

Fighting Against Forced and Child Labour in Supply Chains Statement

This report was issued pursuant to Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act and cover the activities undertaken from January 1, 2023 to December 31, 2023.

Our structure, activities and supply chain

Lexmark Canada Inc. is a corporation headquartered in Ontario, incorporated pursuant to the Ontario Business Corporation Act, which doesn't own or control any entity. Lexmark Canada has sales offices in Alberta and Québec.

Lexmark Canada is part of the Lexmark group, which is a global provider of printing and imaging products, software and solutions for customers in more than 170 countries across manufacturing, retail, financial services, healthcare, education, government and other sectors. Lexmark creates cloud-enabled [imaging](#) and [IoT](#) technologies that help customers worldwide quickly realize business outcomes.

Responsibility

At Lexmark, we work closely with our suppliers to ensure our products and services positively impact people, communities, and the environment. We choose suppliers who share our vision of corporate citizenship and agree to conform to our expectations and standards. We monitor the performance and compliance of our suppliers by regularly analyzing their social, environmental, and economic data.

Lexmark has been a member of the Responsible Business Alliance (RBA) since 2009. Our commitment to sustainability is recognized by prominent supporters of sustainable manufacturing. Our endeavors most recently resulted in an EcoVadis Platinum medal in 2022, 2023 and 2024, the highest level of this extra financial assessment. Lexmark is in the top 1% of all companies assessed and a clear leader in our sector. Since 2014, EcoVadis has continued to consistently rate Lexmark in high regard.

Locations

Lexmark sourcing teams are encouraged to select suppliers that are near the location where their products will be used—such as near a manufacturing location—when possible. The use of locally based suppliers is both environmentally and financially preferable, resulting in positive local impacts.

Lexmark supplies are strategically produced in local economies near our customers. For example, we produce supplies in Poland to meet

the needs of our customers in Europe. Lexmark sources hardware and supplies for Asia Pacific from China, and our manufacturing plant in Mexico produces hardware and supplies for Latin America and North America. Manufacturing products regionally near our distribution centers not only allows our customers to receive needed supplies and hardware faster, but it also provides an opportunity for our customers to recycle their end-of-life hardware and supplies closer to home. The map below shows where our critical suppliers are located.



Policies and due diligence processes

Accountability

To better understand corporate social responsibility (CSR) risks in the supply chain, Lexmark analyzes the spending behavior of our supply chain, evaluating basic information (total number of suppliers, geographic spread, and so on), as well as social and environmental aspects such as supplier diversity and environmental factors. These assessments are conducted with data-collection tools specializing in supply chain analyses.

Compliance

We manage the social, environmental, and ethical responsibility risks in part through the [Responsible Business Alliance \(RBA\) Code of Conduct](#) and the [Lexmark Supplier Code of Conduct](#). These codes prescribe best practices related to environmental performance in operations, human rights (forced or child labour, freedom of association, and International Labour Organization (ILO) conventions), working conditions (working hours, layoff practices, and remuneration), occupational health and safety, and business ethics (corruption and anticompetitive practices). We conduct self-audits and site audits in conformance with the RBA Code of Conduct, laws, and regulations to improve business practices and assist companies in identifying risks and driving improvements.

Supplier Assessment

We request information from our suppliers to determine their policies and principles that protect the environment and promote social responsibility. We encourage suppliers to demonstrate continual improvement by completing the RBA Self-Assessment Questionnaire (SAQ) or Lexmark Supplier Sustainability Questionnaire.

The Lexmark Supplier Sustainability Questionnaire provides us greater understanding and transparency of the CSR initiatives of the key suppliers of goods and services that support our operations. The questionnaire input creates ongoing discussions between our suppliers and us so that we can document our progress on environmental and social initiatives, and it helps us explore how we can improve as responsible corporate citizens.

We annually request our major suppliers to answer the RBA questionnaire, which asks if they have formalized corporate social responsibility (CSR) policies that complies with current legislative requirements. In addition, we require our subcontractors by contract to abide by the Lexmark Supplier Code of Conduct or a similar code. The code defines our expectations for suppliers regarding ethical behavior, sustainable environmental practices, and protection of all workers' health, safety, dignity, and fundamental rights. It is essential that our suppliers comply with all applicable national laws and regulations and meet the requirements in the code, and we check whether they have been convicted or had a notice served upon them for infringement of environmental legislation. We also encourage our suppliers to document a health and safety plan using a recognized management system, such as OHSAS 18001 / ISO 45001 or ILO Guidelines in Occupational Safety and Health.

Also, regarding potential new suppliers, Lexmark conducts assessments during the supplier selection, which includes CSR, environmental and health and safety modules.

We also monitor potential risks with companies that have been connected in media or academic reports with labour transfer or Xinjiang Aid programs in Xinjiang Uyghur Autonomous Region of China.

RBA VAP (Validated Assessment Program)

A majority of Lexmark hardware final assembly suppliers have performed the RBA VAP Audit and achieved RBA Silver Recognition. We are expanding to modules suppliers for the RBA VAP Audit.

Conflict Minerals

We are committed to responsible global sourcing of the minerals in our products. As a member of the RBA, we perform due diligence to reasonably assure that conflict minerals (tantalum, tin, tungsten, and

gold) and cobalt in the products we manufacture do not directly or indirectly finance or benefit armed groups that are perpetrators of human rights abuses in the Democratic Republic of the Congo or an adjoining country. We are also a member of the [Responsible Minerals Initiative \(RMI\)](#). RMI's tools provide us guidance in responsible mineral sourcing in our supply chain.

As part of our responsible sourcing efforts, we conduct a country-of-origin inquiry to determine whether a conflict mineral originated in the Democratic Republic of the Congo or an adjoining country. We, as well as our subcontractors and suppliers, disclose our reasonable country-of-origin inquiry of tin, tungsten, tantalum, gold, and cobalt used in the manufacture of our products. We also require a due diligence declaration identifying the list of smelters used within a supplier's supply chain. Suppliers must submit this information along with their due diligence process. Suppliers must report the results using the RBA template or Lexmark-approved similar template.

Lexmark Ethics Line

Lexmark has a grievance mechanism available to Lexmark employees, partners and stakeholders to report concerns or issues they believe may violate the Lexmark Code of Business Conduct or the Lexmark Supplier Code of Conduct (for example, human rights, health and safety, environment, ethics, conflict minerals). Concerns or issues may be reported, without fear of retaliation, through the [Lexmark Ethics Line](#).

Human Rights Policy and Code of Conduct

Lexmark's commitment to human rights is outlined in our [Global Human Rights Policy](#) and in the [Lexmark Code of Business Conduct](#), which is available in 15 different languages. These policies address non-discrimination, workplace safety, child labour, forced labour and human trafficking, working hours and minimum wages, and freedom of association and collective bargaining. We are committed to providing a work environment free from harassment or discrimination based on race, color, sexual orientation, gender identity, national origin, age, disability, veteran status, or for any other unlawful violation. This policy is driven by our respect for the dignity of the individual and our commitment to treating all persons equitably.

We uphold the human rights of our employees and treat them with respect as understood by the international community. We closely monitor our operations to ensure that our company complies with international regulations. We have never been cited for any human rights violations, including the rights of indigenous employees or communities near existing operations that are likely to be affected by planned or proposed future operations.

Human Trafficking and Slavery Policy

We have implemented the following practices to prevent human trafficking and slavery. Our practices and procedures uphold the human rights and labour policies and principles in our supply chain.

- **Standards:** We uphold and respect international human rights standards that promote workers' rights, fair-employment opportunities, and open channels of communication.
- **Verification:** We inspect compliance through supplier assessments, operation reviews, risk management, and third-party audit systems.
- **Audit:** We monitor and audit our facilities and select partners' facilities by questioning them about labour and human rights policies and procedures to ensure that forced, bonded, trafficked, slave, or involuntary prison labour is not being used.
- **Training:** We provide training on the RBA Code of Conduct to employees in procurement who have direct responsibility for supply chain management.
- **Accountability:** Our suppliers are required by contract to operate in full compliance with laws and regulations, including those regarding human trafficking and slavery in countries of operation or where products are distributed.

For more details, read our [Human Trafficking and Slavery Statement](#).

Risks and actions taken to assess and manage risks

Lexmark considers that risks of forced and child labour might be present in the supply chain, depending on the supply chain tier, component, service type and geographic location. For example, suppliers from deeper tiers, with whom we do not have direct relationship and lack insight, those involved with 3TG raw material (tantalum, tin, tungsten, and gold), and the ones located in China and Southeast Asia, regions that are generally considered to carry higher risks of forced and child labour.

Regarding our activities, our periodic reviews have never found any of our operations to have significant risk for incidents of forced or compulsory labour, child labour, or young workers exposed to hazardous work. 100% of Lexmark operations have undergone human rights review or human rights impact assessments in accordance with Lexmark's adherence to the Responsible Business Alliance (RBA) Code of Conduct and Lexmark's Code of Business Conduct.

[Lexmark is committed to upholding human rights](#) in all our operations and strives to ensure the fair and equitable treatment of all workers in our supply chain. Fighting against forced and child labour is one of our top priorities and we believe that preventing human rights abuses is a continuous improvement process. Our efforts and due diligence processes, addressed in this report, are constantly strengthened and

reassessed to incorporate better practices related to sustainability.

Remediation measures

The results of our due diligence processes did not identify occurrences of forced and child labour in our supply chains or operations during the reporting period. As a result, no remediation measures were taken regarding forced or child labour and the loss of income to the most vulnerable families.

Training

Lexmark provides Code of Business Conduct training to all employees and training on the RBA Code of Conduct to employees in procurement who have direct responsibility for supply chain management. This Code establishes standards related to the protection of human rights of workers and labour practices in the electronics industry supply chain.

Assessing effectiveness

Over the years, we have continuously improved our processes on identifying and mitigating the risks of forced and child labour in our supply chain. We regularly review our current supply chain due diligence processes to meet the latest government requirements. We also consider inputs from customers and suppliers, as well as the industry standards. Our assessment process allows Lexmark to gain a better and deeper understanding of the potential risk and improvement opportunities.

As a result of our annual reviews, we have taken significant actions to increase supply chain transparency, based on some of the following major improvements:

- We continued to expand the scope of the RBA SAQ, the RBA VAP audit, Conflict Minerals due diligence etc. to deeper tier suppliers.
- Apart from the above surveys, Lexmark took additional measures to better understand suppliers' risks through the annual Lexmark Supplier Sustainability Questionnaire.
- We started monitoring potential risks with companies that have been connected in media or academic reports with labour transfer or Xinjiang Aid programs in Xinjiang Uyghur Autonomous Region of China.

Through implementing our supply chain due diligence activities and continuously improving our processes, we believe our current mechanisms help to ensure, to the best of our knowledge, that forced labour and child labour are not being used in our supply chains.

Administratively, we utilize our HRIS/payroll systems and human resource information to ensure that all employees are properly accounted for and fairly compensated. We promote a regular review

of our policies and procedures, track important indicators, such as measuring completed/outstanding trainings, and therefore the corresponding increase of employees' awareness of risks, as well as monitor Lexmark's grievance mechanisms (our Ethics Line) use and issue resolution.

Approval

This report was approved by the governing body of Lexmark Canada Inc. In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year ending December 31st, 2023.



Todd Greenwood

Managing Director, Lexmark Canada

I have the authority to bind Lexmark Canada Inc.

Date: May 23, 2024