

# The Way We Manage Resources

From aggressive conservation efforts to global recycling programs, we continue to take steps to protect the environment. Some of the ways in which we manage resources include:

## Energy conservation

Lexmark endeavors to follow best management practices for the most efficient use of energy sources at our facilities worldwide. Our facilities have management systems in place for the conservation of energy in manufacturing and office buildings. Energy conservation is incorporated into the design, construction, operation and maintenance of processes and facilities.

Corporate energy management efforts include all types of utilities (water, natural gas, oil, compressed air, steam, electricity). At corporate headquarters alone, these efforts result in the conservation of more than 20 million cubic feet of natural gas and 10 million kilowatt hours of electricity annually.

## Waste management

Lexmark is a proud partner in the U.S. Environmental Protection Agency's (EPA) [WasteWise program](#), a voluntary program through which organizations partner with the EPA to eliminate costly municipal solid waste and industrial wastes, increase reuse and recycling of materials, and encourage the buying and manufacturing of products with recycled content.

In 2005, the U.S. EPA, through its WasteWise program, awarded Lexmark International, Inc. a Gold Achievement Award for its significant accomplishments in using recycled materials. Lexmark was also recognized with an Honor-

able Mention in the Large Business category.

As one of the world's largest remanufacturers and recyclers of printer cartridges, Lexmark keeps millions of pounds out of the solid waste stream. Lexmark also contributes to the general market for recycled goods by purchasing recycled-content materials for use in new construction and renovation projects, including walls, flooring, ceiling tiles and carpet. In addition, we encourage wise paper use such as duplexing, recycling and use of recycled-content paper products.

Nearly 5 million pounds (2.3 million kilograms) of paper and cardboard waste and nearly 2 million pounds (1 million kilograms) of scrap metal — that's how much we were able to keep out of the solid waste stream in the past year through waste minimization programs at our corporate headquarters alone.

## Lexmark Equipment Collection Program

As a provider of printing solutions including inkjet, laser and all-in-ones, Lexmark shares in the environmental responsibility for those products at the end-of-life. Lexmark offers customers an environmentally sound choice for disposal of their end-of-life printers — the [Lexmark Equipment Collection Program](#).

Customers can return their end-of-life Lexmark printer to Lexmark by whatever shipping method is most convenient. Through this program, customers may return any end-of-life Lexmark branded products, and Lexmark will recycle the equipment for free.

Lexmark shares in the environmental responsibility for our products at end-of-life and is a proud partner of the U.S. Environmental Protection Agency's (EPA) [Plug-In To eCycling](#) campaign. Through the EPA's Plug-In program, manufacturers and retailers work together to raise public awareness on electronics reuse and recycling and to create more return opportunities for consumers and businesses.

In 2005, Lexmark participated in several community collection events in partnership with the EPA Plug-In To eCycling program. Lexmark's efforts in end-of-life management programs were recognized by the EPA in 2004 and 2005, along with other Plug-In partners, at the International Consumer Electronics Show.

In 2005 alone, Lexmark recycled 4 million pounds of electronics through its ongoing recycling efforts.

In addition to offering equipment collection programs in the United States and many European countries, we continue to develop programs to provide more return, reuse and recycling options for our global customers. Lexmark is also actively optimizing collection and recycling operations to meet the recovery and recycling standards set forth in the [European Union Waste Electrical and Electronic Equipment \(WEEE\) directive](#).

## Lexmark Cartridge Collection Program

### Toner cartridges

Lexmark is an industry leader with regard to recovery, remanufacturing, reuse and recycling of empty toner cartridges. Attaining that leadership position was made possible by our innovative approach for collecting empty cartridges through the [Lexmark Cartridge Collection Program \(LCCP\)](#), which is available in over 50 countries. This program is made possible with the cooperation of our customers, who share in our environmental goals.

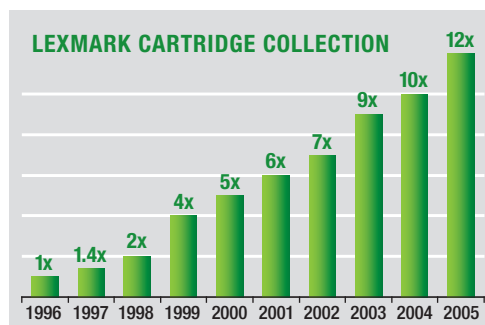
We make it easy for our customers to return used cartridges to us at no charge. In 2005, we were able to make our most significant year-to-year gain on those returns. Millions of Lexmark toner cartridges were returned to us for remanufacturing, reuse or recycling, rather than going into the waste stream.

We have steadily increased the percentage of retrieved cartridges every year we have been in business. With our innovative initiatives and the rapid expansion of our most successful programs across the globe, we hope to increase the number of cartridges collected in 2006.

Lexmark is proud of its environmentally progressive solutions for the Lexmark Cartridge Collection Program. Every cartridge that is returned to Lexmark is either reused or "demanufactured" to be recycled. When possible, Lexmark converts the returned cartridges to Lexmark Certified Reconditioned Cartridges. Cartridges that cannot be reused are processed for material recovery to maximize the percent of material reuse. Greater than 90 percent of the weight of the returned toner cartridges is recycled as raw materials and made into new plastic, aluminum, ferrous metal or paper products.

Lexmark follows a zero landfill practice for all of its cartridges collected through the LCCP. Lexmark controls the collection, sorting and recycling process through global processing centers. Our procedures at these centers allow us to maintain a high level of control throughout the return/sorting/reuse/recycle processes in an effort to achieve environmentally progressive results.

We also provide customers the opportunity to participate in our unique [Lexmark Return Program](#). This voluntary program enables customers to purchase new toner cartridges at a discounted price in exchange for their agreement to return empty cartridges only to Lexmark for remanufacturing, reuse or recycling. The Lexmark Return Program has enabled us to significantly increase the number of cartridges we collect. From 1996 to 2005, the number of cartridges collected for Lexmark remanufacturing or recycling increased by 12 times.



# The Way We Manage Resources

No other manufacturer provides a broader selection of toner cartridge choices. Specifically, we offer our customers multiple toner cartridge choices for most Lexmark printers:

1. Lexmark regular cartridges that can be returned to Lexmark for recycling through the Lexmark Cartridge Collection Program.
2. Lexmark Return Program cartridges that provide customers with an up-front discount in exchange for their agreement to return the cartridge only to Lexmark (at our expense) for remanufacturing or recycling.
3. High-quality Lexmark Certified Reconditioned Cartridges.

We've also designed high-yield laser print cartridges that produce twice as many prints as typical industry cartridges. By offering different yield points, Lexmark gives its customers the flexibility to match their business needs while also helping the environment. In 2005, with the use of high-yield and extra high-yield cartridges, our customers were able to print the same number of pages with 50 percent fewer cartridges.

## Inkjet cartridges

Inkjet cartridges are a part of [Lexmark's Cartridge Collection Program](#) and can also be

returned to Lexmark for recycling. The program is designed with the customer in mind, recognizing the diversity of our customers and their needs.

For example, in the [U.S.](#) and Europe, an easy online service is available to customers to return their used cartridges.

In Australia, we've teamed up with [Planet Ark](#) to locate collection boxes in office buildings, stores and postal offices. Cartridges are recycled by Close the Loop to ensure 100 percent of the materials are recycled into other uses. [Close the Loop](#) also provides recycling for cartridges collected in other countries throughout Lexmark's Asia Pacific region, such as Malaysia and Thailand, where donations are made to charitable organizations and local schools to incent customers to return their used cartridges.

In Latin America, our successful relationship with the Cinemark cinema chain encourages customers — with the incentive of free movie passes — to bring empty inkjet cartridges to collection centers at the theaters. And in South Africa, we've kept cartridges out of landfills and made consequent donations to orphanages through the Cartridge Recycling Initiative for Babies (CRIB).



[www.lexmark.com](http://www.lexmark.com)

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