your comments are welcome at csr@lexmark.com as we consider constructive feedback an important tool from which we can enhance our sustainability success.



OVERVIEW

CEO Letter

Dear Friends,

Lexmark, like so many other worldwide corporations, has deepened its commitment to economic, social and environmental sustainability. Deeper corporate commitments to sustainability and social responsibility and regular and formal documentation of corporate efforts in these areas are helping to bring significant issues to critical mass. We are hopeful that these efforts are resulting in an enhanced quality of life for people around the globe.

During the recent period of global economic turbulence – when many businesses were forced to make difficult reductions in many areas of their operations – Lexmark became more determined than ever to align our financial success with responsible global citizenship. We maintained our commitment to equitable social and environmental practices and strengthened our position as a thoughtful and positive steward of global resources.

There are several reasons that sustainability and social responsibility are priorities at Lexmark. First and foremost, it's the right thing to do. Beyond that, it makes good business sense. Environmental and social responsibility have become a primary focus for consumers. Likewise, investors expect businesses to operate sustainably. Additionally, newly enacted legislation and emerging voluntary standards can limit market access for companies that don't offer sustainable products or operate in a responsible manner.

This report outlines Lexmark's environmental and social responsibility efforts, addressing our strategy, our achievements and our plans for the future. CSR issues of particular materiality to Lexmark – environmental responsibility, workplace diversity and accessibility – are discussed at length and in depth.

At the close of 2009, we set a goal to dramatically increase our level of transparency and to establish programs to fill gaps in our CSR programs as identified by external analysts and through internal analyses. I'm proud to report that both of these goals have been achieved. With this report we have reached our highest degree of transparency by addressing 100 percent of all Global Reporting Initiative (GRI) performance indicators. Additionally, Lexmark has been recognized by external organizations for its environmental and social responsibility efforts. In 2010, Lexmark was selected for inclusion in the Maplecroft Climate Innovation Indexes. Lexmark was rated seventh overall and we were first in our sector (technology) and sub-sector (computers). In addition, we were the second-ranked company in emissions reductions of the 350 companies rated. Our company was also listed on the most recent 100 Best Corporate Citizens List compiled by Corporate Responsibility Magazine, achieving an overall rank of 60 with higher rankings of No. 6 on environment and No. 8 on climate change.

I believe our record on sustainability issues and our reporting on them is a good one, but there's always room for improvement. We intend to remain diligent in our efforts to maintain a leadership position in this pursuit. Lexmark's senior management is charged with embedding environmental and social consciousness into our corporate culture. That process will help ensure those issues are thoughtfully considered in all decisions made at every level of our company. The way in which we conduct business is as important to us as the quality of our products.

Going forward, we will continue to support the United Nations Global Compact (UNGC) and will conduct business in a manner that is sensitive to societal and environmental issues that align with the principles of that compact.

In closing, let me express how proud I am that Lexmark employees have overwhelmingly embraced the concept of social and environmental responsibility. That reflects extremely well on our company and I am grateful to all of them for that dedication.

Sincerely,



Paul A. Rooke
President and Chief Executive Officer
Lexmark International, Inc.



Next Section: Environmental and Social Justice Policy >>

OVERVIEW

Risks, Opportunities and Impacts

IMPACTS

Lexmark's environmental impacts are broken down into three focus areas and are addressed by corresponding initiatives – Product Initiatives, Operational Initiatives and Community Initiatives –

1. Product Initiatives include all products and processes we develop to help our customers reduce their environmental footprint, including solutions that help them reduce their consumption of paper (print release, integrated duplex, default to duplex, compatibility with recycled paper, EcoCopy), their consumption of energy (Energy Star-qualified devices, fleet optimization, EcoMode solutions) and their generation of waste (high and extra high-yield toner cartridges, toner darkness control, Lexmark Cartridge Collection Program, Lexmark Equipment Collection Program).
2. Operational initiatives include all the things we do to reduce our own environmental footprint at Lexmark facilities such as energy and water conservation and the reduction of waste generation.
3. Community initiatives include all the things we do to improve the communities in which we live and work. Lexmark, as a manufacturer of paper consuming devices, focuses these initiatives on efforts in reforestation and watershed protection.



Lexmark's LCCP building in Juarez – a USGBC LEED Gold Certified Building.

Legal compliance is priority one at Lexmark. We make sure that we are within legal standards wherever we have operations, after which, we balance and prioritize our approach by addressing what needs to be done to best meet the needs of all stakeholders as completely as possible.

RISKS AND OPPORTUNITIES

Environmental sustainability trends have led imaging organizations, including Lexmark to evaluate the potential of physical risks and regulatory possibilities for our business as well as to consider potential opportunities to enhance and capitalize on our product offerings thereby helping our customers achieve their environmental sustainability goals.

ENVIRONMENTAL AND REGULATORY MATTERS AND WASTE OBLIGATION

Lexmark's operations are subject to numerous laws and regulations, particularly relating to environmental matters that impose limitations on the discharge of pollutants and establish standards for the treatment, storage and disposal of solid and hazardous wastes. For further information on the impacts of these regulatory matters, please refer to Lexmark's [Form 10-K](#).

WASTE OBLIGATION

Waste Electrical and Electronic Equipment ("WEEE") Directives 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. The Company's estimated liability for these costs involves a number of uncertainties and takes into account certain assumptions and judgments including average collection costs, return rates and product lives. Should actual costs and activities differ from the Company's estimates, revisions to the estimated liability may be required.

CLIMATE CHANGE

The potential impacts of climate change have led lawmakers across the globe to propose and implement new regulations to guide governments, businesses and citizens in their efforts to reduce global warming. These regulations have the potential to impact all businesses. Regulations requiring reductions in energy usage will motivate consumers and businesses to replace wasteful equipment with energy-efficient products. Lexmark recognizes that cutting energy use is one of the most effective ways to reduce greenhouse gas emissions, a major contributor to climate change. Lexmark's environmental policies and programs support the reduction of greenhouse gas emissions within Lexmark's own operations and those of our customers.

Operational Risks

Climate change and associated weather disruptions have the potential to affect the operations of all organizations. Our operations and those of our manufacturing partners, suppliers and freight transporters are subject to natural and manmade disasters such as earthquakes, tsunamis, floods, hurricanes, typhoons, fires, extreme weather conditions, environmental hazards, power shortages, water shortages and telecommunications failures. The occurrence of any of these business disruptions could adversely affect our revenue and financial condition and increase our costs and expenses. As Lexmark continues to consolidate certain functions into shared service centers and moves other functions to countries with lower-cost labor, the probability and impact of business disruptions may increase over time. Lexmark has a business continuity plan in place at each site that faces risks due to climate change.

Product Opportunities

Lexmark offers a wide range of energy-efficient imaging devices and software solutions that help customers print less as well as consulting services to help organizations consolidate and optimize their imaging device fleets. Demand for such energy-efficient products and solutions can have a positive financial impact for Lexmark.

Next Section: Report Parameters >>

OVERVIEW

Report Parameters

Lexmark's CSR Report is global in scope and covers major operations, manufacturing and research and development facilities in the Americas, Europe and Asia for the full year ending December 31, 2010, 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 Lexmark's Annual Report on [Form 10-K](#), which is filed with the Securities and Exchange Commission (SEC). We intend to continue to publish an annual CSR Report.

REPORT SCOPE AND BOUNDARY

At the heart of sustainability lies Lexmark's 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.

- Community involvement
- Corporate governance and ethics
- Diversity
- Environmental responsibility
- Health and safety
- Human rights and labor standards
- Supplier requirements

This report provides data on the significant sustainability issues in these areas 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. The 2009 CSR report had an error for the "Total debt" figure. It stated "\$248.9 million" which should have been reported as "\$648.9 million." This figure was properly reported in Lexmark's financial statements.

REPORT ASSURANCE

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 will continue to evaluate assurance options as we go forward.

PREVIOUS CSR REPORTS

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

[2009 CSR Report](#)

[2008 CSR Report](#)

[2007
Environmental
Sustainability
Report](#)

100%
ADDRESSED!

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

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

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17		Same as requirement for Level B	
	G3 Management Approach Disclosures OUTPUT	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

*Sector supplement in final version

Next Section: Governance and External Engagement >>

OVERVIEW

Governance and External Engagement

CORPORATE GOVERNANCE

Lexmark is governed by a twelve-member Board of Directors, chaired by its CEO, Paul A. Rooke. Please refer to the Company's [Form 10-K](#) for expanded information with reference to governance. Additional information related to the Board composition, qualifications and performance evaluation and compensation linkage is available on our [Corporate Governance Web page](#).

COMMITMENTS TO EXTERNAL INITIATIVES

Lexmark is involved with trade associations at the local, state, federal and international level. Some examples include the Information Technology Industry Council (ITI), ITI Environmental Leadership Council, DIGITAL EUROPE, the Greater Lexington Chamber of Commerce, the U.S. Information Technology Office, the National Chamber of Commerce, Australian Information Industry Association (AIIA), Business Imaging Association of Australia (BIAA), Information Technology Association of Canada (ITAC), TechAmerica EUROPE, American National Standards Institute (ANSI), Ecma International, Association Connecting Electronics Industries, Bundesverband Informationswirtschaft Telekommunikation (BITKOM) and Deutsches Institut für Normung (DIN).

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.

Next Section: Transparency and Ethics >>

OVERVIEW

Transparency and Ethics

ETHICAL BUSINESS PRACTICES

We believe that ethical behavior is critical to Lexmark's vision, "Customers For Life." All Lexmark business units are regularly analyzed for risks related to corruption. 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 Lexmark's audit plan. The audit plan is reviewed and approved by the Finance and Audit Committee of Lexmark's Board of Directors on an annual basis.

All business units and any legal entity owned by Lexmark are subject to formal risk assessment. Audits are conducted annually by an outside entity to ensure compliance. All Lexmark employees are expected to adhere to the policies set forth in our Code of Business Conduct that addresses a variety of business ethics issues including anti-corruption and bribery policies. All Lexmark regular (both full-time and part-time) employees are required to annually review and certify understanding of Lexmark's Code of 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. All employees are required to verify compliance on an annual basis. In 2010, 100 percent of Lexmark regular employees worldwide (including managers and non-management employees) reviewed the Code of Conduct and verified the receipt and understanding of the code.

The status of this annual review process is tracked by Lexmark's Human Resources Department on an annual basis and is reported to the Lexmark Ethics Committee and the Corporate Governance Committee of the Board of Directors. All modifications to the Code of Business Conduct are reviewed by the Ethics Committee prior to any updates.

Lexmark has established programs, policies and procedures that ensure the effective implementation of Lexmark's Code of Business Conduct.

- **Education Program:** All Lexmark employees are required to reaffirm their understanding of the Business Code of Conduct through an annual online training module.
- **Gift and Gratuity Policy:** Lexmark's 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 U.S. dollars). Cash gifts of any kind are prohibited.
- **Ethics Hotline:** Lexmark's Ethics Line 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 may be occurring. A third-party provider operates 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 review by Lexmark senior management.
- **Contact Line for the Finance and Audit Committee of the Board of Directors:** Lexmark's Contact Line for the Finance and Audit Committee of the Board of Directors (Contact Line) is a 24-hour, international toll-free telephone number that allows employees to anonymously raise concerns such as questionable accounting or auditing matters or possible unethical or illegal conduct to the Finance and Audit Committee of the Board of Directors. 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.
- **Enforcement Policy:** Any officer, director, employee, agent or stockholder acting on behalf of Lexmark who violates the code may be subject to substantial government fines and/or imprisonment in addition to Lexmark disciplinary action including termination.
- **Transparency:** Lexmark publicly reports on breaches of the Business Code of Conduct that impact investors.

Lexmark and our suppliers also adhere to the Electronics Industry Code of Conduct, an industry specific code that addresses a variety of ethical issues including corruption, bribery, transparency, intellectual property, fair business practices and whistleblower protection.

Allegations of employee corruption/fraud are thoroughly investigated by the appropriate business unit, in collaboration with Human Resources, Internal Audit and Lexmark's Legal Department. Results of such investigations determine disciplinary action and whether the incident requires investigation by outside agencies and formal charges.

All such incidents are reported to the Ethics Committee and to the Finance and Audit Committee of Lexmark's Board of Directors.

Since Lexmark's inception in 1991, Lexmark has had no reportable incidences of corrupt behavior and has not been a defendant

in any legal cases regarding corrupt behavior.

Anti-Competitive Behavior

Lexmark supports efforts to preserve and foster fair and honest competition within 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. Since its establishment, Lexmark has been the defendant in only one anti-competitive behavior lawsuit – Arizona Cartridge Remanufacturers Association Inc. v. Lexmark International Inc. (Case Number 03-16987).

In 2003, the Arizona Cartridge Remanufacturers Association Inc. (ACRA) challenged Lexmark's Cartridge Return Program, a program in which Lexmark offers customers discounts on new cartridges in return for their agreement to return the used cartridges only to Lexmark for remanufacturing or recycling. Lexmark uses the cartridges in its remanufacturing business. In order to facilitate competition and customer choice, Lexmark has always offered cartridges without a discount that may be remanufactured by anyone.

In 2005, the Ninth Circuit Court of Appeals ruled in Lexmark's favor, reaffirming the legality of this program.

Monetary Fines

As a result of Lexmark's commitment to ethical business practices, Lexmark has not been subject to any significant fines or non-monetary sanctions for non-compliance with laws and regulations related to accounting fraud, workplace discrimination or corruption since its inception in 1991.

Next Section: Key Performance Indicators >>


OVERVIEW

Key Performance Indicators


The Global Reporting Initiative (GRI) has pioneered the development of a widely used sustainability reporting framework. This framework sets out the principles and indicators that organizations can use to measure and report their economic, environmental and social performance.


Customer (Products)

 IMPACT AREA: MATERIALS		
▼ OBJECTIVE, TARGET AND 2010 PROGRESS		
Objective: Reduce overall use of virgin materials in products	Target: Increase post-consumer recycled content in supplies	2010 Progress: Lexmark expanded its utilization of post-consumer recycled plastics in the manufacture of some new toner and inkjet cartridges.

 IMPACT AREA: MATERIAL CONSERVATION		
▼ OBJECTIVE, TARGET AND 2010 PROGRESS		
Objective: Recover hardware and reduce waste associated with our products	Target: Achieve a 30 percent increase in hardware collection and recycling (2007-2014)	2010 Progress: Lexmark recycled more than 4,000 metric tons of electronic waste in the United States, Canada and Europe in 2010.

Operations (Processes)

 IMPACT AREA: CLIMATE CHANGE		
▼ OBJECTIVE, TARGET AND 2010 PROGRESS		
Objective: Reduce greenhouse gas emissions	Target: Reduce greenhouse gas emissions by 20 percent (2005-2017)	2010 Progress: Lexmark reduced its total greenhouse gas emissions by 26 percent from 2005 to 2010.

 IMPACT AREA: WATER		
▼ OBJECTIVE, TARGET AND 2010 PROGRESS		
Objective: Conserve and reuse water	Target: Reduce water usage 20 percent (2005-2017)	2010 Progress: Lexmark achieved a 24 percent reduction in water usage versus baseline year 2005.
	Target: Complete Lexmark's six point water conservation plan by the end of 2017	2010 Progress: Lexmark has addressed all points of this water conservation plan. Please refer to this chart in the water usage section of this report.



IMPACT AREA: WASTE

▼ OBJECTIVE, TARGET AND 2010 PROGRESS

Objective: Minimize waste

Target: Achieve a 20 percent reduction in waste generated (2007-2017)

2010 Progress: Waste generation was higher in 2008 and 2009 compared to the baseline year 2007, but Lexmark achieved a five percent decrease in waste generation from 2009 to 2010.

Target: Achieve a 25 percent improvement in the amount of waste that our plants currently recycle (2007-2011)

2010 Progress: Lexmark increased its waste recycling rate from 63 percent in 2007 to 77 percent in 2010.



IMPACT AREA: ENERGY

▼ OBJECTIVE, TARGET AND 2010 PROGRESS

Objective: Conserve energy (reduce use of fossil fuels)

Target: Achieve a 20 percent reduction in electricity consumption for headquarters, manufacturing and development (2005-2017)

2010 Progress: Lexmark's use of indirect energy decreased by 19 percent from 2005 to 2010. This decrease is a result of more energy-efficient operations, reductions in facility space and reductions in production.

Community



IMPACT AREA: LOCAL COMMUNITIES

▼ OBJECTIVE, TARGET AND 2010 PROGRESS

Objective: Reduce environmental footprint in local communities

Target: Participate in at least one community environmental program, preferably a watershed protection or reforestation project, per location per year

2010 Progress: Lexmark owned or leased manufacturing and research and development facilities participated in multiple environmental outreach activities in 2010. [Learn more here.](#)



IMPACT AREA: EMPLOYEE ENGAGEMENT

▼ OBJECTIVE, TARGET AND 2010 PROGRESS

Objective: Increase participation in community volunteer efforts [Learn more here.](#)

Target: Company employees have committed to 20 years worth – or 175,200 hours – of volunteer service in 2011.

2010 Progress: Lexmark achieved our goal of a 25 percent increase in volunteer hours in 2010. The hours have increased 59.2 percent since 2007. Please refer to the [Commitment to Volunteerism](#) section of this report.

Objective: Engagement Survey

Target: Increase the employee engagement index favorable response from 65 to 69 percent before the next survey

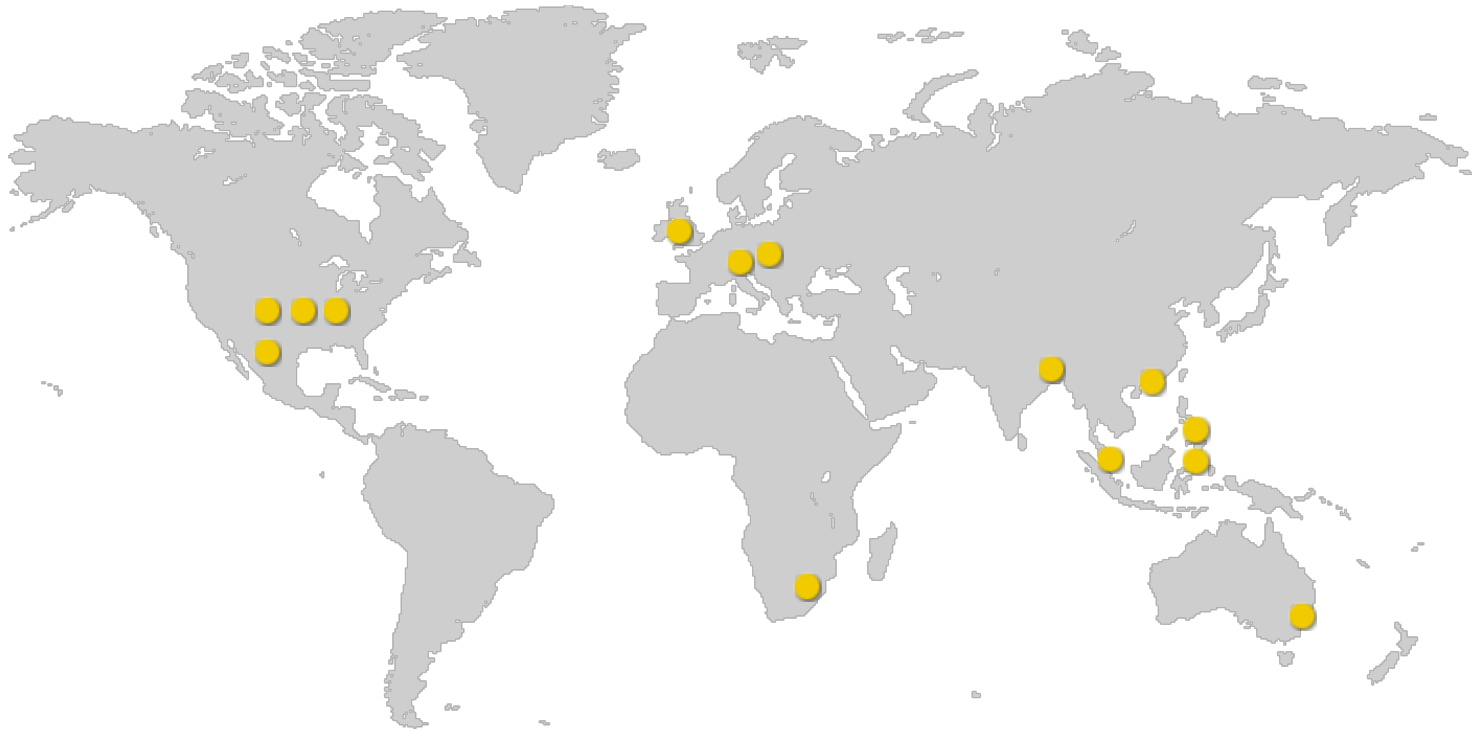
2010 Progress: Managers held engagement ("stay") conversations with employees in 2010 and scored an 84 percent in overall employee engagement in the 2011 Great Places to Work in Kentucky survey.

IMPACT AREA: SUPPLIERS		
▼ OBJECTIVE, TARGET AND 2010 PROGRESS		
Objective: Carbon Disclosure Project	Target: Lexmark participation in the Carbon Disclosure Project, including Supply Chain Leadership Collaboration (CDP SCLC)	2010 Progress: Lexmark continues to participate in the CDP SCLC

OVERVIEW

Lexmark's Global Presence

Rollover locations to view Lexmark operations around the world.



Lexmark Locations

Environmental Impact

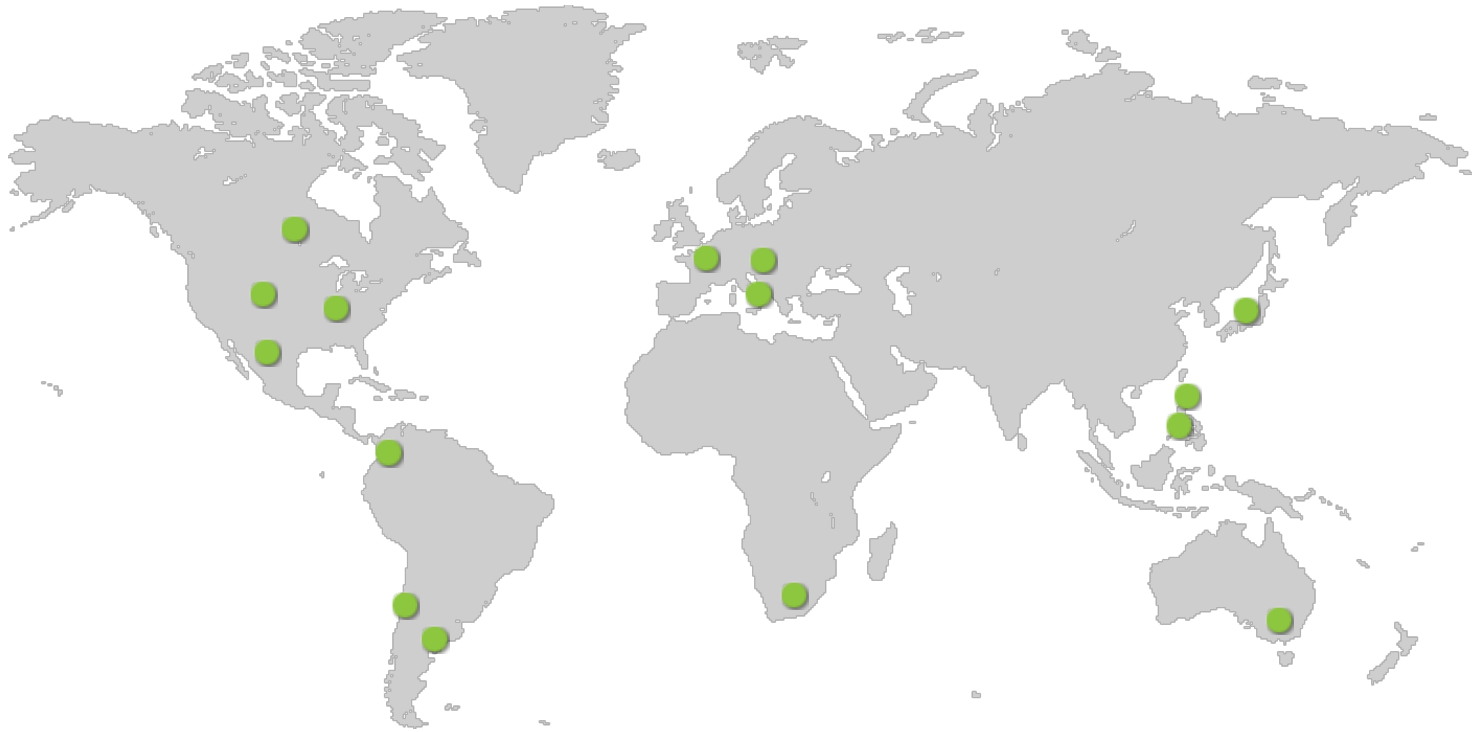
Workplace

Community Initiatives

OVERVIEW

Lexmark's Global Presence

Rollover locations to view Lexmark environmental initiatives around the world. Click on the location to learn more.



Lexmark Locations

Environmental Impact

Workplace

Community Initiatives

OVERVIEW

Lexmark's Global Presence

Rollover locations to view Lexmark workplace initiatives around the world.



Lexmark Locations

Environmental Impact

Workplace

Community Initiatives

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Lexmark's Global Presence

Rollover locations to view Lexmark community initiatives around the world.



Lexmark Locations

Environmental Impact

Workplace

Community Initiatives

OVERVIEW

Awards

Year after year, Lexmark product excellence is recognized by trade magazines and industry associations in their respective competitions. Likewise, Lexmark's social awareness and environmental sensitivity is cited by governments and other social entities. Awards from industry experts, conservation groups and trade publications are nice in and of themselves. But moving beyond that surface pleasure, what's really significant to us at Lexmark is that we know that those awards will translate into well served customers who will feel like they received a good value when they purchase one of our products and that they will have supported a socially conscious and environmentally minded company.

GENESIS WINS INNOVATION AWARD

For the second year in a row, a Lexmark product was in the spotlight at the International Consumer Electronics Show (CES). Lexmark has been named an International CES Innovations 2011 Design and Engineering Awards Honoree for the new Lexmark Genesis all-in-one inkjet printer.

Products entered in this prestigious program are judged by a panel of independent industrial designers, engineers and members of the media to honor outstanding design and engineering in cutting-edge consumer electronics products across 35 product categories.

The innovations entries are judged based on the following criteria:

- Engineering qualities, based on technical specs and materials used
- Aesthetic and design qualities
- The product's intended use/function and user value
- Unique/novel features that consumers would find attractive
- How the design and innovation of the product compares to other products in the marketplace



Genesis was featured at CES Unveiled: The Official Press Event of the International CES in January. The Lexmark Platinum Pro905 won the same award in 2009. The Innovations Design and Engineering Award have been recognizing achievements in product design and engineering since 1976.

Lexmark's Green Award

The Lexmark Green Award, established in 2009, is a multi-level program to recognize and encourage responsible sustainability and environmental practices. Customers, resellers, partners, suppliers and employees are all eligible for the award.

This year the award is being expanded to recognize specific customer achievements in the areas of paper savings, cartridge returns and energy reductions. Criteria for each category have been set, resulting in Bronze, Silver and Gold award levels.

Close the Loop Wins Award

Lexmark's cartridge recycling partner was the first supplier to receive Lexmark's Green Award in 2010. Close the Loop – a leading global recycler of imaging consumables including inkjet cartridges and laser toner cartridges – has a zero waste to landfill commitment. Lexmark has partnered with Close the Loop since 2002. The company was founded in Australia in 2000 and has since recycled more than 25 million ink and toner cartridges.

For more information, please [click here](#).



Jim Tocash (President, Close the Loop – center left) and **Steve Morriss** (Founder and executive director, Close the Loop – center right)

LRDC is PEZA Outstanding Employer of the Year

Lexmark Research and Development Corporation (LRDC) received two awards from the Philippine Economic Zone Authority (PEZA) in 2010. LRDC was honored as 2010 Outstanding Employer of the Year and also received the 2010 Best in Community Projects award for the second year in a row. The Outstanding Employer award is given to companies that have generated the most number of jobs, maintained labor-management harmony and provided quality working conditions and benefits for their employees.

The Community Projects award was presented to LRDC for its ongoing participation in several projects including its Adopt-A-School, Environmental and Gawad Kalinga Build Programs.



OTHER AWARDS

Click on the links below to view additional Lexmark awards.

PRODUCT AWARDS

[View 2010 Product Awards](#)

[View 2009 Product Awards](#)

OPERATIONS AWARDS

[View 2010 Operations Awards](#)

[View 2009 Operations Awards](#)


COMMUNITY AWARDS

[View 2010 Community Awards](#)

OVERVIEW

2010 Product Awards


PUBLICATION: BUYERS LAB

Category	Product(s)
Outstanding Small Workgroup Color Printer	C546dtn
Outstanding Pick of the Year – Outstanding Achievement	SmartSolutions
Outstanding Pick of the Year	Pro 901
 Outstanding Achievement for Most Energy-Efficient	X651de

PUBLICATION: BETTER BUYS FOR BUSINESS

Departmental models (generally over \$1,000)	X734 series, X940e, X945e
Large Workgroup printers (\$500-\$1000)	X544n series, X543dn
Editor's Choice	Pro 205, Pro 705, Pro 805, Pro 901, Pro 905
Departmental models (generally over \$1,000)	T650 series, T652 series, T654 series
Large Workgroup printers (\$500-\$1000)	E460 series, E462dtn
Large Workgroup/Departmental Models – Editor's Choice	X654de, X656 series, X658 series
Ledger-size models – Editor's Choice	W850 series, C935 series, X860 series
Midsized Workgroup Models – Editor's Choice	X464de, X466 series
Personal/Small Workgroup printers (up to \$300)	E260 series
Economy Models/Letter-size (\$300-\$500)	C544 series
Small workgroup models/Letter-size (\$500-\$800)	C546dtn series 2010
Innovative Product of the Year – Color Printer Multifunctional	X925de, X792 series 2010
Innovative Product of the Year – Color Laser Printer	C925de, C792 series

PUBLICATION: BERTL

Outstanding Reader's Choice Award	SmartSolutions
Outstanding Pick of the Year	Pro 901
Best Micro and Small Office / Workgroup B&W Printer	Pro 901
 Reader's Choice Award (Product Reliability, Environmental Sustainability, Output Quality)	Inkjet Line

PUBLICATION: PC MAGAZINE

Small Office Monochrome Laser Printer – Top 10 Best Printers	E462dtn
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PUBLICATION: COMPUCHANNEL, DIGITAL MARKET, INFOCHANNEL AND PRENSARIO MAGAZINES CHA AWARDS

Best Inkjet Multifunction Printer (SMB)	Pinnacle Pro901
Best Laser MFP Mono for Corporate Workgroups	X656dne
Best Laser MFP Color for Corporate Workgroups	X792de

CANNATA REPORT'S DEALER SURVEY

Printer Manufacturer of the Year

[Back to Awards >>](#)

OVERVIEW

2009 Product Awards

MONOCHROME LASERS

Category	Product(s)
2009 Monochrome MFP Line of the Year from BLI	Entire monochrome MFP line
2009 Innovative Product of the Year Award from Better Buys for Business	X860 Series, T656dne
No. 1 – Top 10 Monochrome Laser Printers from PC World	E460dn
Outstanding Achievement Award for Printer Design Innovation from Buyers Laboratory Inc. (BLI)	T656dne
Best Innovative Printer of the Year (BERTL’s Best 2009) from BERTL	T656dne
Top 100 Products of 2009 from Computer Shopper	X204n
VIP Gold from PC Professionale (Italy)	E260d

COLOR LASERS

Top Product by Macworld (4.5 out of 5 mice)	C544dn
Best Office Printer by PCMag.com	C544dn
Best Feature Rich Color MFP Range (BERTL’s Best 2009) from BERTL	X73x Series
Top 100 Products of 2009 from Computer Shopper	X543dn
Recommended by Dator Magazin (Sweden)	C543dn

ALL-IN-ONE INKJETS

CES Innovations	Platinum Pro905
2009 Innovative Product of the Year Award from Better Buys for Business	Platinum Pro905
2009 Editor’s Choice award from Better Buys for Business	X4975 Professional, X7675 Professional
5 Stars from BERTL X7675 Professional	
BERTL’s Best 2009 Award – Best Feature Rich Small Office/Micro Office Color Inkjet	X7675 Professional
BERTL’s Best 2009 Award – Best Cost Effective All-In-One Device	Prevail Pro705
BERTL’s Best 2009 Award – Innovative Wireless All-In-One Device	Prevail Pro905
BERTL’s Best 2009 Award – Most User Friendly Product Line	X9575 Professional, X7675 Professional, X6675 Professional, X4975 Professional, X5075 Professional, X6650, X5650, X4650, X3650
4 out of 5 from CNET	Platinum Pro905
Editor’s Choice from Business Info (U.K.)	Platinum Pro905
Editor’s Choice from Le Point (France)	Platinum Pro905

SOLUTIONS

BLI Outstanding Achievement Award	Embedded Solutions Framework
BLI Outstanding Achievement Award for Custom Print Solutions	T654 RFID UHF Option
BERTL’s Best 2009 Award – Best Affordable RFID Inventory Tracking System	T654 RFID UHF Option
BERTL’s Best 2009 Award – Most Innovative Software Utility	MyMFP
BERTL’s Best 2009 Award – Best Innovative Web-Based Application Solution	SmartSolutions

VERTICAL AWARDS

Government Computer News (GCN) Product of the Year	X782e
GCN Reviewer’s Choice	X782e, C734dn

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OVERVIEW

2010 Operations Awards

Award

Best Places to Work for LGBT Equality, *Human Rights Campaign*.
[Click here](#) to learn more.

Norwegian magazine, *IT Bransjen*, Printer Vendor of the Year

Cannata Report's Dealer Survey, Printer Manufacturer of the Year

Safety Organization of the Philippines Excellence Award for one year without a lost time accident.

Safety Organization of the Philippines Award of Distinction for five million man hours without a lost time accident.

Juarez, award for reuse of packaging materials

Juarez, award for plastic recycling in new product

[Back to Awards >>](#)

OVERVIEW

2009 Operations Awards**Award**

Partner Award of Excellence, Target Corp.

Office Depot's Technology Vendor of the Year

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OVERVIEW

2010 Community Awards**Award**

Award for promoting sustainability in all areas, University of Kentucky

Boulder, Perfect Compliance Award for Industrial Pretreatment Program

Lexington Environmental Commission for stream bank restoration at Shadybrook Park

[Back to Awards >>](#)

Environment

As a global corporate citizen, Lexmark is sensitive to global ecological issues. We are committed to being a responsible neighbor and employer. Utilizing a wealth of talented people and our financial resources, we have become a leader in the area of environmental stewardship.

Lexmark has identified three areas in which our company has ecological impacts - customer, operations and community. We have taken substantial and dramatic steps in product recycling, water conservation and reforestation initiatives that move us closer to our goals and aspirations. Implementing good management practices helps us reduce our environmental impact.

Significant financial resources are dedicated to efforts that reduce the environmental impact of our operations and result in the development of environmentally preferable products. Lexmark spends millions of dollars annually on environmentally beneficial facility upgrades, the development of environmentally beneficial technologies and supporting programs that improve the environment where we live and work.

This section documents the commitment Lexmark has made to environmental sustainability, the many and significant successes we've had in that area as well as the understanding we have as to what still needs to be accomplished.



ENVIRONMENT

Environmental Policy and Standards

CORPORATE ENVIRONMENTAL POLICY

All Lexmark employees are required to know the environmental impacts of their jobs. They are trained in the corporate environmental policy as well as job-specific environmental issues during new-employee training and during annual refresher courses. Training records are managed by on-site Lexmark personnel who confirm that employees maintain the level of training prescribed in their job descriptions.

Lexmark conducts its business in a manner that supports environmental justice. Lexmark's environmental justice efforts are guided by the principles of the United Nations Global Compact (UNGC) and the Electronics Industry Code of Conduct (EICC). This commitment is reflected in a corporate environmental policy, which states:

Corporate Environmental, Health and Safety Policy

Lexmark is committed to sustainable excellence in all our business activities, products and services. Through continual improvement in our environmental, health and safety programs, Lexmark is committed to:

- Be an environmentally responsible provider of high-quality products and services
- Be a good environmental steward, preserving and protecting our natural resources and practicing pollution prevention
- Be a responsible neighbor and employer, committed to compliance with relevant environmental, safety and health regulations, laws and other criteria to which Lexmark subscribes
- Be a provider of safe and healthy workplaces

Lexmark senior management is responsible for this policy and its scope, for communicating it and ensuring its implementation. Lexmark managers are responsible for integrating these commitments into their decision making processes and operational practices with objectives to measure and improve performance. All employees are expected to conduct themselves in a manner consistent with this policy.



Paul Rooke, President and CEO

OPERATIONAL ENVIRONMENTAL STANDARDS

Environmental Management System

ISO 14001 is a voluntary standard that guides organizations in establishing management systems for their businesses. It provides a framework for environmental management. Lexmark owned and leased manufacturing facilities in Boulder, Colorado, Cebu, Philippines, and Juárez, Mexico, have received ISO 14001 certification. Lexmark’s Lexington, Kentucky facility in the U.S. also holds ISO 14001 certification. Lexmark spends up to \$10,000 per facility for site-specific services such as environmental testing conducted by external consultants and in excess of \$100,000 for corporate services including 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 and generating less waste.

Lexmark also focuses on emergency preparedness and response planning. Emergency response teams are established for each major manufacturing and development facility.

The fact that Lexmark has received only one fine in the past six years - a \$1500.00 levy for an administrative, environmental non-compliance is testimony to the effectiveness of our environmental management system. We will remain steadfast in our diligence and efforts.

ISO 14001 Certificates	
Boulder, Colorado	Certificate
Cebu, Philippines	Certificate
Juárez, Mexico	Certificate
Lexington, Kentucky	Certificate
To view OHSAS certificates click here .	

Next Section: Energy Use and Greenhouse Gas Emissions >>

ENVIRONMENT

Energy Use and Greenhouse Gas Emissions

Lexmark has made a commitment to reduce the consumption of natural resources at all our leased manufacturing facilities, research and development facilities and office spaces worldwide. Lexmark tracks greenhouse gas emissions as well as usage of natural gas, fuel oil, diesel, gasoline and electricity using the Greenhouse Gas Protocol methodology. Lexmark has established the following corporate goals to guide our energy-conservation efforts.

- Reduce greenhouse gas emissions by 20 percent (2005-2017)
- Achieve a 20-percent reduction in electricity consumption for headquarters, manufacturing and development (2005-2017)

ENERGY CONSERVATION AT LEXMARK FACILITIES

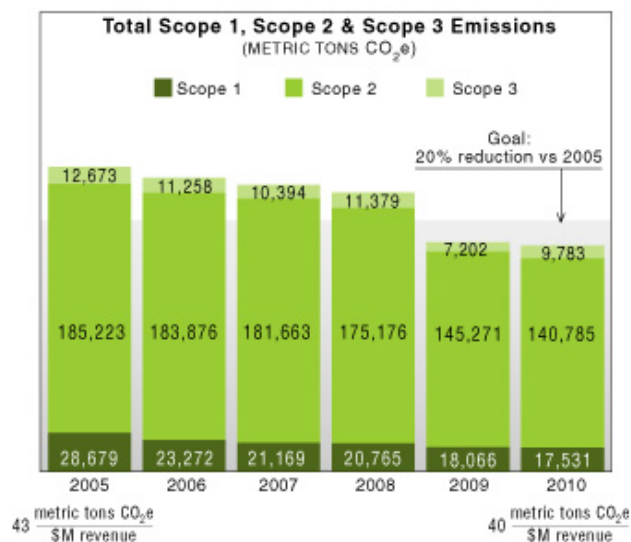
Reducing Greenhouse Gas Emissions

Lexmark's energy reductions have been largely inspired by the company's desire to reduce greenhouse gas emissions. Cutting energy use is one of the most effective ways to reduce greenhouse gas emissions, a major contributor to climate change.

Lexmark publicly reports greenhouse gas emissions 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 (WRI) and the World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol (GHG Protocol).

The aforementioned efforts to reduce Lexmark's use of direct and indirect energy and travel translate directly into reductions in greenhouse gas emissions. The chart to the right shows Lexmark's Scope 1 (Direct), Scope 2 (Indirect) and Scope 3 (Other) greenhouse gas emissions for the years 2005 through 2010 in metric tons of CO₂ equivalents.

Lexmark reduced its total greenhouse gas emissions by 26 percent from 2005 to 2010. While this reduction exceeds Lexmark's voluntary goal for reduction of greenhouse gas emissions, Lexmark will not declare this goal achieved until we are confident that these reductions are sustainable in the long term.



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

LEXINGTON SITE-LIGHTING RETROFITS

Who would think replacing light bulbs could make such a difference? Lexmark's ongoing site-lighting retrofits in Lexington are clearly paying off. [Read More](#)



Total Energy Usage

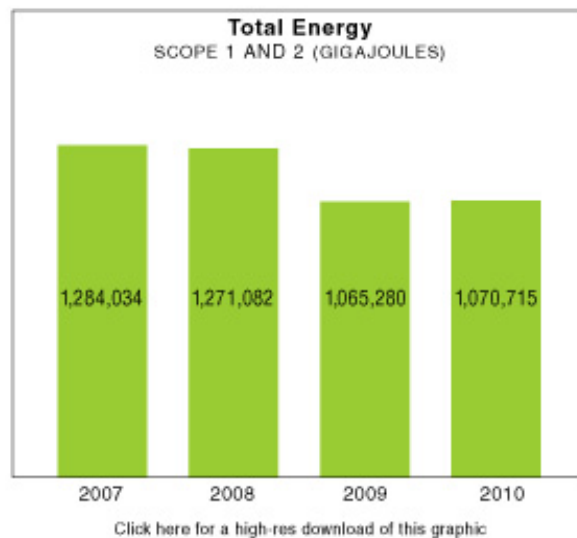
Lexmark headquarters in Lexington, Kentucky has been the subject of multi-year energy conservation projects including Heating, Ventilating and Air Conditioning (HVAC) system upgrades and a facility reduction of 44,026 m². This site has also been the subject of an extensive employee education campaign that focused on teaching employees about energy wasting habits such as the use of space heaters, personal refrigerators and personal printers. The campaign encouraged employees to use more energy-efficient practices to meet their needs. The energy conservation and education projects completed between 2007 and 2010 have resulted in an electricity usage reduction of 24 percent at headquarters in this time period.

Similar energy conservation projects have taken place at Lexmark facilities in the Philippines, including the installation of high-efficiency chillers.

Facilities Energy Management Team – In an effort to reduce energy consumption, Lexmark International Philippines, Inc. (LIPI) Facilities Department has created an energy management team which will conduct an energy audit to identify energy savings opportunities and waste minimization.

Sunday No Production – LIPI Facilities Department continued making improvement in its operation by implementing a Sunday no-production policy without affecting productivity. Sunday energy consumption was reduced by 40 percent and a similar reduction in water usage was realized.

The chart above shows Lexmark's total annual energy consumption. By the end of 2010, Lexmark reduced its total annual energy consumption by 17 percent compared to baseline year 2007. While most of these savings must be attributed to reductions in production, a portion is attributable to Lexmark's ongoing efforts to improve the efficiency of operations at our facilities worldwide.



LEXMARK@WORK ITALY

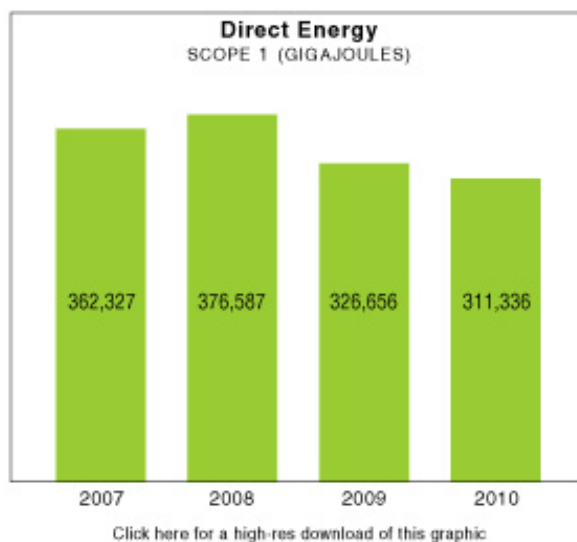
Lexmark Italy's new Lexmark@Work headquarters, that opened in Milan in 2010, was designed to have minimal impact on the environment and encourage the exchange of information and the generation of new ideas. This facility was built using environmentally sustainable materials such as flooring that is free from heavy metals, halogens and other hazardous substances and made of recyclable materials. Its walls are made from recycled glass and its furniture from Forest Stewardship Council (FSC) certified woods and recycled materials. This facility is also energy efficient, utilizing an occupancy sensor system and energy-efficient, light-emitting, diode (LED) lighting.



Direct Energy Usage

Lexmark operations make use of several direct energy sources in its operations (the driver of Lexmark's Scope 1 emissions), specifically natural gas, fuel oil, diesel and gasoline. These non-renewable energy sources are purchased from local vendors then used to generate steam, power backup generators and fuel vehicles at Lexmark facilities. Lexmark does not currently use direct renewable energy sources such as biofuels, ethanol or hydrogen. Lexmark does not produce renewable or non-renewable primary energy sources for internal use or for external markets.

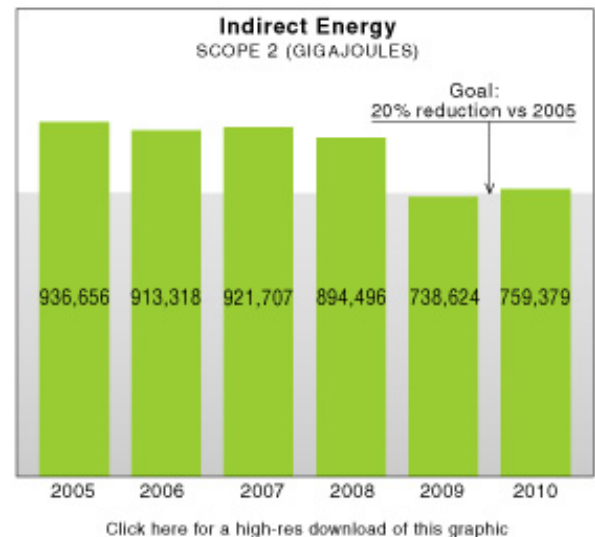
Lexmark's direct energy consumption decreased by 14 percent between 2007 and 2010, as shown in the chart on the right.



Indirect Energy Usage

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

The chart on the right shows Lexmark's total indirect energy (electricity) consumption for the years 2005 through 2010. Lexmark's use of indirect energy decreased by 19 percent from 2005 to 2010. This decrease is a result of more energy efficient operations, reductions in facility space and reductions in production.



OTHER ENERGY CONSUMPTION

Travel Related Energy Consumption

Lexmark's efforts to reduce energy consumption expand beyond the walls of our facilities. As with most companies, business needs frequently require that some Lexmark employees travel for face-to-face meetings with customers, partners and coworkers, many of whom are separated by significant distances (the driver of Lexmark's 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 business objectives. Whenever possible, employees are encouraged to optimize their travel itineraries by combining several business trips and using public transportation such as trains and buses instead of taxis and rental cars.

Lexmark, in collaboration with our vehicle provider, tracks miles traveled using Lexmark owned, leased and rented vehicles in the U.S. and Europe. In collaboration with our travel agency, we track air travel worldwide. Distance traveled has decreased by 19 percent since 2005.

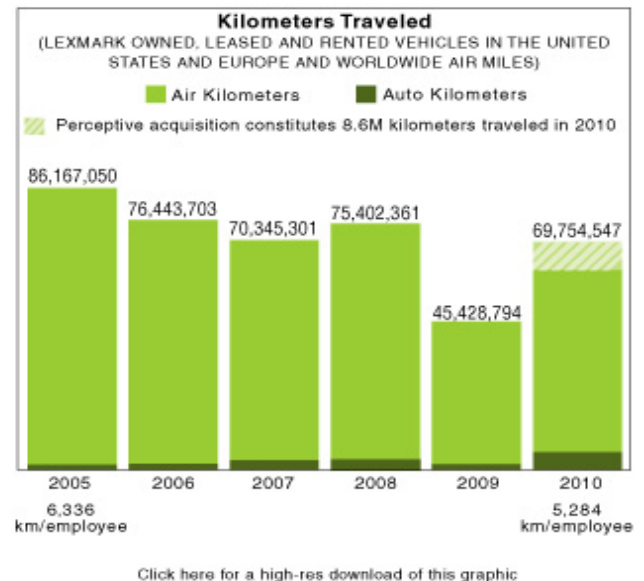
The increase against 2009 is due to the addition of Perceptive Software, Cebu and China vehicle travel, and improved business conditions.

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.

Product Transportation

Transporting our products is part of our business. We rely on transportation every day to deliver our products to customers around the world. While there is no avoiding the necessity to transport goods, we have measures in place 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 the use of diesel hybrid trucks or the use of 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 using SmartWay carriers. SmartWay is a collaborative program between the U.S. EPA and the freight industry designed to increase the use of energy efficient vehicles and includes impressive goals to reduce greenhouse gas emissions and lower air pollution emissions. In an effort to help curb climate change, Lexmark pledged to



continuously minimize the environmental impact of its product shipments throughout the U.S. It is with great pride that we continue our efforts to shrink our carbon footprint by reducing the energy consumption and emissions associated with transportation.

Other measures we take 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 have adopted to handle more cubic feet of freight per container shipment.
- **Direct Ship Model** – In the direct ship model, our goal is to reduce the total mileage our products travel by utilizing direct ship and direct import models. Delivery service providers move freight directly from the port to the customer's destination, which ultimately eliminates warehousing en route. Similarly, in the direct import model, ocean carriers pick up customer-directed products at key supplier points and transport the goods directly to the ultimate consignee, eliminating inland cargo moves that increase energy usage and air emissions.
- **Intermodal Freight Transportation** – Lexmark is expanding the use of intermodal freight transportation, an approach that optimizes the transportation of freight per vehicle by using 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 locally* based suppliers - suppliers that are close to the location where their products will be shipped such as to a manufacturing location - when possible. The use of locally based suppliers is both environmentally and financially preferable, resulting in reductions in transportation impact and cost.

LEXMARK PARTNERSHIP WITH LIFEGATE

Lexmark has participated in "Impatto Zero", an environmental project promoted by LifeGate, since 2004. LifeGate has been called the Italian version of the Kyoto protocol, with its specific mission of reducing carbon emissions and its general approach of promoting awareness of the environment. Through this program, Lexmark has participated in the replanting and the preservation of green areas in Costa Rica and Italy, resulting in 500 tons of carbon emission savings over three years.

Lexmark's collaboration with LifeGate continues through the LifeGate Energy project, that encourages the use of renewable energy. Through this program, LifeGate supplies Lexmark Italy with clean energy.



* The definition of local varies depending upon the availability of services. In some cases, local is considered 'in country' and in other cases, local is considered 'in geographic' (geographic = Europe, Middle East and Africa; North America; Asia Pacific; Australia, New Zealand; Latin America)

[Next Section: Water Management >>](#)

CASE STUDY

Lexington Site-Lighting Retrofits

Who would think replacing light bulbs could make such a difference? Lexmark's ongoing site-lighting retrofits in Lexington are clearly paying off.

During the first phase in 2007 and 2008, which included replacing lamps and magnetic ballasts of fluorescent light fixtures with higher-efficiency lamps and electronic ballasts, the following annual savings were realized.

- \$80,000
- 1.4 million kilowatt hours of electricity
- 3 million pounds of CO₂ emissions

The second phase in 2009 has netted an estimated additional \$20,000 in annual savings and has included targeted light reductions and installation of occupancy sensors throughout the site.

Overall in 2009, with site consolidation activities, close attention to plant-operating efficiencies and continued energy-efficiency investments, Lexmark headquarters reduced power consumption by more than eight million kilowatt hours for a cost avoidance of over \$450,000.

Indoor lighting

Where economically feasible, the lighting levels in building aisles and common spaces are being reduced over time to conform more closely to the Illuminating Engineering Society of North America (IESNA) recommendations. The reduced levels recommended by IESNA will help Lexmark continue to reduce its electrical usage and its carbon footprint.

As unit costs for electricity continue to rise, annual savings from these lighting retrofits and usage reductions will also continue to rise.

Parking lot lighting

In 2010, employees may notice a reduction in parking lot lighting. Following a three-year trial period in select areas, lighting levels in predominantly vacant parking lots will be reduced. This reduction in excess light will not only reduce cost to Lexmark, but will reduce light trespass upon our neighbors' properties.

Power down

We have advised our employees to take time to assess their work areas and ensure that equipment and lighting not required are turned off to further reduce Lexmark operating costs. While headquarters has set record-low electricity-consumption rates for the site for winter months, the Lexington site still consumes enough power to run 4,000 average homes. We want to make sure we're good stewards of our resources and switch off all energy-consuming devices that are not required.

[Back to Energy Use and Greenhouse Gas Emissions >>](#)



ENVIRONMENT

Water Management

LEXMARK’S COMMITMENT TO WATER CONSERVATION AND PROTECTION



Water Usage

The manufacturing and research and development operations that take place at Lexmark owned and leased facilities have a substantial impact on the Company’s water consumption. This usage varies with product demand, but is relatively stable. The use of water for sanitary and other purposes (restrooms, food preparation and general cleaning) is less of a factor.

Lexmark water usage is also driven by the need to control temperature. As external temperatures rise, we use more water in our HVAC systems to cool our facilities.

Weather variability presents a special challenge. But we cannot control the underlying primary variable in our cooling-driven water usage – external temperature. We must therefore aggressively monitor, control and reduce water usage where opportunities exist.

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

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

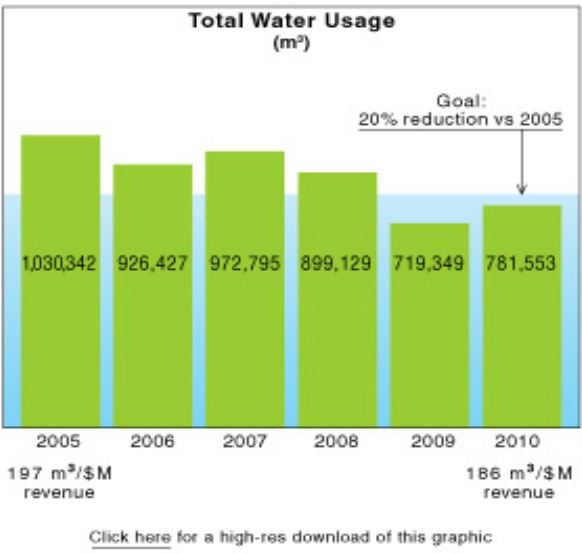
Lexmark has undertaken numerous initiatives at facilities worldwide to reduce consumption of water including installing more efficient HVAC systems and improving the efficiency of existing HVAC systems, installing low-flow plumbing fixtures, desert-scaping (sometimes referred to as xeriscaping) and reusing process water in manufacturing facilities.

Lexmark total water usage (as purchased from local utility providers) is shown in the chart above. We have achieved a 24 percent reduction in water usage versus baseline year 2005. This exceeds our goal of reducing water usage by 20 percent by 2017.

Some of this usage 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 condensate from the air conditioning system in a non-potable water cistern. This water is later used for flushing toilets and for irrigation. The Lapu-Lapu City facility reused 1,881 m³ of water in 2010. Similar reuse takes place in Boulder. That facility collected and reused 24,605 m³ of water in 2010, 27 percent of Boulder’s total water usage for the year.

The unpredictability of temperatures and fluctuations in production result in positive and negative changes in water usage. Lexmark implemented a six point water conservation plan in 2009. This plan will help us achieve more significant, controllable and sustained reductions in water usage going forward.

Increased water use in 2010 versus 2009 resulted from an abnormally hot U.S. summer, the economic recovery driving increased production and the increase scope of reporting to include China and Perceptive Software.



Waste Water Recycling



In November of 2010, a wastewater recycling program became fully operational at Lexmark’s LIPI Facilities. [Read More](#)

Lexmark’s Six Point Water Conservation Plan			
Point	Goal	Projects	2010 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 were replaced by sensor operated and low flow fixtures at Headquarters in 2010.
2		Upgrade water consuming facilities equipment to improve water usage efficiency	At Headquarters, in partnership with GE Water and Process Technologies, changes to cooling tower water controls enabled a first year estimated reduction in water use of 24 million gallons, with cost savings of \$96,500. In Cebu, a filtration project was implemented resulting in reuse of process water for cooling towers, reducing raw water consumption.
3	Reduce Losses (Accidental use of water)	Reduce losses due to leaks from main pipes	Continued efforts to find and eliminate piping leaks at Headquarters in 2010 resulted in discovery and elimination of several additional loss points in the system.
4		Reduce losses due to plumbing leaks	
5	Education	Complete at least one employee education communication on water conservation per geography per year	Lexmark has educated employees about water conservation as appropriate to their jobs using Lexmark’s internal Web site and signage posted throughout facilities.
6		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.

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	<u>Hueco Bolson</u> , (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 Jacupan, Talisay City
Shawnee, Kansas (Perceptive Headquarters and Hedge Lane)	Water One	The Missouri River and Kansas River and wells along the Kansas River
Boigny, France	Syndicat Des Eaux Des Usages, Mairie De Vennecy 45760	
Orleans Plaza, France	La Lyonnaise Des Eaux, Val de loire	In Orleans, no less than five tanks store water for drinking throughout the city.
Shenzhen, China	Shenzhen Water Company	Pearl River - the biggest river in south China
<i>*To 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.</i>		

The Lexmark manufacturing facility in Lapu-Lapu City, Philippines, has a rainwater collection system. Water collected in this system is utilized in non-potable water applications including irrigation.

Waste water from Lexmark operations is primarily discharged to local utility systems for treatment. Lexmark discharges 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’s 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 that allows fish, birds and other wildlife to survive during times when the water level in the creek would otherwise be 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.

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 2010 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. Lexmark experienced four minor spills in 2010. These spills were quickly contained and cleaned and did not negatively impact the local environment.

	Number of Spills	Volume of Spill
Cebu, Philippines	1	1,316 gallons
Boulder, Colorado	1	12 gallons
Juárez, Mexico	1	81 liters
Lexington, Kentucky	1	3 gallons

Next Section: Land and Biodiversity >>

CASE STUDY

Wastewater Recycling

In November of 2010, a wastewater recycling program became fully operational at Lexmark International Philippines' (LIPI) facilities. Production wastewater now undergoes a filtration process and is then used as make-up water for the facilities' cooling towers. Before this project, make-up water for the cooling towers came from potable water which had to be softened.

With the water recovery system in place, the softening process is no longer necessary since analysis shows water hardness to be well within acceptable standards.

Thanks to these efforts, LIPI enjoys essentially free, soft water for its cooling towers and has already seen a quantifiable reduction in raw water consumption.



[Back to Water Management >>](#)

ENVIRONMENT

Land and Biodiversity

Lexmark owns or leases facilities used for manufacturing or research and development in the United States, Mexico and the Philippines. Though Lexmark does not operate in areas that are known to be protected or home to IUCN Red List species and has no future plans to operate in these areas, we take care to ensure that all operations do no harm to the local environment.

Lexmark is particularly sensitive to the need for care with operations in the Philippines. Many organizations recognize the entire country as an area of high biodiversity. Lexmark owns two facilities in the Philippines. The Lexmark Research and Development Corporation (LRDC) located in Cebu, Philippines, is a 30,817 m² research and development operation. Lexmark International Philippines, Inc. (LIPI), located in Lapu-Lapu City, Philippines, is a 33,817 m² manufacturing facility. Lexmark employees in the Philippines work diligently to restore nearby habitats, focusing on reforestation and watershed protection. In 2010, Lexmark employees in Cebu, Philippines, continued their efforts with the Buhisan Watershed Project, a habitat protection and rehabilitation program that was implemented in 2008. Lexmark's effort to participate in the Save the Buhisan Watershed activity with the help of Philippine Business for Social Progress (PBSP), a non-government organization, helps to ensure safe drinking water supply for Cebu and promotes diversity by planting indigenous trees. Lexmark also participated in the reforestation of two hectares of the protected zone.

Mangrove reforestation



Tree planting in Cebu



Buhisan Watershed

**Buhisan Watershed Donor's Recognition Day**

In March 2011, officials and employees of Lexmark Research and Development Corporation (LRDC) and Lexmark International Philippines Inc. (LIPI) attended the Save the Buhisan Watershed Project Donor's Recognition and Forum at the MCWD facility in the Buhisan Watershed and Forest Reserve.

The Save the Buhisan Watershed Project was organized by partners from the public and private sectors and aims to sustain the Buhisan Watershed through alliances of eco-friendly businesses and environmental rehabilitation initiatives like reforestation. The event was our opportunity to acknowledge the institutions that have made our success in the Buhisan Watershed possible.

This affair showcased the different projects we have implemented in Buhisan, which are sustainable and replicable examples of corporate social responsibility initiatives.

The Save the Buhisan Watershed Project was launched as part of Cebu's environmental response to the United Nation's Millennium Development Goals. During the last three years, we worked with some 20 partners and donors and collectively mobilized 5.6 million Philippine pesos to support various projects.



The Blessing and Inauguration of the Nature Center was funded by LIPI and LRDC and was followed by a walk through the Buhisan Reservoir.

TREE PLANTING

With the aim of having a sustainable water resource available for Cebu, where LIPI and LRDC have facilities, a Buhisan Watershed and Forest Reserve enhancement planting activity was conducted. Employees from different department areas of LIPI and LRDC participated in the this activity and they were able to plant over 3000 seedlings of native trees. Lexmark employees in the Philippines have sponsored annual mangrove reforestation activities since 2002.



Reforest the Bluegrass

Since 1999, Lexmark has co-sponsored "Reforest the Bluegrass." This annual event enhances Lexington's urban forests and improves storm water management in the Lexington area. Over the years, our employees have volunteered and contributed to the planting of more than 200,000 tree seedlings.



Lexmark employees and families at "Reforest the Bluegrass"



Cane Run Creek clean up



Coca-Cola Enterprises Rain Garden

[Next Section: Regulated Air Emissions >>](#)

ENVIRONMENT

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 its products. The Company does use some ozone-depleting chemicals, specifically refrigerants for HVAC systems that cool our facilities. Lexmark cannot eliminate the use of refrigerants at this time since all HVAC systems require the direct or indirect use of refrigerants. Reported refrigerant emissions in 2010 resulted in an ozone depletion potential of 104 pounds of CFC-11 equivalent and we are taking steps to minimize their usage. Lexmark monitors HVAC systems for leaks using stand-alone system sensors. We also choose to purchase chillers that use environmentally preferable refrigerants. For example, in 2008, Lexmark installed chillers that use refrigerant R-134a, a hydrofluorocarbon (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, enabling less electrical demand at part load than previous chillers without frequency drives.

*Corporate facility only

2010 Air Emissions <i>Unit: Tons per year</i>			
	Lexington	Boulder	Juarez
NO _x	7.89*	0	0
SO ₂	0.096	0	0
Persistent graphic pollutants (POP)	NA	0	0
Volatile Organic Compounds (VOC)	0.750	6.37	16.7
Stack and fugitive emissions	NA	NA	0
Particulate matter	0.596	0.06	>1

[Next Section: Waste Management >>](#)

ENVIRONMENT

Waste Management

Lexmark is committed to disposing of waste generated by our facilities in a responsible manner.

The Company's waste generation and disposal figures over the past several years are indicative of the level of progress we have made toward our waste reduction goals. In 2007, Lexmark established three long-term, waste-management goals for the corporation.

- Achieve a 20 percent reduction in waste generated (2007-2017)
- Achieve a 25 percent improvement in the amount of waste that our plants currently recycle (2007-2011)

LOOKING FORWARD

Lexmark has set a goal to achieve a 30 percent increase in hardware collection and recycling by 2014 as compared to baseline year 2007. Over the past few years, taking into consideration the economic downturn and changes in our product weights, hardware collection and recycling rates have fluctuated little since 2007. New programs were implemented in 2010 that will help increase hardware collection and recycling rates in the future.

Lexmark currently offers standardized recycling programs in many countries and variable programs in other countries. We expanded the Lexmark Equipment Collection Program in 2010 and plan to further expand it in 2011.

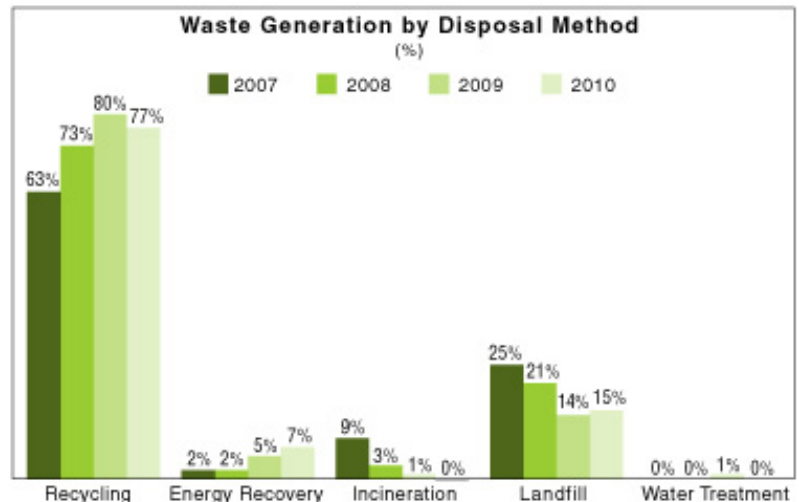
While there is still much work to do, Lexmark has made significant progress toward achievement of these goals.

WASTE GENERATION

Lexmark generated a total of 14,807 metric tons of waste in 2010, a decrease compared to the previous year. Waste generation in 2008 and 2009 was higher than 2007 as a result of waste generated during the demolition of several buildings in Lexington, Kentucky, and the closing of a facility in Juárez, Mexico.



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



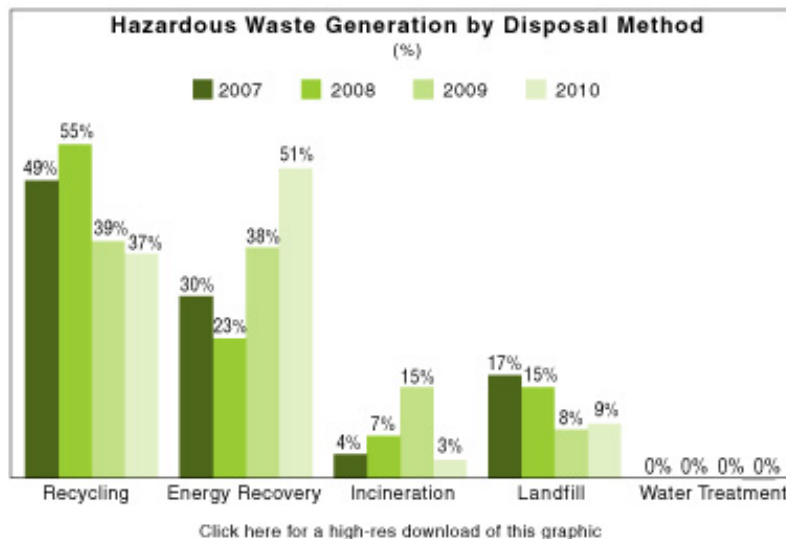
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Hazardous waste accounts for approximately 10 percent of Lexmark's total waste. Hazardous waste that is generated in Lexmark's research and development and manufacturing facilities is managed by external companies that specialize in the management of hazardous waste.

WASTE RECYCLING

Disposal methods for waste are determined through the collaborative efforts of Lexmark and its 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 77 percent. Lexmark is well on its way to achieving its goal of 25 percent improvement in the amount of waste that our plants currently recycle from 2007 to 2011.



ELECTRONIC WASTE RECYCLING

Lexmark offers its customers environmentally sound disposal 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 whose processes ensure any data stored on those devices will not be compromised and that are committed to recycling those devices in an environmentally and socially responsible manner.

Lexmark has partnered with recyclers who offer a broad range of services and processing capabilities, have a proven record of compliance with government mandated criteria for recycling facilities, and are certified in the ISO 14001 environmental management system standard. 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.

Lexmark's primary recycling partner, Sims Recycling Solutions, is the world's largest electronics recycler. Sims Recycling processed nearly 4,000 metric tons of electronic waste on behalf of Lexmark in the United States, Canada and Europe in 2010.



U.S.

In the U.S., we offer the Lexmark Equipment Collection Program. Customers can return their Lexmark-branded hardware products to Lexmark by whatever shipping method is most convenient for them and we will recycle the equipment for free. For business customers that 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 the customer's used devices, mark them for recycling and arrange for them to be sent to the nearest recycling facility.

Over the past three years, electronic waste legislation of one form or another has been proposed in a majority of states in the U.S. By the end of 2010, 11 states – Hawaii, Illinois, Indiana, Maine, Michigan, Minnesota, New York, North Carolina, South Carolina, Vermont and Wisconsin – enacted extended producer responsibility (EPR) legislation that includes printers. While the details of the legislation vary greatly from state to state, the basic premise is that the producers of electronic devices are required to collect and responsibly recycle covered electronic devices (CEDs) at the end of the devices' usable lives.

Canada

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

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

Saskatchewan: Lexmark participates in the Saskatchewan Waste Electronic Equipment Program (SWEEP) that launched in February 2007. SWEEP is the first industry led stewardship program in Canada and it offers over 70 recycling depot locations.

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

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

Ontario: Lexmark participates in the Ontario Electronic Stewardship (OES) program which was started April 2010.

Recycling regulations are anticipated in Quebec, Manitoba, New Brunswick, Newfoundland and Yukon in 2011-2012.

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 Waste Electrical and Electronic Equipment (WEEE) directive (2002/96/EC). Consumers in the European Union can take their equipment to locally authorized collection centers or, in some cases, to local retailers. For business customers in the European Union, 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 and Latin America (AP/LA)

A primary focus for Asia Pacific environmental work in 2010 has been preparation for the Australian national end-of-life Information Technology (IT) equipment and recycling program. This was formally announced by the Australian Federal government in November 2009 and had been anticipated for some time.

Lexmark has been an active participant in this process for six years. The announcement indicated national legislation would come into place in 2010 and the scheme formally commences in 2011. The scheme will be Australia-wide and underpinned by government regulation.

All IT manufacturers and importers will be responsible for their shares of actual waste collected. Customers will return their end-of-life IT equipment to designated collection points from which the waste will be taken to central consolidation and collection points for recycling by accredited recycling operators.

The pilot for this national plan has been the 'Byteback' program operated in the state of Victoria. Lexmark was a founding member of this operation which is a free (to the consumer) IT equipment take-back program. There are nine other founding IT industry members. Byteback has been in operation since 2007 and is collecting some 10,000 items per month. It has proven invaluable in collecting data on IT hardware recycling, understanding consumer behavior and has received very strong community support. Lexmark will continue its pioneering work in this area by actively contributing to the IT industry working groups now preparing for the forthcoming national legislation and the resulting commencement of the national take-back plan.

Lexmark Electronic Waste Recycling

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



[Next Section: Product Design >>](#)

ENVIRONMENT

Product Design

DESIGNING PRODUCTS WITH THE ENVIRONMENT IN MIND

The environmental performance of products has become a key issue for businesses, as society and consumers are increasingly concerned about the environmental impact of the products they use. Our Design for Environment efforts focus on minimizing the environmental impacts of our products in these essential areas.

- [Product life cycle](#)
- [Product energy use](#)
- [Acoustics](#)
- [Product emissions](#)
- [Supplies](#)
- [Packaging](#)
- [Materials](#)
- [Environmental solutions](#)

Lexmark Product Environmental Specification

In 2009, Lexmark released an updated version of the Lexmark Product Environmental Specification. This publicly available specification defines the minimum environmental requirements for the design, manufacture and marketing of Lexmark parts and products. These requirements are based on global regulatory obligations, international treaties and conventions and certain market demands. The 2009 update included an update to the list of substances that are prohibited from use in Lexmark products. This includes the addition of the phthalates DEHP, DBP and BBP as well as the brominated flame retardant HBCDD which have all been recommended for addition to Annex XIV (substances subject to authorization) of the European Union REACH Regulation 1907/2006. Lexmark plans to eliminate the use of these substances from our products well in advance of global use restrictions. The 2009 update also included an expansion of the list of required reportable substances that suppliers must disclose. Lexmark is also explicitly prohibiting the use of BFRs, CFRs and PVC in all Lexmark developed mechanical plastic parts except fuser assemblies.

To support these efforts, Lexmark invested in and began implementing a new materials content data collection and management system. This system will optimize our ability to communicate with our suppliers regarding substances used in parts and assemblies they provide to Lexmark for use in our products. This system will also increase our ability to respond to customer inquiries on the presence of substances of concern in our products and to address regulatory issues regarding substances of concern.



Lexmark Product Environmental Specifications Links

Product Environmental Specifications are available here as pdfs.

Environmental Specification (English) [Click here](#) Environmental Specification (Simplified Chinese) [Click here](#)

Declaration of Conformity [Click here](#).

Product Life Cycle

To clearly understand the environmental impact of our printers, we examine each phase of a product's life, from manufacturing to end-of-life, using a product Life Cycle Assessment (LCA).

Lexmark uses the standardized LCA to analyze our products in accordance with the ISO 14040 and ISO 14044 methods. We commissioned LCA studies on our laser and inkjet products to third-party environmental companies. The LCA studies were performed in compliance with ISO 14040 and ISO 14044, including an independent review.

The LCA study measured our products' environmental impact on multiple indicators, in accordance with a methodology established in 2002 by the Institute of Environmental Sciences, Leiden University, in the Netherlands. Some of the environmental indicators measured include the following.

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

The LCA studies provided a realistic, data-based assessment of tradeoffs in product design, manufacturing, transportation, end life and the potential to make system-wide improvements. Lexmark incorporates the LCA results into our product design process to develop sustainable products that combine high standards of performance, efficiency and environmental stewardship.

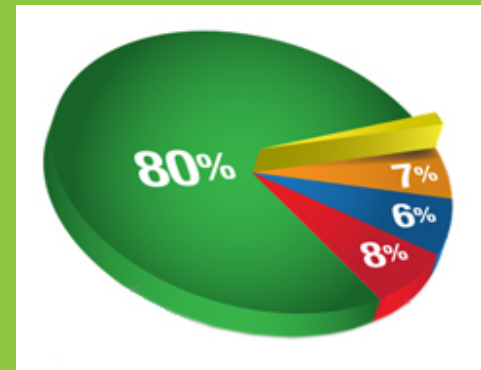
Lexmark commissioned LCAs for some of our recent products and cartridges in 2010, including the Lexmark X736de color laser MFP and the new generation of Vizix inkjet cartridges.

The color laser printer assessment indicated the main environmental carbon and water footprint of the Lexmark X736de color laser MFP results from the "use" phase, with the majority of the impact (62 percent for carbon footprint and 85.4 percent for water footprint), attributed to the paper that is consumed during the printing phase.¹



CASE STUDY

Lexmark X646dte MFP



Recently, a life cycle assessment was performed by an independent organization on the Lexmark X646dte MFP, one of the company's best-selling products. [Read More](#)



Comparing the carbon and water footprint of the new generation of inkjet cartridges Vizix, with the previous integrated inkjet cartridges, the life cycle assessment determined a 30 percent reduction in the carbon footprint and a 60 percent reduction in the water footprint for Vizix inkjet cartridges.²

Product Energy Use

At Lexmark, we continually strive to update our products with innovative features that make them more energy efficient. For example, Lexmark's C79x / X79x product family features Lexmark's highest-speed instant warm-up fuser – the fastest color belt fuser on the market – as well as a dramatic reduction in ready mode power consumption and an 87-percent reduction in time to print from sleep* versus earlier models of this product.

Lexmark has also introduced a new machine power architecture that allows different parts of the machine to be turned off while in sleep mode, thereby reducing power consumption. Hibernate mode is a new, ultra-low mode that helps reduce energy consumption when a product is not in use for extended periods of time. Users can program their products to automatically enter and exit Hibernate mode at chosen times of day and days of the week.

Acoustics

Acoustics is the science of sound and vibration. Designing products for the environment includes considering audio comfort in the workplace. Lexmark printers offer an ideal combination of performance and quiet operation to aid in increased worker comfort and thus productivity.

Lexmark's design teams assess our equipment acoustics and focus on reducing unwanted noise while selectively incorporating helpful sounds. Finding technical solutions to "noise pollution" requires creativity and innovation. All laser products announced since 2009 have been designed with a quiet mode feature that allows users to adjust the sound level of their printer 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 of Lexmark's laser printing products meet the noise requirement in the Blue Angel specification.

Product Emissions

Emissions from printers in the workplace are subject to the occupational exposure limits of individual countries for specific chemicals. Lexmark printers are tested throughout their development for emission of styrene, benzene, ozone, total and individual volatile organic compounds and total particulate. Ultra fine particulate is included but is not distinguished.

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 fragments) as a result of moving paper 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 limits and summary reports are available to customers upon request.

Product Environmental Profile Sheets

[Click here](#) for current Product Environmental Profile Sheets.

[1] Results are based on the LCA of the Lexmark X736de color laser MFP. This ISO 14040 and ISO 14044 compliant life cycle assessment was conducted by Bio Intelligence Services.

[2] Results are based on the life cycle assessment of Vizix and integrated inkjet cartridges used to print 15,000 pages. This ISO 14040 and ISO 14044 compliant life cycle assessment was conducted by Bio Intelligence Services.

** 23.8 seconds versus 180 seconds*

Next Section: Voluntary Environmental Certifications >>

CASE STUDY

Life Cycle Assessment (LCA)

Lexmark X646dte MFP

Lexmark commissions a full Life Cycle Assessment (LCA) of many of its products. Recently, this process was performed by an independent organization on the Lexmark X646dte MFP, one of the company's best-selling products.

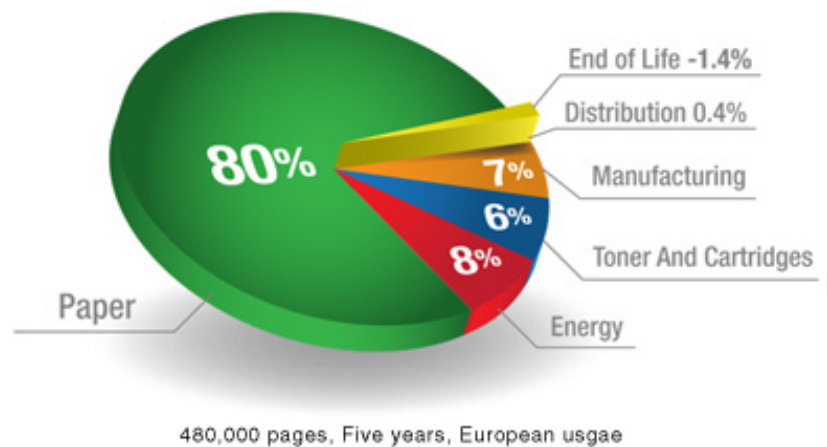
A Life Cycle Assessment is an ISO-guided process¹ that exhaustively evaluates a product from cradle to grave, from the time the raw materials are extracted from the ground to the product's disposal or recycling. This specific study looked at manufacturing, distribution, power consumption and potential waste at end of life – typical areas of examination for technology hardware such as computers and servers. However, because a large amount of a printer's impact is the output of pages, paper and toner were also included in the scope of the study.

Among the different environmental impacts that can be measured, nonrenewable resource depletion and carbon footprint are perhaps the most easily recognized.

The LCA of the Lexmark X646dte shows that, in regard to the device's carbon footprint, manufacturing (which encompasses raw material extraction, production of parts and product assembly) constitutes about seven percent of its total carbon footprint.

Distribution, including packaging, shipping and delivery to the customer, contributes only another 0.4 percent. It is when the customer begins using the device that the numbers change considerably. Energy adds eight percent. Toner production and consumption, assuming the empty cartridges find their way back to Lexmark instead of a landfill, accounts for only another six percent of the overall carbon footprint. By far, the dominant contributor to this MFP's carbon footprint is paper – the millions of pages it will print during its service lifetime. Paper consumption accounts for up to 80 percent of the total carbon footprint.

So while Lexmark devices are designed for the environment and can directly address about seven percent of the total carbon footprint, Lexmark works in partnership with its clients to help minimize the other 93 percent, which is generated throughout the entire ownership period.



[1] ISO 14044:2006 specifies requirements and provides guidelines for life cycle assessment (LCA) including: definition of the goal and scope of the LCA, the life cycle inventory analysis (LCI) phase, the life cycle impact assessment (LCIA) phase, the life cycle interpretation phase, reporting and critical review of the LCA, limitations of the LCA, relationship between the LCA phases, and conditions for use of value choices and optional elements.

[Back to Product Design >>](#)

ENVIRONMENT

Lexmark Supplies

Conserving our planet's natural resources is a key sustainability challenge as the world population and economy continue to grow. According to the World Business Council on Sustainable Development, natural resource consumption is expected to rise to 170 percent of the Earth's bio-capacity by 2040¹. This makes the recycling and reuse of products more urgent than ever before. At Lexmark, we recognize this challenge and, since our founding in 1991, have been dedicated to providing our customers with free and easy ways to return their used Lexmark supplies to us for responsible end-of-life management. With the help of our customers, Lexmark continues to make excellent progress in keeping cartridges out of landfills so that these products can be recycled or reused, reducing the need for new raw materials and helping to preserve our environment. And in 2010, we expanded our initiative to "close the loop" even further by utilizing post-consumer recycled plastics in the manufacture of some of our new toner and inkjet cartridges.

Lexmark Cartridge Collection Program: Reducing Waste to Landfill

The Lexmark Cartridge Collection Program continues to divert millions of Lexmark toner and inkjet cartridges from landfills annually by enabling our customers to return used print cartridges to Lexmark free of charge for reuse or recycling. Customers can return individual toner cartridges simply by placing the used cartridge in the new cartridge box and applying the pre-paid label provided for shipment. Other methods of return for toner cartridges include bulk returns or container pick-up service for large-volume customers (availability varies by country). For inkjet cartridge returns, customers can request free recycling bags from Lexmark's easy-to-use Web site, in addition to other country-specific inkjet cartridge collection methods.

Currently, our collection programs are available in more than 60 countries, which represent approximately 90 percent of our global market.

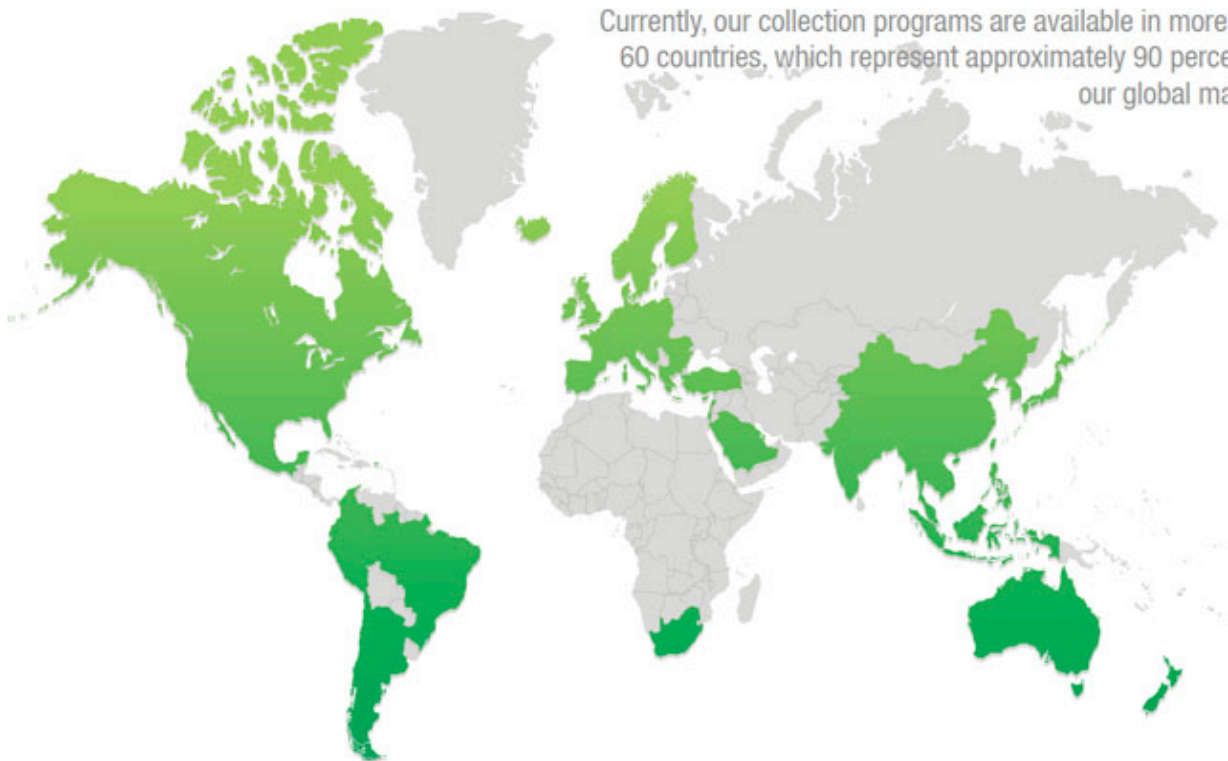
CASE STUDY

Cartridges Find New Life as Ink Pens

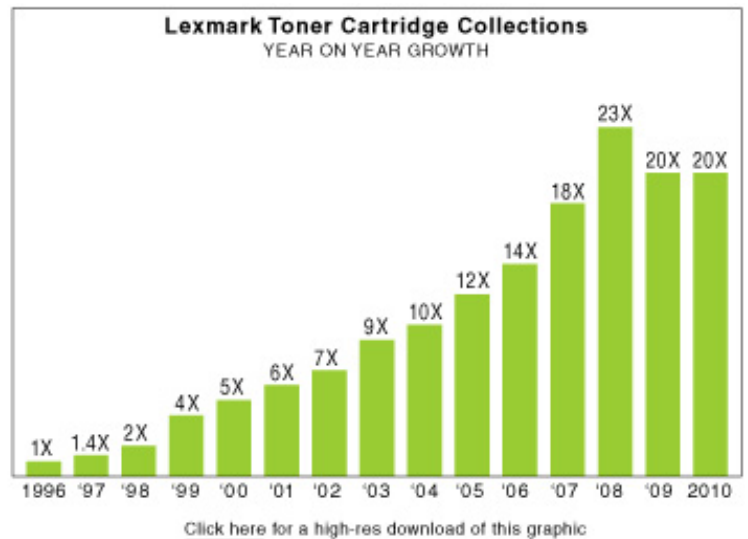


The world's first pen made almost entirely from materials recovered from end-of-life inkjet cartridges. [Read More](#)

Currently, our collection programs are available in more than 60 countries, which represent approximately 90 percent of our global market.



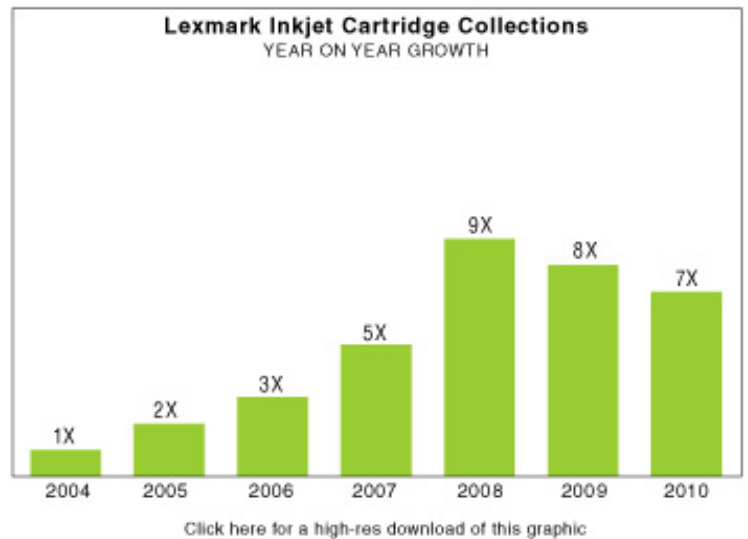
Our extensive cartridge collection network has made Lexmark an industry leader in the recovery, remanufacturing and recycling of empty toner cartridges, and the number of empty cartridges we collect and process continues to be impressive. In 2010, our customers returned to Lexmark for appropriate end-of-life management approximately one out of every three toner cartridges shipped. In some regions, the Lexmark return rate is even higher. In the U.S., for example, the number of toner cartridges returned has continued to average between 40 and 50 percent of shipments over the past several years. We believe that industry average collection rates are between 20 and 30 percent.



The percentage of inkjet cartridges Lexmark collects has also grown steadily. Lexmark began collecting and recycling inkjet cartridges in 2004 and by 2010 we achieved 740 percent growth. Lexmark inkjet cartridges are now collected in virtually every country where Lexmark printers are sold.

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

- **C540/X540 Series Rewards Program:** This unique environmental program for our new C540/X540 series color laser printers 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 for recycling or reuse.
- **Lexmark Return Program cartridges,** offered for many of our most popular printer models. These toner and inkjet cartridges are sold at discounted prices in exchange for agreeing to return the empty cartridges only to Lexmark for remanufacturing, reuse or recycling.
- **High-profile recycling campaigns and partnerships with leading global recyclers,** such as Cartridges 4 Planet Ark and Close The Loop. In Australia, Lexmark teams with Planet Ark to provide collection boxes in convenient locations such as office buildings, stores and postal offices. The cartridges are then recycled by Close the Loop, which ensures that 100 percent of the materials are recycled into other uses.



Charitable Tie-Ins:

- 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. As of December 2010, CRIB had donated more than 48,000 "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.
- 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 Lexmark Cartridge Collection Program. Part 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.
- In Japan, Lexmark participates along with other manufacturers in the Ink Cartridge Homecoming Project sponsored by Japan Post, which donates three yen per collected inkjet cartridge to the United Nations Environmental Program to help support its environmental conservation programs.

GIVING CUSTOMERS A CHOICE

Helping keep toner cartridges out of landfills is easy, especially with Lexmark's broad selection of cartridge offerings.

- Lexmark regular cartridges can be returned to Lexmark through the Lexmark Cartridge Collection Program.
- Lexmark Return Program cartridges give you an up-front discount in exchange for your agreement to return the cartridge only to Lexmark.
- Lexmark Certified Reconditioned toner cartridges are the quality-assured remanufactured alternative.



Resource Conservation through Recycling and Reuse

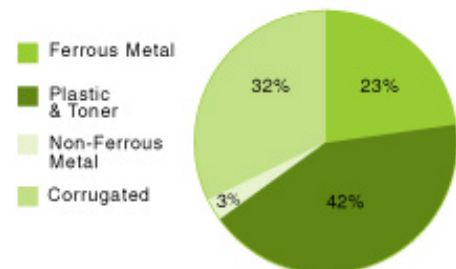
Not only does the Lexmark Cartridge Collection Program help reduce waste to landfill, but it also conserves natural resources in conjunction with our recycling program. When managing the end-of-life for the empty cartridges our customers return to us, Lexmark always aims to be at the top levels of the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



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

Our ultimate goal is to give as many cartridges as possible a second life through materials reuse. Since 1996, Lexmark has reused over 29 million pounds of recovered cartridge material by converting millions of empty toner cartridges into Lexmark Certified Reconditioned toner cartridges. The eligible empties that we collect are disassembled, cleaned, and critical components are replaced with genuine Lexmark components. Each reconditioned cartridge is tested to assure high-quality output and reliable performance.

2010 Materials Recovery from Toner Cartridge Recycling and Reuse - Percent of Total (IN WEIGHT AND %)

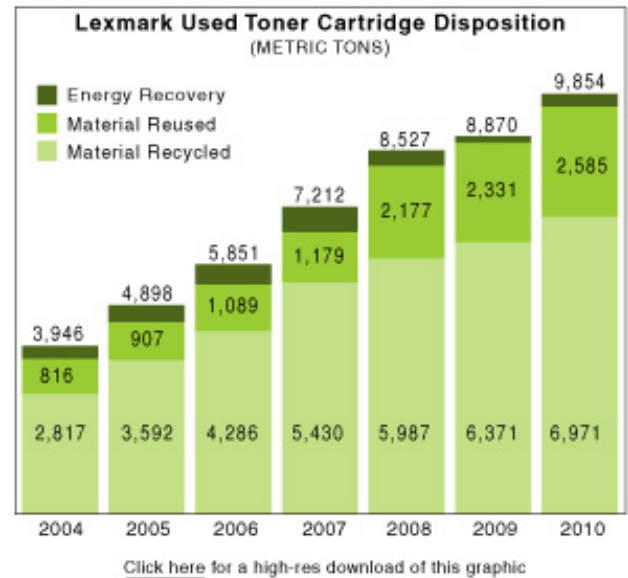


[Click here for a high-res download of this graphic](#)

Between 2004 and 2010, Lexmark was able to achieve a more than threefold increase in the absolute amount of cartridge materials reused through our collection program by continually optimizing our collection and remanufacturing processes. In doing so, we have been consistently moving up higher in the environmental hierarchy.

Lexmark toner cartridges that cannot be successfully reconditioned are demanufactured using a process that maximizes materials recovery for use in secondary products.

In 2010 alone, we recycled or reused nearly 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, reducing the impact on the environment.

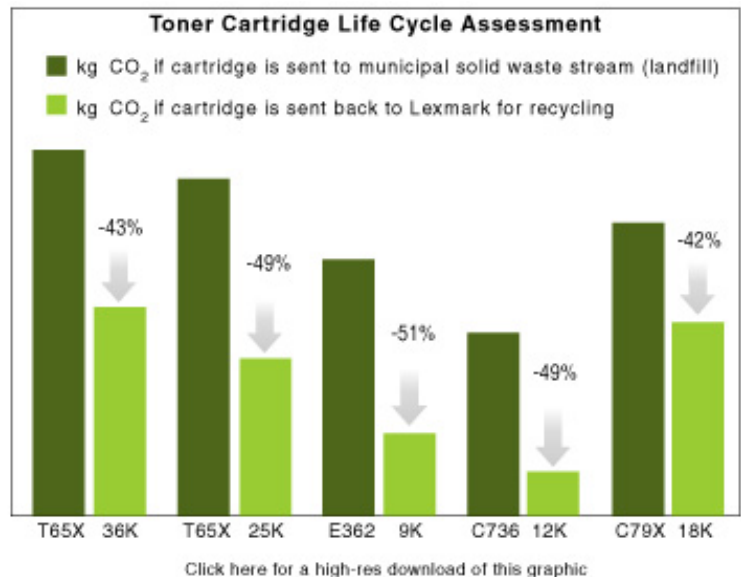


Use of Post-Consumer Recycled Content in Toner Cartridges

In 2010, Lexmark expanded its use of post-consumer recycled plastics in the manufacture of certain new toner cartridges and reached a significant milestone. As of October 2010, the Lexmark toner cartridge product line contained, on average, 10 percent by weight of post-consumer recycled plastic. In some models, the post-consumer recycled content of newly molded plastic components can provide up to 28 percent by weight of the plastic used.

End-of-Life Management: Toner Cartridge Carbon Footprint

Lexmark commissioned further Life Cycle Assessments (LCA) in 2010 to better understand the environmental impact of our toner cartridges. An LCA is designed to evaluate the environmental impact of a product throughout its lifetime – from raw materials extraction, production, distribution and use, to end of life. These studies demonstrate just how significant the benefit to the environment can be by recycling a used toner cartridge through the Lexmark Cartridge Collection Program (LCCP). The Lexmark LCA cartridge studies performed by a third party in accordance with the ISO 14040 and 14044 guidelines for LCA, demonstrates 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).



LEXMARK INKJET CARTRIDGE RECYCLING

Lexmark inkjet cartridges are broken down into component materials that ultimately gain a second life in another form. Examples of post-consumer waste products created from recycled Lexmark inkjet cartridges include fountain pens, ballpoint pens, spill clean-up kits, sound-proofing material and a synthetic lumber substitute that is used for landscaping, fencing and other outdoor purposes.

In 2010, Lexmark continued our work with Close the Loop and several plastics partners to further refine a process to take recycled plastic from collected cartridges, clean it and ultimately return that plastic for use in new inkjet cartridges in a “cradle-to-cradle” recycling process.

In 2010 Lexmark started a program in our Europe, Middle East, and Africa region to provide eco-reports to our customers that participate in the LCCP container program. The eco-reports offer a complete and clear view of the customers' impact on the environment through their empty laser cartridges returned to Lexmark. This customized report lists all cartridges Lexmark has received from the customer and translates that data into a view of the materials recovered and therefore diverted from landfills – all thanks to customers' participation in the LCCP.

¹ "Sustainable Consumption Facts and Trends." World Business Council on Sustainable Development, 2009.

Lexmark Electronic Waste Recycling

More information on electronic waste recycling is available on the Lexmark Web site. [Click here](#).

[Back to Product Design >>](#)

CASE STUDY

Lexmark Cartridges Find New Life as Ink Pens

When Lexmark recycling partner Close the Loop started recycling Lexmark inkjet cartridges, it found that the small amount of ink it was able to recover from the large quantities of cartridges it recycled resulted in a surprising amount of recovered ink. The recovered ink was a mix of colors and contained some particulate contaminants that made it impossible to reuse as ink cartridge ink. In a moment of inspiration, Steve Morris, founder of Close the Loop, siphoned some of that ink into a fountain pen and started writing with it. The idea was presented to Lexmark and a new partnership was formed. Together, Lexmark and Close the Loop worked together to develop the world's first pen made almost entirely from materials recovered from end-of-life inkjet cartridges. The Lexmark recycled pen casings and ink are made from plastics and ink recovered from Lexmark inkjet devices.



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ENVIRONMENT

Packaging

The Lexmark packaging team assesses the life-cycle impact of packaging on the environment. We focus on how much packaging is delivered to the customer as well as how packaging designs affect transportation efficiencies along the way. In addition, we carefully study component choices as they relate to the environment, minimize materials use and choose materials that are easy to recycle whenever possible.

We design our packaging with the environment in mind. At the design phase, engineers look at the shipping requirements of the product. 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. Simply stated, the more rugged the printer is, the less packaging the unit requires. It should be noted that Lexmark applies this eco-logic not only to printers, but also supplies and service parts.

Less packaging helps reduce costs and material disposal in landfills. Less packaging also ensures that goods are being transported in the most efficient manner. Our efficiency can be quantified through the LCA, with the anticipated output consisting of reductions in greenhouse gas emissions, energy savings and natural resource conservation.

Examples of Lexmark's efficiency improvements in packaging efforts include:

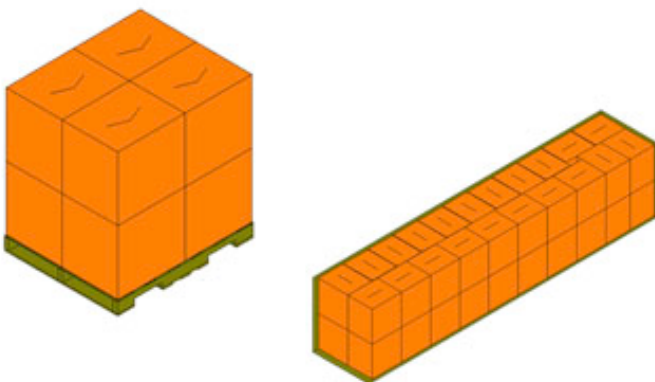
Roll Off Packaging Transition

In 2010, Lexmark packaging specialists worked to minimize the packaging for the C79X/79X models roll off. While successful from a protection/usability perspective, previous designs used a lot of material. The goal for the X79X roll off was to reduce the amount of material needed and lower the tooling investment, while maintaining the ease of unpackaging. The cushion for the bottom half is now corrugated fibreboard which is curbside recyclable. Foam blocks are now built into the pallet providing cushioning on bottom drops. This allows the product to rest directly on the top deck of the pallet making it easier to roll off and requiring less material. We continue to refine this design with the hope of an all-corrugated design that would allow for easier and more complete recycling.



X46X Packaging Reduction

Reductions in packaging has resulted in an average density increase of over 20 percent per pallet across our product lines compared with the previous packaging. The result is avoiding the use of over 700,000 pounds of pinewood.



Shipping and Packaging Guidelines and Forms

Shipping and packaging guidelines are available as a pdf. [Click here.](#)

Packaging Certification Forms are available as a pdf. [Click here.](#)

[Back to Product Design >>](#)

ENVIRONMENT

Materials

The variety of advanced technologies in Lexmark printers lends itself to the inclusion of many different material types. Lexmark printers contain a broad range of advanced materials from plastics to metals to ceramics. The largest quantity by volume is plastics like high-impact polystyrene (HIPS) and acrylonitrile butadiene styrene (ABS). Other plastics used include polyesters and polyamides and filled or blended versions of these materials. These plastics are generally manufactured from gas and petroleum feedstocks, but some limited recycled plastic supplies are also used. The metal content in Lexmark printers is dominated by steel products sourced from both recycled and new feedstocks. Many other metals, ceramics and semiconductors are used in smaller components of the systems.

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

Post Consumer Recycled Content

When specifying materials used in printers, supplies and packaging, Lexmark strives to utilize post-consumer recycled (PCR) materials. Use of PCR materials 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 reutilizing metal content, understanding that recycled metal stock can be used for many, but not all, metal components. Industry averages indicate that general grades of steel commonly contain between 40 percent and 80 percent recycled content. These metals have been used successfully in Lexmark products.

Consistent use of post-consumer plastics has been a more significant challenge for both Lexmark and the electronics industry as a whole. Despite the environmental benefits of recycled plastics, the technical difficulties of the process have caused widespread recycling of engineering plastics to lag behind the recycling of metals and commodity plastics. Using new technologies, the plastics recycling industry has begun to overcome these hurdles and may soon achieve products that allow more mainstream adoption of recycled engineering plastics.

Minimum Recycled Content of Packaging Materials

Material	Minimum Recycle Content
Corrugated Fibreboard	25 percent
EPS Foam	5 percent
Molded Pulp	100 percent



Optra printer

Lexmark has been a leader in recycling its plastic feedstreams and using post-consumer plastic content in its products. In the mid-1990s, Lexmark worked to incorporate recycled plastics in its Optra series of printers, utilizing a controlled North American feedstream and in some cases closed-loop materials.

In recent years, changing regulations have led to an increase in suppliers offering quality recycled plastic materials. Lexmark engineers have recently completed studies into the broader use of post-consumer recycled plastic in our products. These studies were initiated primarily to identify new sources and grades of post-consumer recycled plastics for use in electronics. The consistency of both supply and quality of post consumer plastic is of primary importance.

Lexmark's research has identified a number of PCR resin suppliers with grades that have desirable properties and compare favorably with their virgin counterparts. Gradually, grades with suitable quality and competitive pricing are making their way into Lexmark products.

In one example of these efforts, engineers for the Lexmark C790 series of laser printers (announced in 2010) were able to incorporate high-impact polystyrene derived from used electronic waste into several components of the printer, boosting its post-consumer recycle plastic content to four percent from zero percent in previous models. This achievement is especially notable for its closed-loop use of electronic waste into new electronic products.

Closed-Loop Recycling

In 2010, Lexmark implemented a closed-loop toner cartridge recycling operation. Capitalizing on its award-winning Lexmark Cartridge Collection Program, Lexmark's engineers are able to reclaim a feedstream of high-impact polystyrene plastic. After returning this material to near virgin quality, it is incorporated into new toner cartridges. This material contributes to Lexmark's industry leading 10 percent average post-consumer plastic content across Lexmark-branded toner cartridges.

In 2009, Lexmark also successfully implemented closed-loop recycling of its inkjet cartridge plastic. It has succeeded in reclaiming cartridge bodies from its return program and reutilizes this material at a 25 percent level in a closed-loop recycled plastic used for manufacturing components for new Lexmark-branded inkjet cartridges.

These two programs have made Lexmark the first and only printer manufacturer to successfully implement a closed-loop recycling system for both ink and toner cartridges. This is one of the key principles of sustainability: taking material from recovered products, bringing it back to the raw material state and using it again to make the same product. Lexmark is proud to have achieved this milestone in its recycling programs.

Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS)

When specifying materials used in printers, supplies and packaging, Lexmark also evaluates compliance with material restriction directives and legislation. Lexmark complies with international legislation that restricts the use of substances such as lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB) and polybrominated diphenyl ether (PBDE) flame retardants, as outlined in the European Union's 2003 passage of the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS). In fact, 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 the ink and toner cartridges (which are not included in the scope of the RoHS), have been fully compliant with the RoHS directive.

Restrictions of Hazardous Substances (RoHS)

The European Union has adopted the Directive 2002/95/EC on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS). Lexmark is committed to providing RoHS compliant products to world markets.

The RoHS directive limits the amount of four metals (lead, mercury, hexavalent chromium, cadmium) and two brominated flame retardants (poly brominated biphenyl and poly brominated diphenyl ether) that can exist in a product. Some of these materials are related to basic technology of electronics and the elimination will impact technical product designs throughout the electronics industry.

Lexmark is developing new products and working closely with all of our suppliers to ensure that all materials going into Lexmark products are compliant with the RoHS directive. Lexmark is committed to continuously improving the environmental design of all of our products and services. The reduction of environmentally harmful materials such as the ones in the RoHS directive is a part of our commitment.

The Lexmark vision is Customers For Life, and we believe the best way to ensure this is by designing superior products that deliver the ultimate printing solutions for our customers.

Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)

Lexmark, in cooperation with our suppliers, ensures that proper processes are in place for our continued compliance with international material restriction regulations including the European Union's Registration, Evaluation, and Authorization of Chemicals (REACH) regulation, which seeks to improve the 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 new chemicals being added 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 regarding Lexmark's REACH initiatives can be made available to our customers by request.

Montreal Protocol

Lexmark products also follow the Montreal Protocol. 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 percent, 50 percent and 100 percent post-consumer recycled content - on all Lexmark imaging devices. Our expectation is that the runnability of recycled papers in Lexmark devices will be 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 EN12281 as a minimum properties and runnability guide for test paper. Test paper includes 100 percent recycled papers from Europe and Asia, to ensure breadth of testing, as well as testing at eight percent to 80 percent 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 has begun offering a limited number of environmentally preferable papers for sale in the Europe. Lexmark's PerfectFinish™ photo paper is made with materials harvested from Programme for the Endorsement of Forest Certification certified forests. This paper is readily available at retail in Europe and on the Lexmark Web site in Europe.

Material Safety Data Sheets

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

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ENVIRONMENT

Voluntary Environmental Certifications

VOLUNTARY PRODUCT CERTIFICATIONS

Energy Star

Lexmark is committed to designing energy-efficient products. This is evident by the number of our products that are Energy Star® qualified. Launched in 1992, Energy Star is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy that has grown into 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. This commitment can be seen in the development and release of products with Instant Warm Up fusing technologies and factory-standard duplex options. On a global scale, many available Lexmark laser products meet the power consumption requirements of Germany’s respected Blue Angel eco-label.

Based on the data reported in the 2009 CSR, Lexmark achieved a fleetwide energy reduction of 65 percent for Laser Products and 47 percent for Inkjet Products.

In 2009, Energy Star implemented new energy-efficiency criteria for imaging equipment, the Energy Star Partnership Agreement for Imaging Equipment Version 1.1. Of the Lexmark devices available for purchase in 2010, 72.8 percent were Energy Star qualified. Seventy-six percent of Lexmark laser printers and 59.6 percent of its inkjet printers are Energy Star qualified.

CASE STUDY

Net-zero and Positive Energy Buildings



Lexmark France has joined a new consortium working together to design the first positive energy green office building.

[Read More](#)

Blue Angel

Lexmark product designers have long looked to the Blue Angel standard for environmental design guidance. Blue Angel, an environmental certification established 1978 in Germany, is one of the most prestigious green certifications awarded worldwide. In the summer of 2008, Lexmark decided to officially seek Blue Angel certification for select Lexmark laser and inkjet devices. As of 2010 the following products held Blue Angel certification:



C540n	E260dn	X364dw	X658dme	X862dte 3
C543dn	E360d	X463de	X658dte	X862dte 4
C544dn	E360dn	X464de	X658dtfe	X864de 3
C544dtn	E460dn	X466de	X658dtme	X864de 4
C544dw	E460dw	X466dte	X734de	X864dhe 3
C546dtn	E462dtn	X466dwe	X736de	X864dhe 4
C734dn	Prevail Pro706	X543dn	X738de	X945e
C734dtn	T650dn	X544dn	X738dte	XS734de
C734dw	T650dtn	X544dtn	X792de	XS736de
C736dn	T650n	X544dw	X792dte	XS796de
C736dtn	T652dn	X546dtn	X792dtfe	XS796dte
C792de	T652dtn	X560dn	X792dtme	XS860de 4
C792dhe	T654dn	X560n	X792dtpe	XS862de 4
C792dte	T654dtn	X651de	X792dtse	XS864de 4
C935dn	T656dne	X652de	X852e	
C935dtn	W840dn	X654de	X854e	
C935dttn	W850dn	X656de	X860de 3	
C935hdn	X264dn	X656dte	X860de 4	
CS796de	X363dn	X658de	X862de 3	
E260d	X364dn	X658dfe	X862de 4	

Electronic Product Environmental Assessment Tool (EPEAT)

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. federal 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 two-year multi-stakeholder process. EPEAT’s environmental criteria are contained in an 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).

The IEEE Standards Association is currently developing the IEEE 1680.2 standard, which will be used by EPEAT to qualify imaging equipment. IEEE 1680.2 is dependent on the ratification of the revisions to the IEEE 1680 umbrella standard. The standards development process is complicated, requires the participation of many stakeholders with various agendas and requires the completion of numerous review processes before the standard is approved and subsequently published.

Lexmark is participating in the ongoing IEEE 1680.2 standard development process. Approval and publication of the standard is anticipated within the next two years. Until the standard is approved and published, requirements will be unknown. Lexmark, therefore, cannot provide forward looking statements as to whether specific products will be qualified to any anticipated standard criteria level required for the EPEAT registry. When IEEE 1680.2 is approved, Lexmark will make a full assessment of our product offerings and reveal that assessment to our clients.

OTHER CERTIFICATIONS

Lexmark products are certified to a number of other voluntary environmental certifications worldwide. These certifications include the Canada Eco Logo (CCD-035), China certification HJ/T 302-2006, Korea EcoMark and Taiwan Green Mark.

ENVIRONMENT

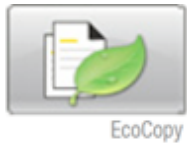
Environmental Solutions

Making Green Easy with Lexmark's Environmental Solutions

Eco-Mode

In 2009, Lexmark began offering Eco-Mode on all of its inkjet printers. Eco-Mode allows users to save paper and energy with a touch of the button. Eco-Mode automates two-sided printing, faxing and copying, saving businesses up to 50 percent of their paper usage and lowering overall costs. Eco-Mode also enables energy-saving features including power-saving mode (printer sleeps after 10 minutes of inactivity) and dimming of the LCD screen reduce power consumption by up to eight percent. No other printer manufacturer offers such a convenient method to set environmentally friendly print settings. Eco-Mode is also available on Lexmark laser products and can reduce energy consumption by up to 25 percent.

Eco-Widgets



In 2009, Lexmark released its first environmentally beneficial widget, EcoCopy. EcoCopy is one of Lexmark's SmartSolutions which can be downloaded for use with Lexmark's Web-enabled, all-in-one devices. EcoCopy gives users the ability to reduce paper and ink waste with the touch of a button.

Print Release



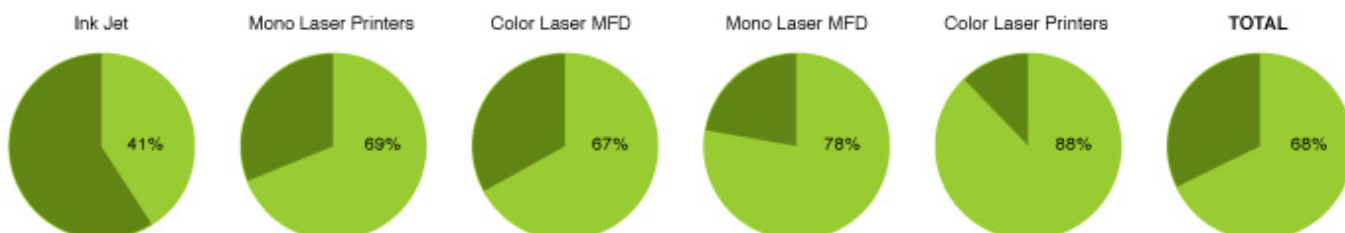
Print Release allows users to send a print job from their workstations or mobile devices to be stored and printed at a later time on select Lexmark MFPs and stand-alone devices. The solution enhances security by eliminating the gap between document printing and pickup so that confidential jobs do not sit at the printer. It also cuts costs by deleting jobs from the queue if not printed within a specified time — no more unnecessary printing of “forgotten” or obsolete jobs.

Some Lexmark customers use Print Release to help meet their companies' sustainability goals through its ability to reduce the amount of pages printed. Other customers use Print Release as a “Print Anywhere” solution for their traveling employees. Traveling employees can print their jobs to the Print Release driver and release the job at the Lexmark device at whichever office they happen to be in that day. There is no need to load print drivers for that office or find someone to print them.

Duplex

By far, the dominant contributor to the carbon footprint of a multi-function printer (MFP) Models sold in 2010 is paper. An MFP will print millions of pages during its service lifetime and paper consumption will account for up to 80 percent of its total carbon footprint. In response to this negative impact, Lexmark is committed to designing and producing more and better duplex printers. In 2010, two-thirds of all the Lexmark printers available in the U.S. were duplex capable. Forty-one percent of all inkjets and 69 percent of monochrome lasers were capable of double-sided imaging.

Percentage of Lexmark Models Sold in 2010 that were Duplex Enabled



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

Print Less & Lexmark



Lexmark is helping customers conserve energy and paper. [Watch Video](#)

[Back to Product Design >>](#)

CASE STUDY

Net-zero and Positive Energy Buildings

In 2009, Lexmark France joined a new consortium, launched by the leading French office building promoter, Bouygues Immobilier Positive Energy Consortium, which gathered eight companies, all experts in their own industry. This consortium is working together to design the first positive energy green office building. This positive energy building, which will produce more energy than it will consume, opened in 2010.

The consortium called “Stake Positive Energy” focuses on carbon footprint reduction and energy efficiency. The original eight partner companies – Bouygues Immobilier, Lexmark, Schneider Electric, Siemens, Philips, Tandberg, Sodexo and Steelcase – and several new additions including Intel – are jointly developing programs to decrease the energy consumption of the green office building and to increase its capacity to produce renewable energy.

Printing is a critical element of the green office because non-optimized printing processes can result in significant amounts of waste. Chosen for its “Print Less, Save More” solutions, Lexmark will implement environmentally beneficial printing solutions in this green office, including:

- Print infrastructure
- Confidential printing
- Document management
- User productivity and satisfaction
- Carbon footprint reduction

Lexmark will also participate in specific research programs, such as the energy consumption of IT in the office. The objective is to reduce the energy consumption by two-thirds.



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ENVIRONMENT

Innovation

INNOVATION AWARD



For the second year in a row, a Lexmark product was in the spotlight at the International Consumer Electronics Show (CES). Lexmark has been named an International CES Innovations 2011 Design and Engineering Awards Honoree for the new Lexmark Genesis all-in-one inkjet printer. Products entered in this prestigious program are judged by a panel of independent industrial designers, engineers and members of the media to honor outstanding design and engineering in cutting-edge consumer electronics products across 35 product categories.

The Innovations entries are judged based on the following criteria.

- Engineering qualities, based on technical specs and materials used
- Aesthetic and design qualities
- The product's intended use/function and user value
- Unique/novel features that consumers would find attractive
- How the design and innovation of the product compares to other products in the marketplace

Genesis was featured at CES Unveiled: The Official Press Event of the International CES in January. The Lexmark Platinum Pro905 won the same award last year. The Innovations Design and Engineering Awards have been recognizing achievements in product design and engineering since 1976.

Design for Environment Seminar

Global awareness of environmental and social issues related to the manufacture and use of consumer goods has increased exponentially over the past five years. Governments are responding to this concern by mandating environmentally preferable purchasing for government agencies and enacting laws that require manufacturers to operate in a more sustainable manner. Likewise, business consumers are requiring that suppliers offer products that help their companies achieve environmental objectives.

Lexmark must meet legal and consumer requirements related to environmental sustainability and social responsibility. Designing our products to exceed these requirements gives Lexmark a competitive advantage.

Toward that end, Lexmark hosted a design for environment seminar and networking lunch.

Topics addressed included:

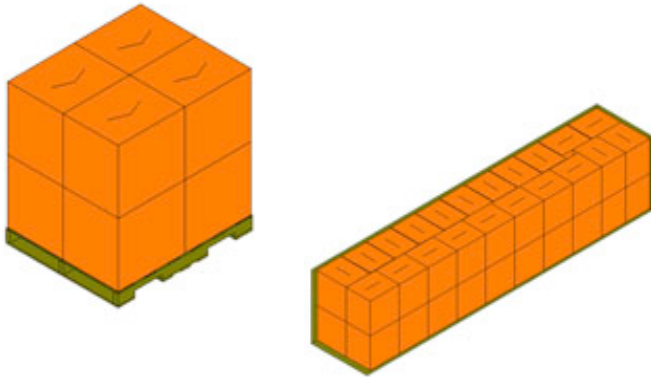
- Customer perspectives on design for environment (what customers require of suppliers)
- Electronic Product Environmental Assessment Tool (EPEAT)
- Designing products for use with recycled paper
- Elimination of restricted materials and the use of environmentally preferable materials in our devices
- Sustainable ink and toner cartridge design and usage



PACKAGING INNOVATION

Roll Off Packaging Transition

In 2010, Lexmark packaging specialists worked to minimize the packaging for the C79X/79X models roll off. While successful from a protection/usability perspective, previous designs used a lot of material. The goal for the X79X roll off was to reduce the amount of material needed and lower the tooling investment, while maintaining the ease of unpackaging. The cushion for the bottom half is now corrugated fibreboard which is curbside recyclable. Foam blocks are now built into the pallet providing cushioning on bottom drops. This allows the product to rest directly on the top deck of the pallet making it easier to roll off and requiring less material. We continue to refine this design with the hope of an all-corrugated design that would allow for easier and more complete recycling.



X46X Packaging Reduction

Reductions in packaging have resulted in an average density increase of over 20 percent per pallet across our product lines compared with the previous packaging. The result is avoiding the use of over 700,000 pounds of pinewood.

Inkjet Ship Clip Redesign

In 2010, Lexmark engineers redesigned the "ship clip" used on some Lexmark inkjet cartridges. Lexmark design requirements call for cartridges to be subjected to severe shipping, handling, and storage tests to replicate worst case scenarios and the "ship clip" must ensure that the cartridge arrives to the customer with all of its ink intact. The new "ship clip" passed all tests while utilizing 70 percent less plastic, requiring less energy to produce and eliminating the need for a plastic shrink wrap band which was necessary on the previous design. Over the next five years, this improvement is expected to eliminate the need for more than five million pounds of plastic and more than 30,000 miles of shrink wrap material.

Product Energy Innovation

At Lexmark, we continually strive to update our products with innovative features that make them more energy efficient. For example, Lexmark's C79x / X79x product family features Lexmark's highest-speed instant warm-up fuser – the fastest color belt fuser on the market – as well a dramatic reduction in ready mode power consumption and an 87-percent reduction in time to print from sleep* versus earlier models of this product.

Lexmark has also introduced a new machine power architecture that allows different parts of the machine to be turned off while in sleep mode, thereby reducing power consumption. Hibernate mode is a new, ultra-low mode that helps reduce energy consumption when a product is not in use for extended periods of time. Users can program their products to automatically enter and exit Hibernate mode at chosen times of day and days of the week.

LEXMARK AT WORK



The Lexmark At Work network is a living case study that demonstrates the dramatic benefits of Lexmark technology, solutions and services.

How it works

Instead of sending print jobs to a single printer, they are sent to the Lexmark At Work print queue. One can then go to any printer on the network, scan a badge and select from a list of their jobs. That way one can print only what is needed. If a printer is tied up with a lengthy print job, simply move to another machine and print the documents.

Lexmark At Work Results

Device reduction	65 percent
Energy reduction	51 percent
Paper reduction	48 percent
Cost reduction	39 percent

* 23.8 seconds versus 180 seconds

[Next Section: Employee and Customer Engagement >>](#)

ENVIRONMENT

Employee and Customer 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 engrain sustainability in all we do at work and at home.

Corporation Wide

Green Award – The Lexmark Green Award, established in 2009, is a multi-level program to recognize and encourage responsible sustainability and environmental practices. Customers, resellers, partners, suppliers and employees are all eligible for the award.

This year the award is being expanded to recognize specific customer achievements in the areas of paper savings, cartridge returns and energy reductions. Criteria for each category have been set, resulting in Bronze, Silver and Gold award levels.

Earth Hour – Lexmark sites around the world turned off the lights as part of Earth Hour 2010. Many Lexmark employees joined the effort by turning their lights at home for one hour.

United States

Sustainability Speaker Series – Since 2008, Lexington has hosted a monthly lunch-and-learn that focuses on a wide range of environmental topics. Sessions have addressed topics including sustainable agriculture, water quality, gardening, green building techniques and more. A number of sessions were presented by Lexmark employees who shared their own perspectives on environmental sustainability. Lexmark's Christian Business Persons (CBP) Diversity Network Group hosted a special lunch-and-learn with local author Nancy Sleeth who discussed the environmental and spiritual journey she describes in her book, *Go Green, \$ave Green*.

Lexmark Cyclists – Lexington's cyclists periodically host bicycle education presentations and biking gear Freecycle events. These bicycle education presentations (based on the League of American Bicyclists Course Commuting 101) review Kentucky's bike laws, safe riding techniques and emergency maneuvers, gear, route selections and other strategies for bicycle commuting. Presentations have run concurrently with a biking gear Freecycle during which attendees bring their unwanted biking implements - old bikes, bike parts, repair kits, clothing, to share with other Lexmark cyclists and had the opportunity to pick up a few items for themselves.

Earth Month Volunteers – Lexington employees donated their time to multiple environmental efforts throughout the year. Employees planted trees at Reforest the Bluegrass, removed trash from the Cane Run Creek during our annual clean up, distributed tree seedlings at Lexmark's annual employee tree seedlings giveaway and educated local citizens on environmental issues at Lexington's Arbor Day celebration.



2009 United Way – Lexmark's 2009 United Way campaign took an environmental twist. Campaign organizers hosted Lexmark's first United Way Yard Sale, an event that made recycling unwanted items including clothing, toys and household goods easy. Employees cleaned out their closets, attics and garages and donated unwanted items to the yard sale. The items were then sold at a lunchtime yard sale. Proceeds were donated to the United Way and unwanted items found new usefulness with their new owners.

Denmark

Film Screening – Lexmark Denmark invited 10 schools and educational centers to watch the Al Gore film "An Inconvenient Truth" and to listen to environmental specialist, Professor Bjørn Lomborg, speak on environmental priorities. Bjørn Lomborg is head of the Copenhagen Consensus Center which is initiated and sponsored by the Danish Government in order to promote international discussions around financial priorities in terms of environment. He is one of the most influential people in the environmental arena in Denmark and is also known in the U.S. The American magazine, *Esquire*, named Lomborg one of the 75 most influential people in the twenty-first century. More than 1,200 students participated in this extraordinary event and most of the schools intend to integrate the environmental practices into their teaching in the near future.

Finland

Carbon Neutral Leasing – Lexmark Finland helps customers decrease their carbon footprint with an ecological, carbon-neutral leasing solution. Through this leasing program, the environmental burden of the leased printers is offset by supporting environmental projects in Nepal, India and Madagascar. Lexmark carries out this program in cooperation with Acento Finance and MyClimate.

Germany

Educational Events – In 2010, Lexmark hosted an educational event which offered detailed information about the cost and environmental impact of paper consumption and offered strategies for reducing these impacts. Lexmark specialists explained the strategic role of paper in printer use, while experts from the paper industry addressed the importance of environmentally responsible paper production.

Hungary

Bike to Work – In 2009, employees at the Lexmark Competence Center in Budapest, Hungary, participated in a country-wide "Bike to Work" initiative. On the campaign Web site, participants were able to track their individual commuting data including distance, the number days biking to work, calories spent as well as carbon emission saved. Lexmark Budapest employees rode their bikes to work 256 times for a total of 3,546 km. This equates to a savings of 660 kg carbon emission.

Budapest's Green Team – Initiated in 2009, the team's aim is to emphasize environmental protection and sustainability in line with corporate and site missions. Its personnel are strictly volunteers and goals include supporting ISO 14001 by promoting ecological awareness while focusing on social responsibility.

Environmental training was a major thrust for the Green Team in 2010 as it produced a program entitled "Sustainability in Lexmark Budapest Competence Center." Training materials focused on waste collection, energy usage and travel with reduce, reuse, recover and recycle being the theme. Eighty-six percent of employees have been through the training and it is now mandatory for new hires.

Italy

Print Less. Save More. – More than 40 journalists from newspapers and weekly business magazines around Italy were introduced to Lexmark's "Print Less, Save More" message at an event held in Milan, Italy. During the event, journalists were given the opportunity to learn more about the "Print Less, Save More" approach of Lexmark and they discussed Lexmark's ability to support customer sustainability efforts through offerings like the Lexmark Cartridge Collection Program and Eco-Simulator.

Italy Lexmark Go Greener – In 2009, Lexmark Italy launched its new environmental program, Lexmark GoGreener - a consulting project that helps customers understand the impact of their behaviors at work on the environment.

Juárez, Mexico

Earth Hour – Lexmark employees in Juárez, Mexico, participated in Earth Hour activities. The Environmental, Health and Safety team in Juárez, Mexico, sponsored an Earth Hour activity for local kindergarten children. The children wrote a letter or created a drawing that expressed what their families were doing for Earth Hour. Two local schools received donations of printers in gratitude for their participation in this activity.

Lexmark employees in Juárez worked to get the message out to a broader audience through radio and television. The Environmental, Health and Safety team in Juárez was also invited to a local radio station to discuss Earth Hour and participated in a television broadcast called "Limipemos Nuestro Mundo" (Let's Clean Our World).

Tree Planting – Lexmark employees in Juárez also planted trees at a local kindergarten in honor of Earth Day 2009 and as part of the green campaign sponsored by the local United Way.

Latin America

Trees for Toner Cartridges – In 2010, Lexmark launched the Bosques program in Latin America. Through this program, Lexmark plants a tree for every toner cartridge that is returned to Lexmark for recycling.

Philippines

Buhisan Watershed and Forest Reserve – In August of 2010, employees of LIPI and LRDC planted over 3000 seedlings of native trees at the Buhisan Watershed and Forest Reserve with the aim of having a sustainable water resource available for Cebu.



Switzerland

Earth Day – In recognition of Earth Day 2009, Lexmark employees in Geneva, Switzerland, were invited to play The Green Game, a game created by the sustainability team to promote environmental awareness of common sustainability issues and Lexmark's environmental programs.

Finance and Economics

ECONOMIC PERFORMANCE AND MARKET PRESENCE

Lexmark International, Inc. (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 stand-alone software business within Lexmark, is a leading provider of enterprise content management software that helps organizations effortlessly manage the entire lifecycle of their documents and content, simplifying their business processes, and fueling greater operational efficiency. In 2010, Lexmark sold products in more than 170 countries and reported more than \$4 billion in revenue. Lexmark's financial performance has direct impact on individual stakeholders — employees, customers, investors — as well as, supplier companies, communities and governments.

For information regarding Lexmark's organizational profile; direct economic value generated and distributed; the financial implications, risks and opportunities due to climate change; and the coverage of the defined benefit plan obligations, please refer to the current 10-K in the [investor relations section](#) of the Lexmark Web site. Lexmark received no significant financial assistance from the government in 2010, and government is not present in the shareholding structure.

INDIRECT ECONOMIC IMPACTS

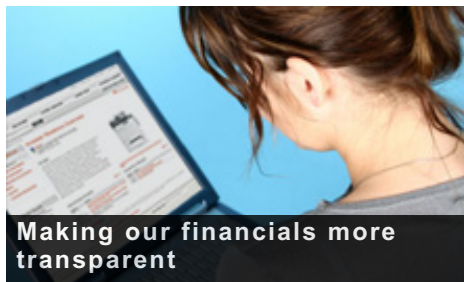
Lexmark's presence has positive impacts on the economies of the communities surrounding our locations through our efforts to provide above-average employee compensation and use of local resources where possible. A significant portion of Lexmark employees — including those in the United States, Mexico and the Philippines — work in locations that have minimum-wage rules. Lexmark is committed to rewarding our employees for their hard work. Lexmark and its subsidiaries 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 and allow us to 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.

SOCIALLY RESPONSIBLE INVESTING

Investors today are not only seeking companies that perform well financially but also those that perform well through the lens of social responsibility. In particular, companies are expected to be conscious of the environment, highly regard human rights and be good citizens to their neighbors. Socially responsible investing is coming to be the norm. In keeping with this trend, Lexmark has three ongoing investment agreements which include human rights clauses, specifically prohibiting investments in companies which engage in discrimination based upon race, color, religion, gender, sexual orientation, gender identity, national origin, disability, age or veteran status.

Lexmark engaged in one non-traditional significant investment agreement — the acquisition of [Perceptive Software](#) — in 2010. The significance of investment agreements is determined based upon their net asset value.

Like Lexmark, Perceptive upholds the human rights of its employees and treats them with dignity and respect as understood by the international community. Perceptive closely monitors its operations to ensure that adherence to accepted standards regarding freely chosen employment, child labor, discrimination, harsh or inhumane treatment, minimum wage and freedom of association. Perceptive has not been cited for any human rights violation.



Redesigned Investor Relations Web Site

It's easier than ever for interested parties to get financial information from Lexmark, thanks to a redesign of the Company's investor relations Web site. The aim of the changes was to allow users to quickly access the information they need to better understand Lexmark. Information is now close at hand and easy to access directly from the landing page of the site. Information such as quarterly earnings materials, recent news releases, audios of conference calls and 10-Q quarterly filings are readily available in one spot.

The enhancements can be seen below and at <http://investor.lexmark.com>.

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Investor Relations

Investor Relations

- Financial Information
- Stock Information
- Corporate Governance
- News
- Events
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Investor Relations Overview

Webcast

Q1 2011 Lexmark International Inc Earnings Conference Call (Live)

04/26/11 at 8:30 a.m. ET

Profile

Lexmark International, Inc. (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 stand-alone software business within Lexmark, is a leading provider of enterprise content management software that helps organizations easily manage the entire lifecycle of their documents and content, simplifying their business processes, and fueling greater operational efficiency. In 2010, Lexmark sold products in more than 170 countries and reported more than \$4 billion in revenue.

[Lexmark extends color workgroup product line with new MFPS](#)

Upcoming Events

DATE	TITLE
05/11/11	Lexmark's Securities Analyst Meeting - Crown Plaza Times Square, NYC
05/17/11 8:40 a.m. ET	J.P. Morgan 39th Annual Technology, Media and Telecom Conference
06/02/11 8:00 a.m. ET	Sanford C. Bernstein 27th Annual Strategic Decisions Conference

[More >>](#)

Quarterly Results

DATE	TITLE
04/26/11	Q1 11 Earnings Release
04/26/11	Q1 11 Earnings Slide Presentation
02/28/11	10-K Annual Report

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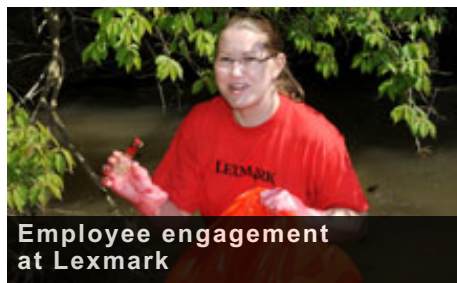
Workplace

Safe, healthy working conditions, job security and an opportunity for growth and advancement are considered fundamental human rights for employees of Lexmark. All decisions related to our workforce – internally and through our supply chain – are made with those rights in mind. The pages within this section will expand upon our commitment to the betterment of our employees' and their families' lives including opportunities for personal growth and empowerment such as training and ongoing education.

Among the many commitments discussed 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 International Labour Organization (ILO) that aim, among other things, to promote open channels of communication among employees.

Lexmark has long been committed to diversity in our workplace. That diversity not only stimulates and benefits our employees, but is in itself, good for business. Challenges, issues and questions studied through the lenses of diverse perspectives, are those that have the best chance of successful resolution.

We also have a supplier diversity program in place that helps ensure that all businesses have ample opportunities to become a part of the Lexmark supply chain. Adhering to all of these principles means that we can hire and retain the best people and that they can do their best work. We are committed to cultivating our most valuable partnership — that which we have with our employees.



WORKPLACE

Human Rights

EMPLOYEE HEALTH AND SAFETY

Occupational Health and Safety Advisory Services (OHSAS) is a multi-disciplinary organization with expertise in a comprehensive range of occupational health and safety skills. OHSAS18001 is a voluntary standard that guides organizations in establishing health and safety management systems for their businesses. Lexmark-owned and leased manufacturing facilities in Boulder, Colorado, Cebu, Philippines and Juárez, Mexico, have received OHSAS 18001 certification. Our Lexington, Kentucky and Orléans, France facilities also hold OHSAS 18001 certification. Lexmark spends up to \$10,000 per facility for fees related to site certification by ISO 14001 and OHSAS 18011 standards.

The effectiveness of Lexmark's 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 the Company's Corporate Environmental, Health and Safety Instructions, which define the essential programs that each facility must manage in order to meet the objectives of our health and safety policies. 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 Web site postings, electronic communications, handbooks and meetings with managers.¹

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

All employees and contractors receive health and safety training and are encouraged to report concerns about health and safety issues. This training includes policy and is provided in stand-up classrooms, online courses as well as on the job, depending on which best fits the need. 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 used, regulations and other factors. Lexmark does not have workers who are involved in occupational activities which have a high incidence or high risk of specific diseases.

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 audits and inspections on a regular basis with all aspects of the health and safety management systems covered in these activities. Findings are documented, entered into 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.

Lexmark requires emergency preparedness with emergency response teams in each manufacturing and development facility. One feature of emergency preparedness training on Lexmark's internal Web site is an icon that will play an audio of the different tones of a fire alarm (get outside!) and a tornado warning (stay inside!).

OHSAS Certificates

Boulder, Colorado

[Certificate](#)

Cebu, Philippines

[Certificate](#)

Juárez, Mexico

[Certificate](#)

Lexington, Kentucky

[Certificate](#)To see ISO 14001 certificates [click here](#).

Safety Performance Measurements

Two important measures of safety performance are injury rate and lost work days rate. Lexmark's overall reportable rate was 0.39 and the industry average was 1.20 and our lost workday rate was 0.18 while the industry average was 0.10.

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 reason. This policy is driven by Lexmark's respect for the dignity of the individual and commitment to treating all persons equitably. 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 example, in the U.S., employees who are 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.

Lexmark adheres to the conventions of the International Labour Organization (ILO) that aim to 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. Lexmark has not identified any of its operations where employee rights to exercise freedom of association of collective bargaining may be at risk.

Other ILO and United Nations Global Compact (UNGC) initiatives include the abolition of forced labor, the freedom of association and the prohibition of child labor. These initiatives are discussed in Lexmark's Supplier Code of Conduct to which Lexmark and applicable Lexmark suppliers are bound. The Supplier Code of Conduct also discusses Lexmark's policy on Freely Chosen Employment. The Company has not found any of its operations to have significant risk for incidents of forced or compulsory labor or child labor or young workers exposed to hazardous work.

No Lexmark employees are represented by collective bargaining units. Works Councils are established at certain of Lexmark's European locations which, on behalf of employees, require employers to provide company information for review and to engage in consultation on certain company decisions. Information on the European Works Councils (EWC) is available at <http://www.etuc.org/r/57>.

All of Lexmark's 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 could substantially affect them. For example, in the case of restructuring in 2008 and 2009, Lexmark provided employees weeks to months of notice. There are instances when prior notification is not possible, such as the October Lexmark CEO transition, which was announced the day it was effective.

Lexmark has not identified any incidents involving 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 (EEO)

Lexmark is committed to equal opportunity 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.

Lexmark currently requires training on the human rights aspects of EEO and Affirmative Action which is part of the 40 average hours of training per manager. Starting in 2011, all new Lexmark employees will be required to review the supplier code of conduct, which addresses EEO and aspects of human rights relevant to operations.

We investigate all credible complaints of discrimination brought to the attention of management and deal with it in an expedient and non-retaliatory manner.

Careers at Lexmark

For more info on careers at Lexmark please visit the Lexmark Web site. [Click here.](#)

Lexmark's Position on Conflict Minerals



Consistent with Lexmark's commitment to acting as a socially responsible company, Lexmark works through the EICC to support positive labor practices. We are working directly with our suppliers (and their suppliers, etc.) to clearly understand that minerals do not originate from conflict sources. The issue of the exploitation and trade of conflict minerals originating in the Democratic Republic of the Congo is challenging for all companies as there is not a mechanism to chemically trace minerals to their source.

1. Lexmark employees are not represented by unions therefore, there are no formal work agreements in which health and safety is addressed.

WORKPLACE

Continuing Education and Career Advancement



Lexmark encourages professional and personal growth for each employee and supports continued education as a way to help employees become more effective in their current positions through our education assistance programs. Program requirements and benefits vary by location, but provide financial assistance to employees who wish to continue their education by attending undergraduate or graduate courses. Funding programs for external training vary by location and are provided to develop employees in their current roles and to prepare for future roles.

Lexmark's Educational Leave of Absence allows employees with at least two years of regular employment, and who have demonstrated professional ability and potential, to enhance their educational experiences and resumes for their benefits as well as Lexmark's. Approval is based on the relevance of the study program to Lexmark's goals and interests, academic and work records and the business needs

at the time of the proposed Educational Leave. The duration of an Educational Leave depends on the time required to complete the approved course of study, but is typically no more than four years.

All of our 13,131 regular, worldwide employees work with their managers to create objectives that support department, division and company goals. Success criteria are established for each objective. Employees then use a system-based, multi-rater feedback tool and other forms of data gathering to solicit feedback on their performances 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 multi-rate tool. These employees use site-specific processes and tools to set and review performance expectations. Managers and employees have performance progress discussions at the end of each performance period.

Extensive training in technical and business skills are delivered both at the corporate level and through resources within our various business areas. At the corporate level, we offer leadership training and participation in such company-wide development programs as operational excellence and change management.

Learning occurs in traditional classroom settings around the world, while third-party programs and proprietary instruction are available 24/7 via i-Learn, Lexmark's worldwide online learning platform.

Employee Category*	Number of Employees	Average Training Hours
Executive Vice President	59	25
Director	188	40
Manager	1,129	40
Individual Contributor	11,755	40

These numbers are based upon 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 will be greater than reported in some employee categories.

*Lexmark senior management includes Directors and Executive Vice Presidents.

WORKPLACE

Employee Benefit Plans

Lexmark and its 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 and allow us to 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.

Part-time employees in the U.S. are eligible for the same benefits (on a pro-rated 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, Lexmark offers three days of paid Volunteer Time Off to allow employees to contribute to their communities without taking vacation time or time off without pay. Additional information regarding our benefits obligations can be found in our [Annual Report on Form 10-K](#).

Lexmark employees may receive the following benefits.

(Benefits vary by location)



Financial	Time Away From Work	At Work	Wellness
Adoption Assistance	Vacation	Nursing Facilities	Healthcare Insurance
Education Benefits	Special Leave (Marriage/ Bereavement/ Compassionate)	Childcare in Close Proximity to Lexmark Facilities	Dental Insurance
Relocation Assistance	Paid Sick Days	Travel Assistance Programs	Vision Insurance
Employee Bonus Program	Paid Maternity/Paternity Leave	Service Awards	Life Insurance
Employee Referral Programs	Modified Working Schedules for Nursing Mothers	Marriage, Birth, Condolence Recognition	Accidental Death and Dismemberment (AD&D) Insurance
Lexmark Incentive Program	Sabbatical Program	Social Clubs	Short and Long Term Disability Insurance
401(k)/Retirement Plans	Flex Time Program		Employee Assistance Program
Healthcare and Childcare Flexible Spending Accounts	Telecommute Program		Wellness/Fitness Program
Employer Retirement Contributions	Work/Life Support Program		Onsite Health Clinics
Employee Discounts			Onsite Fitness/ Sporting/Recreation Facilities
Allowances (meal, rice, transportation, laundry, and medical)			
Disaster Assistance			

EMPLOYEE HEALTH AND HOUSING PROGRAMS

Recognizing that adequate housing and proper healthcare are vital human needs, Lexmark endeavors to provide its employees access to these two basic necessities. At corporate headquarters in Lexington, Kentucky, we maintain a free allergy clinic for employees who need regular shots and a travel clinic that allows employees who are traveling to stay current on required

immunizations. This service allows employees the convenience of onsite care and improves productivity.

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

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. For example, during H1N1 outbreaks, employees were offered hand sanitizer and masks, and were encouraged to stay home when they were ill. Lexmark, in partnership with local community organizations, also offers drive-thru flu shot clinics in the U.S.

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 company's travel clinic. They can also obtain a travel kit that includes antibiotics, anti-diarheal medicines and pain relief medicines. A medical and emergency assistance program designed to serve the needs of 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 U.S., employees can choose to receive full medical, dental and vision insurance for themselves and their families. 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 this benefit is not mandatory, but it is available for those employees who wish to take advantage of this service. Lexmark also offers programs such as education assistance, flexible scheduling and paid time off for volunteer activities.



A moderator at Lexmark's facility in Cebu, Philippines conducts a seminar for students and parents on drug prevention.

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	W	O	R	K
W	O	R	K	S

a project on
workplace effectiveness
and workplace flexibility

In September 2009, Lexmark received the When Work Works, Alfred P. Sloan Award for Excellence in Workplace Flexibility. Lexmark's flexible work/life balance programs enhance operational efficiency, promote business goals and enrich the quality of life for employees. The Lexmark Telecommuting Program allows U.S. employees who receive approval from their manager to work from an alternate workplace. The Lexmark regular part-time program allows U.S. full-time employees to 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 actively participate 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.

WORKPLACE

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, one-way dissemination of information. This attitude results in true engagement with employees that in turn results in mutual goodwill. Some examples of employee engagement at Lexmark:

- **Questions to Management**

Periodically, the Corporate Communications Department arranges for employees of Lexmark – on a worldwide basis – to submit questions to members of top management during a video interview. The questions are submitted in advance and videos of the interviews are made available for use at various employee functions as well as on KnowledgeNet.

- **Safety and Well-being Tips**

At Lexmark, we keep our employees informed in various aspects of safety and well-being as they relate to common occurrences in everyday life. As an example, we publish on our intranet suggestions for staying safe during winter storms such as driving tips, how to avoid becoming stranded and what to do if one does become stranded in a snowstorm. Simple as it might seem, if the life or health of one employee is preserved, these efforts will have been well worthwhile.

- **Town Hall Meetings**

Throughout the year, in an effort to keep employees informed on the many aspects of Lexmark's business activities, the Company holds "Town Hall" meetings, wherein various members of senior management report on a wide range of subjects. These include general business updates, marketing and product strategies, results on initiatives, research and development progress and many other topical issues. Question and answer sessions are included.

- **Sustainability Speaker Series**

Lexmark produces a Sustainability Speaker Series at its Lexington headquarters wherein a relevant speaker addresses a facet of sustainability for our employees. Examples of this engagement initiative include the March 2010 presentation at which Amanda Gumbert, Extension Specialist for Water Quality in the Agriculture Programs Department at the University of Kentucky, and Russ Turpin, Extension Associate with University of Kentucky College of Agriculture were the guest speakers and discussed their ongoing efforts to rehabilitate Cane Run Creek.

In an April 2010 meeting, John Saylor, Coordinator of Reforest the Bluegrass and Arborist Technician for the Lexington-Fayette Urban County Government led a discussion of Reforest the Bluegrass efforts, the positive impact on our local environment and plans for future events. Reforest the Bluegrass is a unique, cooperative streamside reforestation effort that has been supported by Lexmark since 1999. Streamside forests – also known as riparian buffers – serve to protect and improve valuable water resources. Lexmark employees and their families have contributed to the planting of more than 175,000 tree seedlings since 1999, resulting in improved streamside water quality, aquatic and grassland habitats and overall land stability in Lexington.

Best Places to Work in Kentucky



An initiative dedicated to identifying and recognizing Kentucky's best employers. [Read More.](#)

U.S. AMBASSADOR HARRY K. THOMAS VISITS LEXMARK INTERNATIONAL PHILIPPINES – CEBU PLANT

Lexmark International Philippines, Inc. (LIPI) recently welcomed Harry K. Thomas, U.S. Ambassador to the Philippines. The ambassador was accompanied by Patrick Wall, senior commercial officer, Col. Anthony Senci, deputy for defense attache operations and air attache, Shaun Gavin, regional security officer, Wossie Mazengia, public affairs officer, Jacob Grannell, control office, Angie Cabahug, public affairs specialist, and Jed Fix, economic section representative.



Before his departure from the plant, LIPI employees had the chance to meet and greet the ambassador during a photo opportunity.

EXCELLENCE SYMPOSIUM

At Lexmark's 2010 Excellence Symposium, Lexmark employees had a chance to hear from a key corporate customer about how Lexmark helps save time and money, learned about Lexmark innovations like iPhone printing applications and had the chance to see numerous other examples of excellence from across the world at Lexmark.

The symposium featured two external speakers and six internal speakers who were chosen from more than 200 submissions.

The event also included poster sessions featuring more than 100 posters exhibiting broad-based examples of excellence at Lexmark around the world, as well as nearly 20 booths with demonstrations from various functional areas within the company.

While the event took place at corporate headquarters in Lexington, employees based outside of Lexington were able to access the presentations through a worldwide webinar.



CASE STUDY

Best Places To Work In Kentucky

Best Places to Work in Kentucky is an initiative dedicated to identifying and recognizing Kentucky's best employers. The goal is to create new levels of excellence in employee engagement among those employers and to rightfully position Kentucky and its businesses as successful competitors in both national and global arenas.

Best Companies Groups runs a simple yet thorough company assessment. The employer answers a questionnaire and employees complete a survey.

The results are analyzed and categorized according to eight core focus areas: leadership and planning, corporate culture and communications, role satisfaction, work environment, relationship with supervisor, training and development, pay and benefits and Lexmark scored an 84 percent in Overall Engagement.



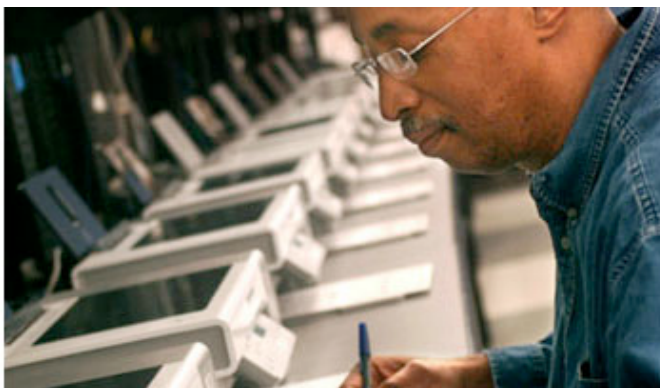
WORKPLACE

Demographics

Lexmark is committed to promoting a diverse and inclusive business culture where employees can reach their full potential. We strive to continuously show 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.

LEXMARK WORKPLACE

Lexmark's workforce includes regular employees, temporary employees (limited assignments, students and co-ops are included in this number) and contingent workers around the world. Our total workforce is approximately 17,500, of which more than 75 percent are regular employees. The complete breakdown by geography follows.



Geography	Regular Employees	Temporary Employees/ Contingent Workers
AP	4,357	1,066
EMEA	1,364	650
LA	3,353	445
North America	4,057	2,113
Total employees:	13,131	4,274

Lexmark recognizes the value of tracking the turnover rate of our employees in the many countries in which we operate. 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.

BOARD OF DIRECTORS/EXECUTIVE MANAGEMENT

Lexmark's Board of Directors is comprised of 12 directors, 11 of whom are independent. Two of the 12 board members (17 percent) are female while two (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 30-50 years old.

EQUAL PAY

Salaries vary within 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 with 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 entity 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.

WORKPLACE

Lexmark Suppliers

SUPPLIER DIVERSITY

Lexmark's supplier diversity program is founded on the Company's values of mutual respect, corporate citizenship and integrity. Diverse businesses comprise a vital segment of the economy, and healthy diverse businesses are therefore 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 Lexmark's supplier diversity program. We strive to encourage and afford opportunities to minority suppliers, while ensuring that we receive the highest-quality products and services at the most economical costs. All Lexmark employees are encouraged to take an active role in the support of the supplier diversity program by ensuring that all vendors are encouraged and given an opportunity to do business with Lexmark.

SUPPLIER RESPONSIBILITY

Lexmark's membership and participation in the Electronics Industry Code of Conduct (EICC) has further strengthened our organizational efforts in support of human rights, labor standards and other CSR values. The EICC is a code 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, beginning in 2008 Lexmark requested third-party audits for a number of its Tier 1 suppliers to monitor compliance in these areas.



Lexmark works with countless direct and indirect suppliers. Approximately 100 suppliers account for the majority of Lexmark's direct spend. All Lexmark suppliers are required to comply with Lexmark's supplier code of conduct which addresses human rights. In addition to this requirement, the human rights performances of a portion of Lexmark suppliers are being more deeply screened.

In 2010, approximately 200 Lexmark suppliers (275 suppliers make up about 80 percent of our spend and our top 100 suppliers make up about 66 percent of our spend), including those that are global key and strategic suppliers, those whose 2009 spend was over \$1M (U.S. dollars) and those that are Lexmark critical part suppliers, were asked to complete the Electronic Industry Citizenship Coalition (EICC) Self Assessment Questionnaire (SAQ) using the Electronic Tool for Accountable Supply Chains (E-TASC). E-TASC is a Web-based data collection and analysis tool that helps companies collect, manage and analyze social and environmental responsibility data from suppliers.

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 they're purchasing from a responsible company that is sensitive to health and safety and environmental issues.

At Lexmark, the impacts of our products are analyzed at all life-cycle stages that include concept, research, manufacturing, distribution, storage, disposal, reuse and recycling. Our products are designed not only to perform beyond our customers' expectations, but to exceed stringent standards for the welfare of our customers, as well as for the sustainability of the environment.

We've made notable progress in these areas and emerging technologies offer us exciting possibilities for future breakthrough advances. In exploring this section of our CSR report, you'll come to understand the firm commitment Lexmark has to these issues and the outstanding dedication our employees have to making Lexmark products the health, safety and environmental standard by which all others are judged.



CUSTOMER EXPERIENCE

Understanding Our Customers

CUSTOMER SATISFACTION

Lexmark has a corporate vision of "Customers For Life." Dedicated customer-experience teams exist within Lexmark with a goal of creating a valued customer experience. But our commitment doesn't stop with them. The entire organization, from the CEO through each employee, is engaged in understanding and solving customers' needs and concerns. All Lexmark employees have at least one annual performance objective focused on the customer (Customer Focused Objectives).

At Lexmark, various methods are utilized to regularly connect with, listen to and understand our customers. An annual, worldwide "Customers For Life" survey is undertaken to better understand our customers' perceptions of us through the use of the Net Promoter Score and the key drivers of loyalty. Lexmark also incorporates surveys at all phases of our customers' experience including 30 days after purchase, one year after purchase, post-service experiences and on an annual basis with our Managed Print Services (MPS) customers. The Voice of the Customer (VOC) in social media is captured with Mystery Shopper, online panels, industry awards that are reviewed as well as online Web commentary. Finally, Lexmark seeks to improve our newest products with the use of Beta testing with select customers. Each of these VOC methods is incorporated back in the business in various formal processes to ensure that we are listening to our customers and designing products and services that meet their needs.



Customer feedback is crucial but must be followed by formal processes to create sustainable improvement and value for our customers. Lexmark employs several processes to sustain and enhance current products, design an intended customer experience for future products and focus employees on the customer.

The Net Promoter Score has been adopted by the customer-experience teams as a common language used to broadly communicate and set targets for improving customer satisfaction. Lexmark has established a set of repeatable processes which utilize direct customer feedback to improve our products and services, driving a deeper understanding and continuous improvement in customer experience.

LEXMARK LISTENS

Every day, Lexmark pays a brief visit to the *Twitter* site as "Lexmark Listens" and searches for comments about Lexmark. We are essentially looking for requests for help with a Lexmark product and when we see one, we respond.

[Click here to go to the Lexmark page on the *Twitter* site to follow us.](#)



Closed Loop Quality System

The Closed Loop Quality System (CLQS) is a continuous process that utilizes direct customer feedback to better understand and resolve the negative issues that our customers experience. The individual VOC feedback is combined, categorized by theme and then prioritized, taking into account the customer's loyalty and concerns. A cross-functional team of value-stream leaders addresses each theme using critical problem-solving tools. The system is designed to address the immediate issue in addition to improving the processes for prevention of the problem in the future. Finally, the system has a check phase to ensure that the particular theme has been resolved. The CLQS at Lexmark ensures that our process-improvement efforts are focused on customers and addressing what matters most to them.

Line of Sight

The Line of Sight (LOS) process is based on understanding key customer needs that define a desired customer experience throughout the customer lifecycle (purchase – initial product use – use through life – end of life). Customer satisfaction input is regularly collected to understand and measure how the desired customer experiences are being delivered over time. To proactively manage the delivery of these customer experiences, the key internal Lexmark processes that deliver the desired customer experiences are mapped and critical performance targets are set. By managing the performance of the key internal processes, Lexmark is in a position to proactively deliver the desired customer experiences throughout the customer lifecycle.

Design an Intended Customer Experience

Lexmark leverages customer needs-based research in innovation processes as a part of the creation of product lines, future technology planning and detailed product and service requirements. These processes include methods to systematically and predictably identify opportunities and then design and evaluate concepts that deliver significant new value.

Customer-focused Employees

Lexmark employs a worldwide performance program that includes a formal process to assess progress against customer-focused objectives. Every employee sets objectives that focus on improving the customer experience. These individual objectives are based on an understanding of how the work the employees perform connects to the customer and aligns with the strategy of their department and the Company. Each objective has specific success criteria – the difference that it will make to the customer. We believe that this focus on improvement and innovation will lead to a better customer experience.

LEXMARK LISTENS

Lexmark's survey strategy seeks customer input across the entire customer lifecycle, from pre-purchase through usage and replacement. This data is gathered from both Lexmark customers and our competitors' customers. Customer perceptions of products and services are collected and analyzed to enhance both current and future development efforts. Customer needs-based research is also employed to identify ideas and technologies that have the greatest potential for creating customer value in our future efforts.

Research employed:

- Annual competitive survey of customer loyalty and perceptions regarding value, quality, ease of use and service
- Current surveys of customer loyalty and perceptions regarding value, quality, ease of use and service at regular intervals through customers' expected lifetime usage
- Needs-based research with our target customer to identify customer needs and opportunities
- Pre-purchase research conducted in aisle at retail locations
- Post-service experience surveys
- Customer Web panels used to field feedback on new ideas
- Customer testing on ease of use in early product development to drive improvement prior to start of production
- Distributed Fleet Management (DFM)



This broad spectrum of research provided feedback from over 150,000 customers in 2009 alone.

Product Validation/Usability

During the new product-development cycle, Lexmark verifies not only that the product meets all specifications, but that it goes further gathering indirect and direct input from customers to validate how well the product satisfies their needs. Early in the development cycles, Lexmark utilizes an internal team whose goal is to emulate customers in their uses of the product. The team utilizes feedback from current customers to direct their product validation efforts. During this same time period, internal Lexmark customers are recruited to provide early feedback on what the ultimate customer will experience. As the product development cycle continues, future customers are brought into Lexmark and products are sent to their work or home environments to gather specific feedback on the functionality and usability of the products. These processes provide products that not only meet the specifications but, more important, satisfy the needs of Lexmark's customers.

NEW-CUSTOMER VISIT PROGRAM

Lexmark has launched a new-customer visit program, in which our engineers and product designers will visit customers who are using Lexmark devices. These face-to-face interactions will help us better understand the needs of our customers and will result in the design of improved solutions in the future. Lexmark engineers and designers based in Lexington, Kentucky have set a goal of visiting at least five customers in 2011.

CUSTOMER EXPERIENCE

Customer Security and Privacy

The internet has become a major portal for Lexmark and its customers to interact. Customers and prospective customers use Lexmark's Web site for a multitude of reasons.

- To research Lexmark products, solutions and service offerings
- To buy products directly from Lexmark online or find where to buy them through partners
- To register a product purchased from Lexmark for warranty purposes
- To get help for resolving a product issue, either unassisted help via the Lexmark Knowledgebase or assisted help from a Lexmark Support Representative

During these transactions, Lexmark may 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/province, postal code)
- Credit card number
- Email address
- Telephone number
- Online account ID and password
- How products are used in their home or business
- Whether or not they want future contact from Lexmark (marketing materials, special offers and promotions, etc.)

Lexmark takes the privacy of personal information provided by our customers very seriously. We are happy to report that we have had no customer complaints regarding breach of personal information collected via Internet marketing and sales activities.

Prior to October 2009, Lexmark outsourced the Web store to a third-party channel partner, which administered the store and collected the personal information necessary to complete sales transactions. We have not received any customer complaints for breach of personal information by the third party.

Security of Customer Information

To protect against unauthorized access, misuse, disclosure or alteration of personal information, Lexmark employs 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 a specific business purpose 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.

privacy@lexmark.com

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

When we receive written questions and concerns at these addresses, it is Lexmark's policy to contact the individual user regarding his or her concerns. We will investigate and attempt to resolve issues regarding 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 will be settled by arbitration administered by the American Arbitration Association (AAA) in accordance with its applicable commercial rules and, as applicable, the Safe Harbor Principles. The exclusive location for such arbitration shall be Lexington, Kentucky.

Lexmark's U.S. privacy policy can be found at: http://www1.lexmark.com/en_US/terms/privacy-security.shtml.

CUSTOMER EXPERIENCE

Marketing Communications

It is Lexmark's policy to avoid any misstatement of fact or misleading impression in any of its advertising, literature, exhibits or other public statements. 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 would tend to mislead a reader, listener or viewer is to be avoided. No claim, comparison or other statement of fact should be included in a message without having sufficient evidence to support it. It is the joint responsibility of the Corporate Communications Department representative preparing the message and the person in the business area responsible for the product or service involved to see that all facts are true and properly supported. Lexmark also sells no products which are banned in any markets. Lexmark reviews its compliance with these standards annually.

Lexmark had no incidents of non-compliance with regulations and voluntary codes concerning marketing communications in 2010.

CUSTOMER EXPERIENCE

Product Accessibility

Lexmark is committed to developing products, solutions and services that optimize the productivity of each customer, including individuals with disabilities. As we develop our products and solutions, Lexmark seeks input from customers with disabilities to better understand their unique needs and challenges, and to incorporate their ideas and feedback into our designs.

We have a strategy and defined processes and methodologies to ensure our products and solutions are increasingly accessible. Accessibility is a key marker in every phase of our product development process. To further ensure that we meet our goals, we have established a cross-functional committee to manage and oversee our accessibility initiatives. Our Section 508 Voluntary Product Accessibility Templates are shown below.

Lexmark believes that improving product usability for customers with disabilities creates a better user experience for all our customers. Input from our customers with disabilities has resulted in product design changes as well as standard product features that work together to enhance accessibility for all customers. These capabilities are included in many of our Lexmark products.



- Output separator sheets
- Offset job stacking
- Operator panels with adjustable viewing angles
- Multifunction products with number pad input capability
- Accessible height and reach
- Accessible print drivers

In addition, Lexmark develops adaptable, flexible hardware and software that can be tailored to meet individual needs. Our technology enables users to access features and functionality from a desktop that has been optimized with assistive technology, including screen magnifiers and screen readers.

With Lexmark innovative software, devices with touch screens are no longer limiting to visually impaired users. The [Lexmark Accessibility Solution](#) is our Web-based software that lets users initiate and complete copy, fax, email and scanning jobs directly from their computer as an alternative to using the touch screen.

LEXMARK MAKES MFPs EASIER TO USE FOR DISABLED WORKERS.

Disabled workers, such as those with vision impairments, will now find it easier to use Lexmark Multi-Function Printers (MFPs) thanks to Lexmark's Accessibility Solution. The Web-based software is designed to enable users with disabilities to set up and complete copy, fax, email, ftp and scan jobs directly from their PC, rather than from the MFP touchscreen display.

ALTERNATIVE TO MFP TOUCHSCREENS

MFP touchscreens can be difficult for disabled employees to use, particularly for those who have vision impairments. The Lexmark Accessibility Solution provides an alternative method of navigating the MFP from a PC.

COMPATIBLE WITH POPULAR ACCESSIBILITY SOFTWARE AND PDAS

The software is designed to work well with accessibility products such as GW Micro's Window-Eyes; Voice Sense and Braille Sense; Freedom Scientific's JAWS® and MAGic®; Ai Squared's ZoomText; and industry standard speech recognition software. Now disabled employees can leverage the power of these accessibility tools to access the functions of Lexmark MFPs.

CONFIGURE JOB SETTINGS ON THE PC

A disabled employee can easily set up a copy job to produce 12 copies, duplexed and stapled, or scan a document back to a PC, or fax a document to one or many destinations. Once set up on the PC, the task is assigned a job number, which the employee

enters at the MFP using the accessible number keypad to complete the task.

ACCESS VIRTUALLY ALL MFP FUNCTIONS

The Lexmark Accessibility Solution provides PC access to almost every setting and option available on Lexmark MFPs, to ensure that disabled employees can accomplish equivalent tasks to those completed directly from the touchscreen. The user is able to control over 120 settings/options, change accessibility application display options like font size and foreground/background colors, and check the working status of the MFP from their PC.

SECTION 508 COMPLIANCE

At Lexmark, we believe it's good business to make our advanced document management and output technology accessible to everyone. To learn more about our corporate-wide commitment to meeting Section 508 requirements, providing products, services and information that support total accessibility, [click here](#).

ASSISTIVE TECHNOLOGY COMPATIBILITY

The following Assistive Technology providers have verified the compatibility of their products with the Lexmark Accessibility Solution:

- [Ai Squared](#)
- [Freedom Scientific](#)
- [GW Micro](#)
- [Serotek.com](#)

Independent testing has verified that the Lexmark Accessibility Solution is compatible with products from the following vendor.

- Apple

ADVOCACY ORGANIZATIONS

Lexmark has worked closely with Advocacy Organizations for people with disabilities. In some cases, they have supplied reviews of our solutions.

- [American Foundation for the Blind](#)
- [National Federation of the Blind](#)

CONTACT US

To have Lexmark contact you about this solution and how to get it, [click here](#).

CUSTOMER EXPERIENCE

Product Health and Safety Impacts

Lexmark considers the health and safety impacts of all of its products and services at all life cycle stages including concept development, research and development, manufacturing and production, distribution, storage distribution and supply, use, service and disposal (reuse or recycling), certification and marketing.

A number of these health and safety considerations are mandatory, such as the Organization for Economic Co-operation and Development (OECD) toxicity testing that Lexmark completes in accordance with OECD 404, 405, 406 and 423.

Other considerations are based on customer concerns. For example, news coverage of a 2008 study regarding ultrafine particulates concerned some users of laser printers. The study found that laser printers emit particulates in the ultrafine size range. Further investigation revealed that these ultrafine particles were not particles of toner, as originally believed. Though there are no regulations or standards governing ultrafine particulates to which printer emissions can be compared, Lexmark investigates ultrafine particulates and monitors related studies because this is a concern for our customers.

Lexmark has not identified any noncompliance with regulations or voluntary codes concerning the health and safety impacts of Lexmark products or services and no fines have been imposed.

PRODUCT AND SERVICE INFORMATION

Lexmark understands that the safety and compatibility of our products is of utmost importance to our customers. The following product and service information is required by Lexmark procedures for product and service information and labeling: the sourcing of components of the product or service; content; safe use of the product or service; disposal of the product and environmental/social impacts. To achieve regulatory compliance with worldwide standards and local laws, our products are tested annually in laboratories that are accredited by third-party agencies. This accreditation 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.

These laboratories 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). Additionally, data is collected and submitted to regulatory agencies worldwide such as the U.S. Environmental Protection Agency (EPA) and the China Quality Certification Center (CQC) to obtain the mandatory marks for importation to countries worldwide.

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 and suppliers are audited regularly for compliance by the respective agencies whose regulatory marks are applied to each product. Any non-compliances or variation notices issued as a result of these audits are promptly addressed within the required compliance period and resolved prior to future product shipments. Lexmark had no incidents of non-compliance with regulations and voluntary codes concerning service information and labeling in 2010 and no fines have been imposed.

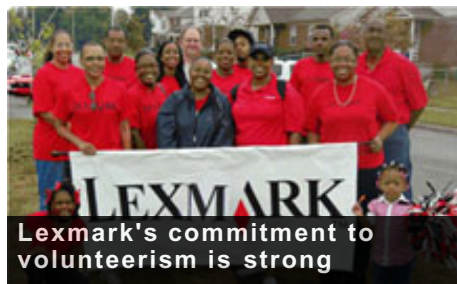


Society

Lexmark sells its products in over 170 countries around the globe and has facilities or offices in more than 70 of those nations. Such a broad footprint makes it imperative that our operations have a positive effect on the citizens of those communities in which we do business.

We strive to be a company that people welcome into their community; the kind of company they'd want to work for — a company that cares. Charitable giving, volunteerism, educational support and commitment to diversity are part of the culture at Lexmark. Those commitments are not only good for society, but the goodwill they generate is beneficial to Lexmark.

The need for societal contribution is ongoing and we must be continually diligent in seeking 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.



SOCIETY

Lexmark's Impact on Our Communities

WHERE WE DO BUSINESS

Lexmark products are sold in more than 170 countries. Lexmark owns or leases 7.4 million square feet of various types of facilities worldwide and operates sales offices in more than 70 countries. We have three manufacturing centers in Boulder, Colorado, Juárez, Mexico and Lapu-Lapu City, Philippines.

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 inhabit is positive.



Prior to Entering a Community

Lexmark carefully considers potential social and environmental impacts of doing business in all locations before building or opening a facility in a community. Our Corporate Real Estate and Facilities Team conducts assessments of 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 Lexmark's Corporate Real Estate and Facilities Teams have been recently updated with new guidance criteria to ensure that Lexmark sites are as energy efficient as possible from the start.

Whether Lexmark builds a new building or chooses to lease an existing facility, our preference is to do so in 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, thereby reducing commuting time and distance which in turn increases employee transportation options (walking, biking, public transportation).

While Operating in a Community

Lexmark's presence has a positive financial and social impact on the communities in which we operate. 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 Lexmark's economic impact on Lexington, Kentucky, in 2010 are:

- 3,669 trips in and out of Lexington's Blue Grass Airport, producing \$3.1 million in airfares.
- 3,478 overnight Lexington hotel stays valued at \$365,998.
- 3,390 Lexington car rental days generating \$124,193 in fees.
- Average salary of \$85,000 for Lexington and surrounding area residents.
- More than \$300 million in local wages – contributing nearly \$9 million for local government and public schools.

Lexmark's commitment to its communities, including contributions of equipment, volunteers and financial support to social organizations, can also be quantified. In 2010 alone, Lexmark donated \$1,973,358 and more than 10,000 hours of service to more than 200 nonprofit organizations, schools or charitable organizations.

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

Making Decisions 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 some Lexmark operations. The obsolescence of a particular type of inkjet cartridge, for example, necessitated the closure of the Lexmark facility in Chihuahua, Mexico that manufactured that component. This, in turn, created an increased production burden on the Lexmark facility in Cebu, Philippine, that manufactures the new type of cartridge.

Recent plant closures have included an inkjet facility in Scotland (2006), inkjet supply manufacturing facilities in Juárez, Mexico (2007) and Chihuahua (2008) and a circuit assembly facility, also in Juárez (2009).

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 those 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 non-exempt 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.

Lexmark's inkjet facility in Chihuahua was purchased by a developer who went on to lease this facility to a manufacturer. In transitioning this property to another manufacturer, Lexmark ensured that the existing building was not left unoccupied and 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 Lexmark's closing of the Lexmark facility in Scotland.

"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 1500 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.

About the Legacy Trail



The Legacy Trail in Lexington is a 12-mile walking and biking trail stretching from the Kentucky Horse Park to the East End's Isaac Murphy Memorial Art Garden at Third Street and Midland Avenue. We are pleased that part of this corridor runs across Lexmark property. The trail's official opening was on Sept. 12 and was marked by an organized bike ride, live music and other family fun.

The idea for this scenic corridor connecting urban and rural Fayette County grew out of citizen conversations in 2007. It is a linear park that includes displays of public art along with educational, cultural, environmental and historical information. It ultimately will connect with an entire web of regional trailways.

For more information about the trail visit www.mylegacytrail.com.

SOCIETY

Financial and In-Kind Contributions

COMMITMENT TO CORPORATE GIVING

Lexmark's commitment to its communities takes tangible form in donations of equipment, providing volunteers and offering financial support to worthy organizations working to meet the challenges and needs of modern society. Responsible corporate citizenship is good business. Lexmark applies the same standards of excellence to its contribution and community support activities that it uses in all business practices.

2010 U.S. Charitable Giving	
Lexmark Scholars Academic scholarships to employee dependents in the U.S.	\$122,000
United Way U.S. employee pledges of cash and in-kind gifts totaling more than \$1 million, including Lexmark's \$206,000 corporate contribution, once again made it the largest supporter of United Way of the Bluegrass.	\$1,001,358
Other cash and equipment donations	\$850,000
Total giving	\$1,973,358

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 visible in the contributions of financial, equipment and volunteer support to organizations working to help meet the challenges and needs of modern society.

We apply the same standards of excellence to our contribution and community support activities that we use in our business operations.

Our Corporate Giving Program in the U.S. focuses on employee volunteerism and educational excellence, specifically in the areas of science, technology, engineering and math (STEM). Lexmark contributes to schools and non-profit organizations that have tax-exempt status under Section 501(c)(3) of the U.S. Internal Revenue Code.

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

Equipment Donations

Requests for donations of new and used printers to qualified non-profit organizations will be considered on an ongoing basis. Priority is given to organizations in which Lexmark employees serve as volunteers. Please specify in your request if your organization will accept used equipment. Printers may also be requested for donation to fundraising auctions or events sponsored by qualified non-profit organizations.

[Apply Now](#)

Lexmark China's Contributions

Lexmark China employees again volunteered to make their annual donation to the Rupei Primary School and to the Yushu, Qinghai earthquake victims. Employees of Lexmark China also volunteered for participation in Earth Hour and participated in the annual Free Rice activity.



Lexmark LIPI Contributions

The Lingap Children's Development Center Inc. houses, protects and promotes the welfare of the disadvantaged children of Toledo City. It is a center where the rights of the abused, abandoned and exploited children of the community are protected. The Center provides rehabilitative, preventive and protective social services.

Lexmark International Philippines, Inc. (LIPI) provides learning materials such as books and children's magazines and has already created a mini-library inside the Center. In addition, two personal computer units were donated to the Center in October, greatly enhancing the educational opportunity for the children in information and technology.



POLITICAL CONTRIBUTIONS AND LOBBYING

Lexmark is committed to transparency in its political dealings and relationships. No financial or in-kind political contributions have been made in non-U.S. countries where we do business or at the national level in the U.S. in 2010. On the rare occasions that state-level contributions are made, they are reviewed through a rigorous process and must be approved by the Chief Executive Officer.

POLICY ON POLITICAL CONTRIBUTIONS AND LOBBYING

Lexmark makes contributions or provides other forms of support to a political party, committee or candidate only when permitted by law and approved by the Chief Executive Officer. On the rare occasions that Lexmark makes political contributions, they are reported to the appropriate state or federal political/ethics authorities and published on their respective Web sites.

SOCIETY

Commitment to Volunteerism

Lexmark supports 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 Big Brothers Big Sisters, Junior Achievement, Habitat for Humanity, United Way and many more. For more than 10 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.

TWENTY YEARS AND COUNTING

In March of 2011, Lexmark celebrated its twentieth anniversary with a two-day event at its headquarters in Lexington, Kentucky. To commemorate the milestone, Lexmark employees committed to perform 175,200 hours of volunteer community service – the same amount of time volunteered in the Company's first 20 years.



We have an exceptional employee talent pool and Lexmark empowers them to give their time and skills by providing innovative programs, such as Volunteer Time Off, Make It Happen Fund Volunteer Grants and Matching Gifts. We know our employees have interests beyond Lexmark and we support their efforts to be involved in their community.

VOLUNTEER OF THE YEAR AWARD

Through various programs, we encourage employees to volunteer their time, talents and resources to their local communities. The Company introduced its Volunteer of the Year Award in 2004 which is designed to support Lexmark's value of corporate citizenship.

Only Lexmark employees are eligible to be nominated for the award, but anyone may submit a nomination, including contractors and outside organizations.

Lexmark's 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 impacted as well as the leadership aspects of the particular example of volunteerism.

The recipient is honored at an internal event and Lexmark donates \$2,500.00 (U.S.) to an eligible nonprofit organization or school of the winner's choice.

For information on past winners, please visit...

[2009](#) Volunteer of the Year
[2008](#) Volunteer of the Year
[2007](#) Volunteer of the Year

VOLUNTEER ACTIVITIES

United States – Lexmark

United Way – Lexmark not only supports the United Way through charitable giving, but also encourages employee volunteerism. During 2010, nearly 300 Lexmark employees volunteered 2,000 hours to the United Way. Employees completed 35 community service projects in Boulder, Colorado and Lexington, Kentucky.

VOLUNTEER TIME OFF PROGRAM

Lexmark offers all regular U.S. employees three paid days off each year through the Volunteer Time Off Program. This program has generated more than 10,000 hours of service to more than 200 non-profit organizations and schools and allows our employees time to help organizations that are important to them. Activities include volunteering at a local school as a mentor, tutoring, working with seniors or helping at an animal shelter. Opportunities are everywhere and we want our employees to feel valued as integral parts of the community.

Habitat for Humanity – In 2010, more than 200 employee volunteers built a two-story home in Lexington, Kentucky, which was sponsored by Lexmark. Over the past several years, Lexmark employees have built 14 homes in Lexington, with Lexmark paying for the materials to construct 12 of those homes. To view a video [click here](#).



Junior Achievement – During the 2009-2010 school year, Lexmark sponsored courses at its adopted school, William Wells Brown Elementary, with close to 50 employees volunteering to teach business and economics courses at this and 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.

The Company's volunteers participate by helping to create an engineering station for students to explore 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 wherein 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, The University of Kentucky's College of Engineering hosts UK Engineering Day, an event of learning and exploration at UK 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 the weeklong institute which pairs K-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 bring real-life scenarios into the curriculum. The teachers learn about how business works and what students must do to compete in the real world.

Substitute Teaching Initiative – Using the three days of Volunteer Time Off, Lexmark employees are matched with a teacher in one of the STEM fields to provide teachers the opportunity to pursue professional development and provide significant teaching opportunities for Lexmark volunteers.

Partnership for Successful Schools – Twenty-two "One-to-One" Reading coaches at Booker T. Washington Academy contribute one-half hour each week to help students achieve higher reading scores. The students achieved a 50 percent increase in their reading levels as a result of the personal attention.

Big Brothers Big Sisters – The Corporate Mentoring Partnership at Deep Springs Elementary matches Lexmark employees to students for one hour each week for improved self esteem, social skills and interaction.

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 Lexmark provided support through in-kind gifts. Nearly 800 middle-school students have graduated from the program to date, with each graduate receiving a Lexmark printer.

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

United States – Perceptive

Dodge for a Cause – Dodge for a Cause is Perceptive Software's signature event, an annual 64-team charity dodgeball tournament hosted at the company's NADA-approved dodgeball court. The tournament brings together participants from across the area and generates funds for the Kansas City chapter of the Juvenile Diabetes Research Foundation (JDRF). In just six years, the tournament has generated more than \$90,000 for important diabetes research and programs.

Educating Excellence – In partnership with the University of Kansas School of Engineering, Perceptive Software established the Educating Excellence program in 2010. The program was developed to recognize outstanding Kansas and Kansas City area high school science, technology, engineering and math (STEM) teachers. Throughout the 2010-11 school year, Perceptive Software and the University of Kansas will recognize one teacher per month with a \$1,500 cash award.

Cells for Cells – Cells for Cells is a mobile phone recycling program that benefits the Leukemia & Lymphoma Society, raising money for families battling cancer. Perceptive Software partners with Cells for Cells by donating broken and outdated mobile devices on a quarterly basis. The company has been a Cells for Cells partner since 2006.

Harvesters – Perceptive Software hosts its annual Harvesters campaign each November. Employees engage in competitions among the floors to see who can collect the most donations for Kansas City's only food bank. In 2009, employees donated more than \$21,800 through the company's first virtual food drive, providing more than 109,000 meals for those in need. With the company's 100 percent match, Perceptive Software funded more than 218,000 meals through its 2009 campaign.

Kansas City Corporate Challenge – Kansas City's annual Olympic-style competition is deeply ingrained in the Perceptive Software culture. The Perceptive team is a competitive bunch and thrives on the camaraderie offered during the annual event. Perceptive Software has been a supporter of Kansas City Corporate Challenge since 2006.

Rebuilding Together Shawnee – When the organization launched in 2007, Perceptive Software joined Rebuilding Together Shawnee as a Founding Sponsor. The organization is an affiliate of Rebuilding Together, the nation's leading nonprofit working to preserve affordable homeownership and revitalize communities. With bi-annual projects, Rebuilding Together Shawnee has already helped 14 Shawnee homeowners in need.

Hungary

Budapest's Green Team

On "Volunteer Day," May 8, the Budapest Green Team built a new wooden playhouse in the garden area of Napraforgó Kindergarten. Team members also planted flowers, bought sports equipment and taught the students team-building principles.

[Click here](#) to watch the activity.

Other successful efforts of the Budapest Green Team included "Santa Factory" gifts and staples for 161 people in need, mainly children and poor families at Christmas, as well as a highly successful book swap with Lexmark staff exchanging books they had read for "new old" books.

China

In 2010, Lexmark China employees joined the Futian District Volunteer Coalition in Shenzhen, a relay for Lexmark to participate in those activities. They also had volunteers in the Asian Games torch relay.

Philippines

Gawad Kalinga Build – This program is in partnership with the Gawad Kalinga Foundation and is a joint initiative with Lexmark Research and Development Center (LRDC) and Lexmark International Philippines, Inc. (LIPI). The goal is to build a Lexmark Village in Tunghaan Minglanilla Cebu.

LIPI committed to build 50 housing units and LRDC made a commitment of 150. The program was originally launched in October 2007. The total number of houses built to date is 110 of which at least 42 have been turned over to beneficiaries.

Children's Center – LIPI has been a consistent provider of learning materials such as books and children's magazines to the Lingap Children's Development Center which exists to protect and promote the welfare of disadvantaged children in Toledo City. LIPI has created a mini-library inside the center and two personal computers units were donated in 2010.

LIPI Bundles of Joy Program – Every year, LIPI renews its Bundles of Joy program, wherein employees identify schools with students from low-income families. In 2010, the identified schools were Buagsong and Gabi Elementary Schools of Cordova Cebu. Seventy volunteer employees helped in giving out gifts donated by LIPI employees to a total of 802 delighted students.

LRDC's School "Adoption" – LRDC has "adopted" the Mayor A.S. Fortuna Memorial Elementary School in Cebu. The company and its employees donate money, time and goods to a feeding program, school beautification, teacher training, Christmas gifts, drug prevention seminars and student tutorials in Math, English and Science to the school whose students are primarily underprivileged. Regular blood donation, Red Cross monetary contributions and a donation drive for T. Padilla fire victims are among other charitable work at LRDC.



New playhouse in the garden area of Napraforgó Kindergarten.



Asian Games torch relay volunteers.



Building a Lexmark Village in Tunghaan Minglanilla Cebu.



Mayor A.S. Fortuna Memorial Elementary School in Cebu.

SOCIETY

Commitment to Diversity

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

AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT OPPORTUNITY (EEO)

Lexmark adheres to the requirements and embraces the spirit of affirmative action and equal employment. The concept of affirmative action was developed in the 1960s as a means to eliminate discrimination and provide equal employment opportunity to individuals of diverse backgrounds.

Today, Lexmark's 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 era, 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 that our employment practices are administered in a nondiscriminatory manner
- analyzing our personnel activity - including hires, promotions and terminations
- increasing representation to reflect the communities we serve.

A UNIFIED VISION

Lexmark values diversity in the workplace. The company has adopted a Diversity Mission Statement (see below) by which our employees abide. It calls for respecting and valuing individual differences among co-workers. These practices help Lexmark operate with one unified vision — a vision that allows us to utilize the talents of our employees and that fosters good relations within the company as well as in the communities in which we live and work.

LEXMARK'S 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.

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 may 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 national origin-focused affinity groups. Lexmark's Asian Network Diversity Association (ANDA), Christian Business Persons (CBP), Gay-Straight Alliance of Lexmark Employees (GALE), Hispanic Diversity Network Group (HDNG), LexNew, Network Alliance of Black Lexmark Employees (N-ABLE) and Women@Work (W@W) were created either to help employees adjust to new cultures while maintaining a link to their traditions or as support networks that disseminate knowledge - therefore understanding - of minority group issues.

[Learn More About Lexmark's Diversity Network Groups and their Activities](#)



FACILITY ACCESSIBILITY

Lexmark designs its products and its facilities with accessibility in mind. Just as inclusion is a benchmark of our workforce and our corporate culture, we continually strive to design and produce our products and buildings to be as accessible to disabled persons as possible.

All U.S. Lexmark buildings provide physical structures as required by the American Disability Act for the purposes of insuring accessibility and usage by disabled persons. Some examples of these structures are, push-button-actuated door openers for the front lobby and entry doors, handicap accessible restroom doors and stalls, accessible water fountains, building elevators for second story office access, fire alarms with audible and a visible flashing lights, electric scooters for transporting temporarily disabled employees, vehicle parking lot spaces designated for handicapped access and ramped walkways to all building entrances.



LEARN MORE

Lexmark's Diversity Network Groups and Activities

ASIAN NETWORK DIVERSITY ASSOCIATION (ANDA)

Mission: Lexmark employees of Asian descent and members of 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's business objectives
- Plan, facilitate and implement social, educational & 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 periodically invites its members and other employees to presentations that address topical issues such as the two listed below.

China Today – A Challenge to the U.S. Economy

The possibility of China surpassing the United States as the leading power in our global economy becomes more real every day.

Lexmark's Asian Network Diversity Associates invited employees to a presentation by Ying Juan Rogers, executive vice president of the Kentucky World Trade Center, which explored what she considers to be the top three economic issues emerging from China today: the threat of economic aggression, financial control and the race for energy resources.

Learning About the World Wide Web and Lexmark.com

As part of its ongoing learning series, Asian Network Diversity Associates invited its members and all other employees to an information session to learn more about what is transpiring in eCommerce and why the Web is so important to Lexmark.

Lexmark's director of the World Wide Web and the manager of global Web marketing and sales addressed the online marketplace, how Lexmark drives customer awareness, research of Lexmark offers, what drives sales and enhancing user experience on Lexmark.com.

CHRISTIAN BUSINESS PERSONS (CBP)

Mission Statement:



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 encouraged are biblical principles 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 (Golden Rule). The Christian perspective includes treating all individuals as equals having 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:

CBP disseminates information to its members and interested parties relating to daily inspirational thoughts, prayers for those members and relatives facing illness or hardship and also conducts workshops and study sessions pertaining to Christian issues such as those listed below.

Host a Pastor Appreciation Luncheon

October is Pastor Appreciation Month and to celebrate, the CBP has a "PAL" day with a luncheon with our favorite pastors. It includes an encouraging speaker, good food, good music and a time to say thank you to those who minister to us.

Observe National Day of Prayer

The first Thursday in May is the official National Day of Prayer. The CBP provides sandwiches and chips for lunch and then a speaker for dessert.

GAY-STRAIGHT ALLIANCE OF LEXMARK EMPLOYEES (GALE)

Mission:



GALE is a group of straight and gay Lexmark employees working together to create and promote a work environment at Lexmark where people are comfortable being gay. We emphasize Lexmark's core values of mutual respect, integrity and employee satisfaction by fostering an understanding of the real differences and similarities between gay and straight employees and their families. By providing a forum for open group discussion we seek to increase the understanding and acceptance of gay employees at Lexmark.

Activities:

GALE members participate in the following events and organizations.

Lexington's Annual Pride Festival

The Lexington Pride Festival is held on the last Saturday in June each year. The goal of the festival is to promote an understanding of the gay and lesbian community through education, information and outreach programs and offer an insight into the issues those citizens face.

JustFundKY

JustFundKY began in 2006 with the dual mission of reducing discrimination through high-profile public events showcasing the positive contributions of LGBT persons, and by funding the educational efforts of other organizations to increase awareness and understanding of the LGBT community

HISPANIC DIVERSITY NETWORK GROUP (HDNG)

Mission Statement:



The Hispanic Diversity Network Group seeks to be a valuable resource to the corporate diversity initiatives and to the community by sharing our knowledge, creativity and enthusiasm. The group will focus on four key areas: professional, organizational, community service and social.

Professional Objectives:

- Promote professional development by mentoring, coaching, networking and encouraging membership in national professional organizations.

Organizational Objectives:

- Assist in attracting qualified, newly hired Hispanic candidates by supporting Lexmark's recruiting efforts
- Provide tutoring for Lexmark co-workers seeking to develop their Spanish and/or Portuguese language skills
- Assist Lexmark co-workers in translating business related documents from Spanish/Portuguese to/from English
- Support Lexmark community relations initiatives by promoting and participating in community events that celebrate the Hispanic culture

Community Service Objectives:

- Identify and support volunteering opportunities for the benefit of the Hispanic community
- 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
- Become role models and a positive influence for Hispanic students at the elementary, middle school and high school levels

Social Objectives:

- Organize events for our members and their families such as picnics, pot luck dinners and holiday parties

Enjoy the Taste of Lexmark!



On July 14, Lexmark's Diversity Network Groups celebrated diversity through shared cultural experiences by sponsoring and inviting all employees to the Taste of Lexmark. The event featured a sampling of food and entertainment from various countries and was designed to foster inclusion, engage employees and recognize the uniqueness of Lexmark's global work force.

Activities:

Society of Hispanic Professional Engineers – At 15 percent of the U.S. population, Hispanics comprise the largest ethnic minority group in the country. That number is expected to double by the year 2050. But the numbers aren't 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.

One of Lexmark's PS&SD hardware engineers, a materials-development manager, co-founded the Kentucky Bluegrass chapter of the Society of Hispanic Professional Engineers (KYBG-SHPE).

They were motivated by SHPE's efforts to inspire middle and high school students to stay in school and pursue higher education in science, technology, engineering and math (STEM). That goal is also a passion of Lexmark's Hispanic Diversity Network Group.

The chapter meets monthly and performs a number of community outreach activities, including visiting high schools to talk about STEM careers, mentoring students and participating in college fairs. For example, in 2010 a group of Hispanic high school students visited Lexmark for a tour and career discussion. The SHPE members also focus on their own professional development.

Technical Rotation Leadership Program – HGNG members support Hispanic students in the Technical Rotation Program. The Rotational Program is a leadership program for entry level Bachelors and Masters Level graduates. The program allows Lexmark to develop young and innovative talent from all backgrounds.



LEXNEW

Mission Statement:



To provide a social environment for new employees to help facilitate their adjustment to a new city and to assist in making new acquaintances thus increasing the probability of staying with Lexmark.

NETWORK ALLIANCE OF BLACK LEXMARK EMPLOYEES (N-ABLE)

Mission Statement:

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.



Network Alliance of Black Lexmark Employees

Objectives:

To aid the N-ABLE community in areas of career development, leadership, and Lexmark internal initiatives.

- To assist in improving the retention/recruiting efforts within the N-ABLE community and Lexmark Corporation.

Activities:

Lexmark is a corporate sponsor of Lexington's Roots & Heritage Festival which began in 1989 and is recognized as one of Kentucky's top-10 fall festivals by the Kentucky Tourism Council. The opening weekend features an African marketplace, multiple stages for entertainment and vendors lining the streets with cultural art, jewelry, clothing and more. In addition, a parade is held on Saturday with members of the Company's Network Alliance of Black Lexmark Employees participating.

Martin Luther King, Jr. Day – Each January, Lexmark encourages its Lexington employees to use a paid day off on Martin Luther King, Jr. Day to join millions of people across the nation in honoring the memory of Dr. King by participating in local community service projects. Dr. King sought to forge the common ground on which people from all walks of life could join together to improve the quality and equality of life for all individuals.



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

The GEM Program (National Consortium for Graduates Degrees for Minorities in Engineering and Science) –

The National GEM Consortium Program is an annual program that promotes the growth and support of minority graduate students in engineering and science fields. Lexmark is an active participant in the GEM Program and currently hosts 13 students per summer, making it the third largest sponsor of GEM students nationwide.

WOMEN@WORK (W@W)**Mission Statement:**

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 which fully leverages the value that women can bring to Lexmark.

**Activities:**

Girls Go Tech – Lexmark supports Girls Go Tech, a Girl Scouts violence prevention program focused on encouraging disadvantaged girls to become interested in math, science and technology. More than 250 girls have benefited from this program. Student participation allows them to achieve their science badge.

Women Leading Kentucky – Lexmark was a platinum sponsor of the Women Leading Kentucky Women's Business and Leadership Conference in Lexington, Kentucky. Women Leading Kentucky is a coalition of men and women committed to creating business and leadership opportunities for women.

Women in Engineering Career Day – Fayette County Public Schools and Lexmark hosted nearly 100 high school girls and Women in Engineering Career Day. 30 Lexmark engineers showcased their talents and educated the youth about careers in their field during National Engineers Week. Lexmark also works closely with the local chapter of Society for Women Engineers (SWE) and has significant representation among its employees.

No Child Left Offline – In partnership with ConnectKentucky, Lexmark continues to support this innovative project to help all Kentucky households join the Information Age. Students in Eastern Kentucky counties who did not have computer hardware in their homes received a refurbished state government computer, Lexmark printer and one year of free Internet access.

Global Reporting Initiative (GRI) Index and United Nations Global Compact (UNGC)

