STOCK CODE 992

2021/22 Environmental, Social and Governance Report

Lenovo Group Limited

Smarter technology for all

Lenovo

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1.0 Executive Letters

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A Message from our Chairman and Chief Executive Officer

During the last several years, the world has witnessed history quickly unfold as we live through significant complexity and uncertainty. Many of the persistent challenges that humanity has faced during this period require continued attention, including combating climate change, preserving natural resources, fighting COVID-19, and narrowing the digital divide. We are all learning to live with the new reality created by these challenges that continue to cause broader concerns about peace and prosperity for all.

This rapidly changing context urges the global business community to respond with smarter innovation and more responsible operations, seizing every opportunity to act with a larger purpose in mind. Business practices need to comply with laws and regulations as well as high ethical standards and moral imperatives. Lenovo is committed to our vision to provide smarter technology for all and helping to decarbonize the global economy – one of humanity's greatest challenges. With that, I am proud to share our environmental, social and governance progress over the past year and our goals for the future.

Envisioning Net-Zero by 2050

Lenovo is fully committed to carbon footprint reduction in its operations. After exceeding our 2020 carbon emissions reduction target, we have set a vision of achieving net-zero by 2050, and we are working with the Science Based Targets initiative to determine the goals that support this vision.

From an innovation perspective, our Neptune liquid cooling technology, combined with our High-Performance Computing cluster, helps data center customers become more energy efficient. For example, they enable our customer, DreamWorks Animation, to cut power consumption by a third while increasing the amount of computing power per square foot of its existing data center by more than a hundredfold, which creates a real-time rendering process for creative artists.

Lenovo has continued its focus on resource preservation and supporting a circular economy by increasing the use of recycled and recyclable materials in packaging, increasing the use of bio-based materials, reducing the size of packaging, and expanding the use of bulk and reusable packaging solutions that help to reduce carbon emissions. Since 2012, we have been using bamboo fiber in packaging, a renewable, bio-based and lightweight material. We have continued to increase our use of this material, and are now using it in the packaging for more than one million products each year. In FY 2021/22, we expanded our use of bamboo fiber to include the ThinkPad X1 and Z series gift boxes, thus reducing the transportation weight by 30 percent.

We have continued to expand Lenovo's renewable energy installation as we work to achieve our energy-related targets. The total in-operation renewable energy capacity in our worldwide locations has now reached approximately 17 megawatts, with more in the plan.

Furthermore, our efforts to effectively engage with suppliers on climate change were acknowledged when we achieved a CDP score of "A" for our 2021 Supplier Engagement Rating in Climate Change, and we were also listed on the Supplier Engagement Rating Leader Board along with a total of 518 companies.

Lenovo understands that building resiliency and mitigating the effects of climate change are efforts that require collaboration and innovation across businesses and industries. We've established the Lenovo 360 ESG circle with select channel partners to share joint commitments. We also offer a series of sustainable services, such as asset recovery services for products approaching the end of their lifecycle, including data removal, machine refurbishment, and sustainable material reuse. These efforts can help our customers achieve sustainability targets while enabling corporate citizenship as a business driver.

Building an Equitable and Inclusive Society

We believe technology connects people, enables productivity, and creates possibilities. Therefore, it must be inclusive and accessible to all, especially those most in need of it. Last year, we continued to respond to waves of the COVID-19 outbreaks globally. For example, Lenovo's charitable arm, the Lenovo Foundation, partnered with nonprofits and disaster relief organizations to help fund and establish the first mobile hospital unit in Bengaluru, India to help battle the pandemic.

In 2021, the Company launched its fifth annual Global Month of Service with participation from employees across 66 countries who collectively contributed over 10,000 volunteer hours to serve their communities. This annual event provided a great opportunity for employees to work closely with local schools and education centers and make a difference in many lives. The Company's goal is to impact 15 million people by 2025 through our social partnerships and programs.

A key focus for us is supporting science, technology, engineering, and math (STEM) education to drive positive change. Last year, I made a personal donation of RMB100 million (US$15 million) to help my alma mater, Shanghai Jiao Tong University, build a new facility with a cutting-edge High-Performance Computing (HPC) Center that will improve its computing capabilities and facilitate research and innovation. Over the next three years, Lenovo will sponsor the equivalent of RMB 200 million (US$30 million) to Shanghai Jiao Tong University to support its three-year mission to drive leading scientific research, nurture new talent, and incubate new technologies.

To build a more diverse, equitable and inclusive society, I believe we need to start with our workplace. After achieving our three-year target of female executive representation in 2020, we've set the target to increase global female executive representation to 27 percent and executives from historically underrepresented ethnic and racial groups in the U.S. to 35 percent by FY 2025/26.

I'm pleased to announce a step forward in Lenovo's advocacy for women as we commit to the United Nation's Women's Empowerment Principles to further promote gender equality in our organization, marketplace and communities. This platform for change guides companies to commit to gender equality by investing in and supporting women's leadership and decision-making and supports the gender equality dimensions of the 2030 agenda and the United Nations Sustainable Development Goals.

A similar commitment also applies to serving more than one billion individuals around the world who live with disabilities. Lenovo's Product Diversity Office works with inclusive design experts and will review 75 percent of Lenovo products by 2025 to ensure they work for everyone, regardless of physical attributes or abilities.

Our efforts have earned us external recognition. We've won 24 best employer and best workplace awards around the world, including recognitions for gender equality, disability inclusion, and LGBTQ+ Equality.

Operating with Integrity, Ethics and Compliance

Lenovo has made it a priority to comply with laws and regulations and uphold high ethical standards everywhere we do business. Lenovo fully supports the call for the global tech sector to do business fairly, ethically, and transparently. We take security seriously, from product and data security, and from cybersecurity to information privacy. We believe that only with accountability and transparency will we continue to win trust from our customers and stakeholders globally.

Our ESG efforts have received the highest-ever rating and the best overall industry score for the IT industry from the 2021 Hang Seng Corporate Sustainability Index, reaching an AA+ rating for the first time. Lenovo has been included in the ranking since 2010, with each consecutive year marking the company's ongoing commitment and progress in ESG.

In summary, FY 2021/22 marks another year of Lenovo's significant progress and strong external recognition of its environmental, social and governance efforts. Some additional highlights include:

- For the third consecutive year, Lenovo was included in Corporate Knights 2022 Global 100 as one of the 100 most sustainable companies in the world.
- Lenovo was included in the highly regarded 2022 Bloomberg Gender-Equality Index.
- Lenovo was selected into the 2022 Gartner Supply Chain Top 25.
- Lenovo was listed among *Fortune magazine*'s World's Most Admired Companies, ranking fifth in the broad computing industry.

I'm proud of Lenovo's ESG team, comprised of subject matter experts who continue to challenge us with higher goals and drive the company to achieve them. I am confident that despite all uncertainties around the world, Lenovo remains committed to building a smarter, brighter and more sustainable future for all.

Yang Yuanqing
Chairman and Chief Executive Officer
Lenovo Group Limited

A Message from our Chief Corporate Responsibility Officer

I've witnessed many corporations respond to the unprecedented challenges of the past several years with an accelerated focus on environmental, social, and governance (ESG) practices. And like many other organizations, we remain steadfast on our ESG journey as we learn to navigate the world and events that challenge even the strongest organizations.

During FY 2021/22, Lenovo remained focused on developing innovative solutions that reshaped the way we conduct business around the world and helped to preserve the ecosystems on which our future depends. Despite disruptions, we are transforming risks into opportunities that can support our long-term growth. Even more, we are taking steps to promote a culture from the top-down to ensure ESG considerations are integrated with the business decision-making process.

Starting with a Vision

Having a clear and compelling vision helps define a company's role in society and guides how it operates, supports issues, and engages with all stakeholders. Vision must be backed by meaningful actions and tangible goals. For Lenovo, our vision to provide smarter technology for all is engrained into all aspects of our business and drives our overall ESG efforts. By centering our company around our vision and aligning our commitments to it, we are reminded to continue working to build a brighter, more sustainable future for our stakeholders and the planet.

Leading with Credibility

The disruptive toll on our planet is nearing a point of no return and there has never been greater urgency to address climate change. This heightened public concern has provoked many commitments from companies and institutions. Lenovo acknowledges the complexity of a global transition to a low-carbon economy and the amount of collaboration and innovation required. Lenovo supported the development of a standard aligned with the latest climate science and was selected to road test the Science Based Targets initiative (SBTi) Net-Zero Standard before it was launched in October 2021. We also performed an initial financial and feasibility study to size the next steps to support a path to net-zero by 2050.

In March 2022, we signed the SBTi Commitment Letter pledging to set net-zero targets, including a long-term science-based target by aligning with 1.5°C and net-zero through the Business Ambition for 1.5°C campaign. To further support SBTI's call for corporate action, we also joined the United Nations Framework Convention on Climate Change (UNFCCC) Race to Zero campaign, a broad coalition of organizations committing to set science-based targets to help build a prosperous, net-zero carbon economy by 2050.

Global operation comes with a global responsibility

Businesses of all sizes have the opportunity to build ESG commitments into day-to-day operations. However, those with a global footprint have an even greater obligation to use their size and scale as a force for good and influence those within their supply chains across markets. As a global company, we recognize our fundamental responsibilities in the areas

of ESG in the markets where we operate as we strive to integrate related values and principles wherever we conduct business. Lenovo's Code of Conduct mandates compliance with applicable laws in markets where we conduct business, and our policies strongly support ethical and responsible business practices.

Putting Accountability at the Forefront

Developing ESG goals and initiatives that support a resilient way forward can simultaneously create long-term value for stakeholders. An effective way to achieve progress is through a collective dedication to holding ourselves – and each other – accountable. At Lenovo, we establish internal accountability through the ESG Executive Oversight Committee (EOC), which provides strategic direction and facilitates the coordination of ESG efforts across Lenovo. The ESG EOC is comprised of senior management from across the business and functional areas and is chartered to promote a culture that encourages strong ESG performance, including compliance and leadership activities.

Demonstrating Measured Progress in ESG

Throughout this ESG Report, we share the progress we've made as well as outline our goals that support our long-term vision. We are proud of what we have accomplished together, despite the many challenges. Once again, we have proven to be a united, dependable organization that rises to the challenge and conquers difficulty. In FY 2021/2022, our ESG activities reached important milestones, and some received external recognitions, including:

- Lenovo was included in the 2021 CDP A list for water and received an A- for climate. CDP (formerly known as the Carbon Disclosure Project) assesses companies on the comprehensiveness of climate and water disclosures, awareness and management of environmental risks, and demonstration of best practices associated with environmental leadership, such as setting ambitious and meaningful targets.
- September 2021 marked Lenovo's fifth annual Love on Global Month of Service, inviting employees in 66 countries around the world to make a positive social impact in their communities. Projects were aligned with Lenovo Foundation's mission to empower underrepresented populations with access to science, technology, engineering, and math (STEM) education. Despite the ongoing COVID-19 pandemic, the employee volunteer event grew by participating offices (+52%), number of volunteers (+17%), and number of beneficiaries (+9%) since 2020.
- For the fifth consecutive year, Lenovo was included in the Human Rights Campaign (HRC) Foundation's 2022 Corporate Equality Index, and received a score of 100 with the distinction of "Best Place to Work for LGBTQ+ Equality". The Index is the premier benchmarking survey on corporate policies and practices for LGBTQ workplace equality in the United States.
- For the ninth consecutive year, Lenovo received a Gold Award of "Most Sustainable Companies" from The Hong Kong Institute of Certified Public Accountants (HKICPA)'s 2021 Best Corporate Governance and ESG Awards.

As we look ahead, we will continue to leverage our strengths as we seek opportunities that improve our ESG performance and support our growth. Our genuine endeavors aim to be more than good intentions. Guided by our higher purpose, we will continue our ESG focus and demonstrate resilience by remaining steadfast on the long-term, listening to our stakeholders' needs, and supporting our vision to provide smarter technology for all.

John Cerretani
Vice President, Deputy General Counsel and Chief Corporate Responsibility Officer
Lenovo Group Limited

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2.0 About this Report

ABOUT THIS REPORT

This is the Company's 16th annual Environmental, Social, and Governance (ESG) Report. It covers the Fiscal Year (FY) 2021/22 (April 1, 2021 – March 31, 2022). This report is considered a companion document to the Company's FY 2021/22 Annual Report. The annual ESG update can be found in the Management's discussion & analysis, on pages 35-42 of the Annual Report.

Report Content

The content of this report is guided by the ESG Reporting Guide of The Stock Exchange of Hong Kong Limited (the Hong Kong Stock Exchange), the Global Reporting Initiative (GRI) Standards, and the needs of the Company's stakeholders. This report has been prepared in accordance with the GRI Standards: Core option, and the ESG Reporting Guide of the Hong Kong Stock Exchange. The GRI Content Index and the Hong Kong Stock Exchange's ESG Reporting Guide Content Index are included in the Appendix of this report. The Company has complied with all the mandatory disclosure requirements and "comply or explain" provisions as set out in the ESG Reporting Guide of the Hong Kong Stock Exchange.

External Assurance

Accredited third parties have provided verification services for certain energy, greenhouse gas (GHG) emissions, waste, and water data in this report. Please see the Environmental disclosures for more details.

Basis of Calculations

All financial data is denoted in U.S. dollars. The Company may in some instances face various challenges when measuring its performance. If there are contingencies associated with the data provided, those contingencies will be noted in the documentation.

Contact Information:

For questions or other information about this report, please contact:

Ms. Marisol Berrios-Silletti, ESG Reporting Manager, 8001 Development Drive Morrisville, N.C. 27560, email: environment@lenovo.com.

Lenovo's operation center in Beijing, China.

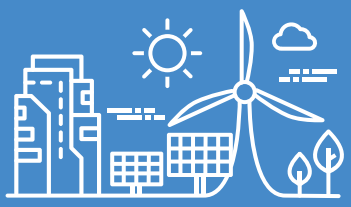
MATERIAL TOPICS

The Company recognizes the importance of a variety of informed perspectives as it develops and drives its ESG programs. Through ongoing engagement with stakeholders, it identifies ESG-related material topics through a process that includes a range of inputs which align with the Company's significant environmental, social and governance impacts; or that substantively influence the decisions of stakeholders. The sources of input include, but are not limited to customer surveys, benchmarking industry trends, ESG reporting frameworks, investor outreach, the requirements under the Rules governing the listing of securities on the Hong Kong Stock Exchange, regulatory agencies, non-governmental organizations, and various internal and external stakeholders.

After the ESG-related material topics have been identified, the Company prioritizes the issues by degree of importance to stakeholder decisions and the impact on its business. This prioritization exercise is carried out using the stakeholder inclusiveness and the materiality principles. The information derived from this process informs the Company's ESG goals, targets, disclosure practices and ongoing engagement with its stakeholders. The material topics identified for the FY 2021/22 reporting year are detailed in the chart below.

The ESG Executive Oversight Committee (EOC) reviews and approves the materiality assessment process and ensures there is alignment with the Company's policies, business strategy, and risk priorities. Details regarding the Company's ESG Governance and the role of the ESG EOC are included in the Governance section of this report.

Environmental

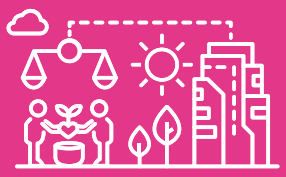


- GHG emissions/energy use
- Transportation and distribution
- Supply chain - environmental
- Product energy use/ carbon footprint
- Product materials
- Product packaging
- Product end-of-life
- Waste from operations
- Water use from operations

Social

- Human rights
- Health and safety
- Diversity and inclusion
- Labor practices
- Philanthropy/ community engagement

Governance



- Ethics and integrity
- Cyber security and data privacy
- Regulatory/compliance
- Product quality
- Innovation

Stakeholder Engagement

The Company actively manages its relationships with customers, employees, suppliers, investors, regulators, members of the communities in which it operates, and other stakeholders who may be impacted by the organization's ESG performance and whose actions can affect the organization's value. Direct and indirect stakeholder engagement is conducted through regular business practices or through interactions that target key stakeholders.

	Stakeholder Representative(s)	Communication methods and channels	FY 2021/22 Communication activities
Investors	Investor relations, Analysts, Shareholders, Financial institutions, Hong Kong Exchanges and Clearing Limited	Annual report, Annual General Meeting (AGM), website, webcasts	Quarterly and annual financial results, climate change, Diversity, Equity and Inclusion (DEI), corporate governance, ESG initiatives, goals and targets
Employees	Employees	Internal emails, surveys, internal website, Employee Resource Groups	Satisfaction surveys, training & development, DEI, corporate governance, climate change, health & safety, community engagement
Customers	Sales, Technical support	Customer Focus Groups, surveys, website, social media	Product environmental qualities, product end of life (PELM), repairability, data privacy, product quality, climate change
Supply Chain	Suppliers, Global supply chain team	Surveys and audits, Responsible Business Alliance (RBA), Global supply chain team, website	Environmental performance, human rights, labor practices, distribution, health & safety, DEI, climate change
Communities	NGOs, Charities, Education, Civic, Community partnerships, Regulators/legislators	Community service events, surveys, emails, service campaigns, website	Access to technology, STEM education, employee engagement, natural disasters
Advocacy Groups	National/local alliances, Working groups, Commerce, Environmental advocacy groups	Newsletters, webinars	Water, climate change, biodiversity, waste, product end of life, community engagement philanthropy, DEI
Board of Directors	Company Secretary, ESG Executive Oversight Committee Lenovo Executive Committee	Board meetings, AGM, internal newsletters, emails	Corporate governance, oversight of ESG initiatives, climate change, goals and targets, regulations
Regulators/ Legislators	Local government, Patent board, Legal team	Global compliance platform, news platform, webinars	Regulatory and compliance, data and security, labor practices
Industry Associations	National/local industry associations, Certification/conformance groups, Industry council, Standards working groups	Newsletters, websites, emails, webinars	Industry standards, chemical restrictions, energy efficiency, product quality, labor practices, supply chain due diligence

Scope of the Disclosures

The contents of this report apply to Lenovo Group Limited (Hong Kong Stock Exchange: 992) (the Company), together with its principal Lenovo-branded and Motorola-branded subsidiaries (the "Covered Entities"), except where noted. For purposes of this report, unless the context otherwise requires, the term "the Company" also refers to the Covered Entities included in the scope of this report. Where certain topics also include other principal subsidiaries, it is noted. The scope of the Covered Entities' material topics and the boundaries within their value chain are detailed in the table on page 127. The table also includes the scope of coverage for the information that extends to subsidiaries directly or indirectly held by the Company and that are identified in the FY 2021/22 Annual Report, pages 266-273. All disclosures and results are for the Company's fiscal year FY 2021/22 unless otherwise noted. The scope of the report was determined using a financial threshold with reference to the contributions of the subsidiaries or operations to the total revenue of the Group. The description of the scope of the report has changed from our previous reports to provide better clarity on the scope of entities covered. This change in description did not result in a change to the coverage of the report, in how the report was prepared, methods or KPIs used, or any relevant factors that impact a meaningful comparison year-to-year.

ORGANIZATIONAL PROFILE

The Company updated its structure this fiscal year (April 2021), creating three main business groups to deliver against the three major areas of the company's 3S strategy:

- IDG (Intelligent Devices Group) – Smart IoT
- ISG (Infrastructure Solutions Group) – Smart Infrastructure
- SSG (Solutions & Services Group) – Smart Verticals & Services

Continuing to drive 3S Strategy and service-led transformation, the Company further aligned its structure to accelerate tech-powered innovation in New IT. The New IT will encourage offering and business model innovation, accelerate tech-driven incubation businesses, and invest in core technology. The Company leaders from across the enterprise defined the unique customer sets for their businesses, refined business models, and accelerated the development of new organizational capabilities and talent.

The Company is incorporated in Hong Kong S.A.R. of China, with key operations centers in Beijing, China, and Morrisville, North Carolina, USA. Please click here for more information.

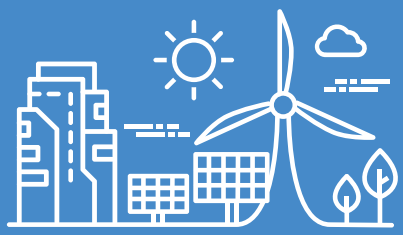
Supporting the U.N. Global Compact

With operations and supply chains that extend around the world, the Company is uniquely positioned to support the global collective impact of business by aligning its practices to a sustainable and inclusive future. Since 2009, the Company has continued its role as a signatory supporter to the United Nations Global Compact (UNGC), a globally recognized platform that provides a blueprint for businesses that want to achieve a more sustainable future for all. As a business participant in the UNGC, the Company strives to demonstrate continuous improvements as it aligns operations and practices with the ten principles of the UNGC. The principles promote a value system that supports the fundamental responsibilities in the areas of human rights, labor, environment, and anti-corruption in the markets where the Company operates.

The Global Compact Network China also recognized the Company as one of Best Comprehensive Practice Enterprises for its outstanding performance in sustainable development and demonstrating best practice through its continuous innovation and efforts in ecological protection and attention to climate change. The Global Compact Network China is a local network partner authorized by the United Nations Global Compact to enlist companies in China to help promote local sustainable development and build a platform for organizations to contribute to the realization of the Sustainable Development Goals.

The Company's ESG initiatives include activities that directly and indirectly support the UNGC Sustainable Development Goals (SDG). This information can be found throughout the environmental, social and governance sections of this report.

Environmental



- Reducing carbon emissions
- Sustainable product design
- Sustainable packaging

Emissions

Energy

Product Packaging and Materials

Waste/Recycling

Water

Social

- Inclusive product design
- Philanthropy & community engagement
- Fostering an inclusive workplace

Community/Philanthropy

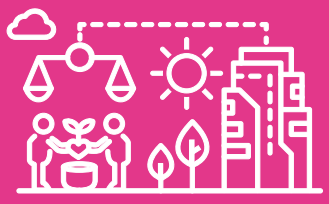
Diversity and Inclusion

Human Rights

Labor Practices

Health and Safety

Governance



- Leading with integrity
- Global company

Ethics/Integrity

Data Privacy and Security

Product Quality

Regulatory/Compliance

Innovation

3.0 Environmental

18 Environmental Management System

18 Climate Change

24 Waste

25 Water

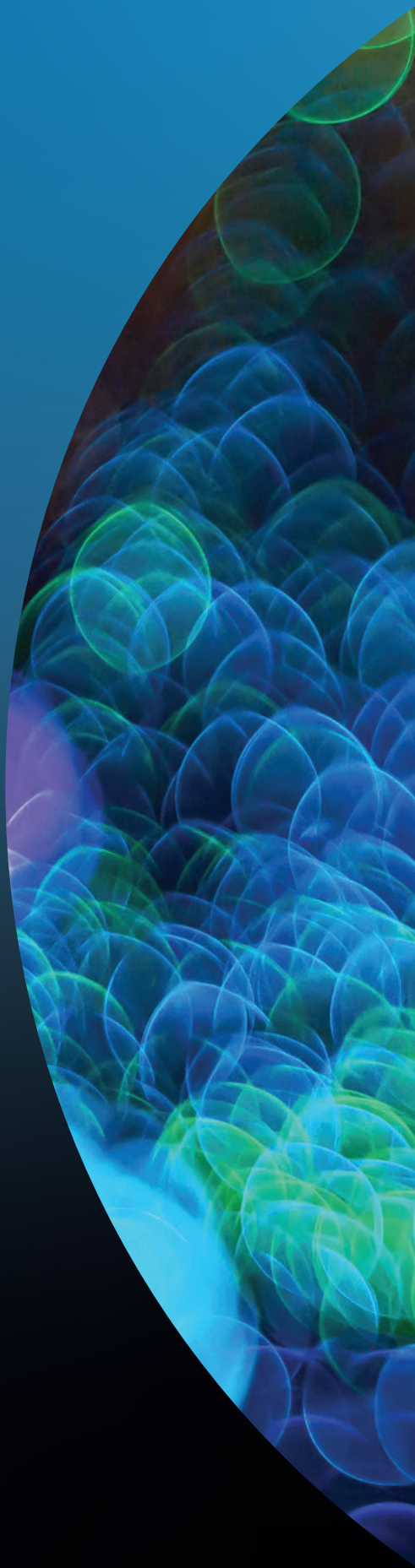
26 Environmentally Conscious Products

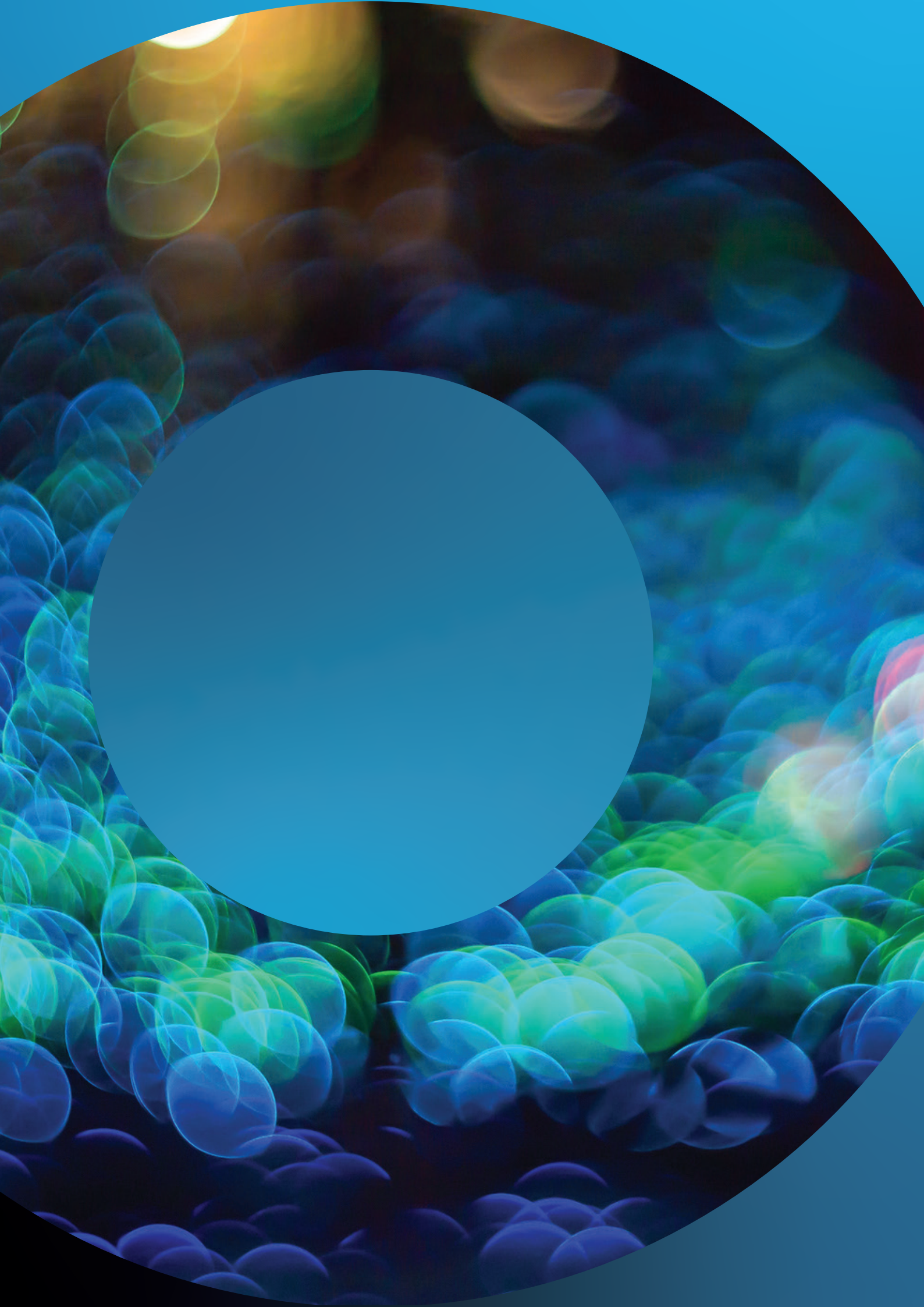
35 Packaging

37 Product End-of-Life Management (PELM)

38 Circular Economy

39 Smarter Manufacturing: Low-Temperature Solder





3.0 Environmental

ENVIRONMENTAL MANAGEMENT SYSTEM

The Company manages the environmental elements of its operations through a global environmental management system (EMS) that covers the Company's worldwide product design, development, and manufacturing operations (including distribution, fulfillment, and internal repair operations) for computer products, data center products, mobile devices, smart devices, and accessories. The scope encompasses these same activities when performed by its subsidiary and/or affiliate companies.

All the Company's sites in the EMS scope are ISO 14001:2015 certified. To view the Company's Global ISO 14001:2015 certificates, click here.

The Company has established, implemented, and maintained an Environmental Affairs Policy which can be viewed here.

Within the framework of the Company's EMS, it annually conducts a Significant Environmental Aspect (SEA) evaluation process where it identifies and evaluates the aspects of its operations that have actual or potential significant impacts on the environment using a methodology that includes input from the Company's ERM process. Metrics and controls are established for these significant environmental aspects. Performance relative to these metrics is tracked and reported. Performance targets are established for select environmental aspects annually, taking into consideration performance relative to the environmental metrics, the Environmental Affairs Policy, regulatory requirements, customer requirements, stakeholder input, environmental and financial impact, and management directives.

During FY 2021/22, the Company's significant environmental aspects included:

- Product materials – including use of recycled plastics and environmentally preferable materials where possible
- Product packaging
- Product energy use
- Product end-of-life management
- Site air emissions, specifically greenhouse gas (GHG) emissions
- Site energy consumption
- Supplier environmental performance
- Product transportation
- Waste management
- Water management

Objective and performance targets were established for the aspects listed above. The Company's performance against these objectives and targets is available in Section 8.0.

The Company's energy, greenhouse gas (GHG) emissions (scope 1 and 2), waste, and water data are externally verified to a reasonable level of assurance. The Company's GHG emissions (scope 3) data is externally verified to a limited level of assurance. Click here to see the FY 2021/22 Verification Statements for GHG, Energy, Waste and Water.

CLIMATE CHANGE

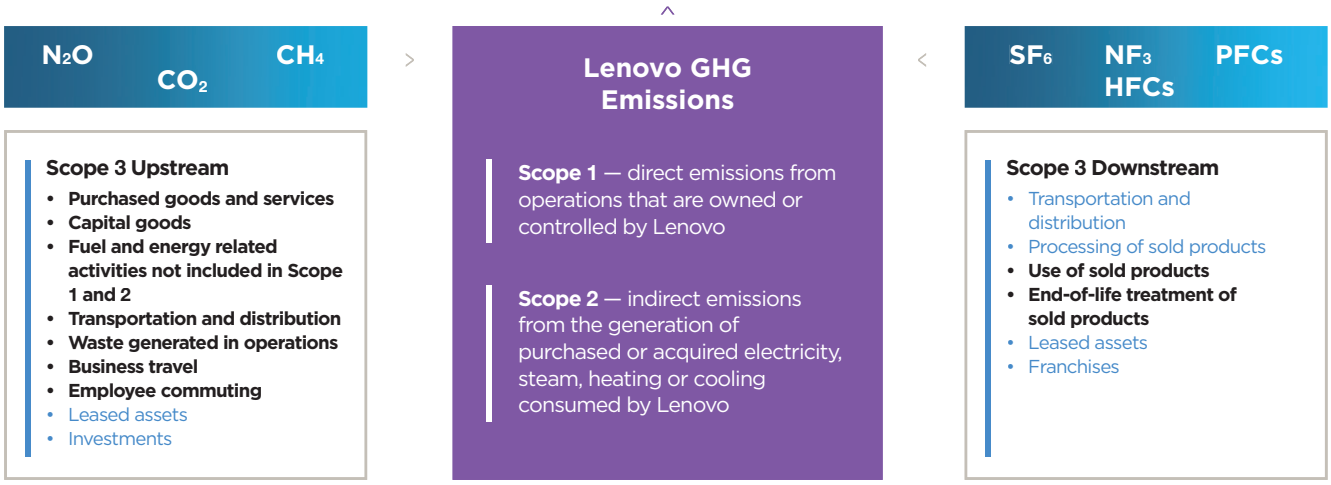
The Company recognizes that human activities are contributing to climate change and concurs with the findings of current climate science as described in the latest assessment report from the Intergovernmental Panel on Climate Change (IPCC). The Company also recognizes that if left unchecked, current trends in climate change present serious economic and societal risks and agrees that specific actions are needed to stabilize atmospheric GHG levels and hold global average temperatures to acceptable increases.

The Company is working both internally and externally to minimize and mitigate climate risks. It is committed to reducing the global carbon footprint of its business activities and has demonstrated its commitment by:

- Implementing a corporate Climate and Energy Policy
- Executing a long-term comprehensive Climate Change Strategy
- Setting corporate-wide objectives and targets which support the above Policy and Strategy

The Company's Chief Corporate Responsibility Officer provides executive leadership for its ESG position, including climate change programs. In addition, the ESG Executive Oversight Committee (EOC), chaired by the Chief Corporate Responsibility Officer, provides strategic direction and facilitates the coordination of ESG efforts across the Company, including proposing recommendations for the effective management of ESG programs. The ESG EOC is comprised of senior management from across the business and functional areas and is chartered to promote a culture that encourages strong ESG performance, including compliance and leadership activities. Regular updates

on ESG issues, including updates on topics discussed by the ESG EOC, are also provided to the Board and its Committees from the Chief Corporate Responsibility Officer. Concentrated discussion on ESG issues, including climate change, assists the Board in making the most appropriate decisions and providing oversight based on the long-term risks and opportunities that impact its stakeholders and the business. At least annually, the Board is briefed on the Company's ESG KPIs including the Company's climate strategy and progress towards its climate change mitigation goals.



Notes: Scope 3 categories in **bold black** are tracked and evaluated and in some cases as described in the following sections actions are being taken to drive emissions reductions.
Scope 3 categories in **blue** are not relevant to the Company.

Science-Based Emissions Reduction Targets

In June 2020, the Company established science-based emissions reduction targets, which were validated by the Science-Based Targets initiative (SBTi). Its scope 1 and 2 emissions reduction targets are consistent with limiting warming to 1.5°C, the most ambitious goal of the Paris Agreement, and its scope 3 emissions reduction targets meet ambitious criteria according to the SBTi's methodology, which means they are in line with current best practices.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

These targets have a base year of FY 2018/19 and a target year of FY 2029/30. The following table details the Company's Science-Based Targets, road maps for their achievement, and progress against the targets in FY 2021/22.

LENOVO EMISSIONS REDUCTION TARGETS	ROAD MAP	PROGRESS AS OF FY 2021/22 BASE YEAR: FY 2018/19	FY 2029/30 TARGET
Reduce absolute Scope 1 + Scope 2 GHG emissions 50%	Hierarchical combination of energy efficiency, on-site renewable energy generation, and renewable energy commodities	-15%	- 50%
Reduce Scope 3 GHG emissions from use of sold products 25% per comparable product (for notebooks, desktops and servers)	Reduce product emissions through energy efficiency improvements of: •Desktops by 50% •Servers by 50% •Notebooks by 30%	-2%	- 25%
Reduce Scope 3 GHG emissions from purchased goods and services 25% per million US$ procurement spend	•Inclusion of climate change requirements in Supplier Code of Conduct •Supplier climate data collected annually from subset of suppliers •Climate change KPIs included in supplier ESG scorecards (evaluation process)	-7%[1]	- 25%
Reduce Scope 3 GHG emissions from upstream transportation and distribution 25% per tonne-km of transported product	•Modal shift to "greener" modes of transport •Optimization of transport planning •Increase of vehicle utilization •Improvement of vehicle fuel efficiency	+4%[1]	- 25%

[1] *The Company is in the process of improving input data for this Scope 3 category. The status reported here is the best available estimate at the time of publication. In the FY 2022/23 ESG Report, overall supporting data and target status will reflect any improved input data.*

The Company has explored the next steps in support of the global transition to a low-carbon economy through its path to net-zero emissions. It has been deliberate about not making a net-zero claim until one could be aligned with a global scientific standard. The Company has supported the development of a standard aligned with the latest climate science and was selected to road test the Science Based Targets initiative (SBTi) Net-Zero Standard before it was launched in October 2021. It has also performed an initial financial and feasibility study to size the next steps to support a path to net-zero by 2050. In March 2022, the Company signed the SBTi Commitment Letter pledging to set net-zero targets, including a long-term science-based target. The Company has responded to the SBTi's urgent call for corporate climate action by committing to align with 1.5°C and net-zero through the Business Ambition for 1.5°C campaign and it became part of the United Nations Framework Convention on Climate Change (UNFCCC) Race to Zero campaign.

BUSINESS AMBITION FOR 1.5°C

RACE TO ZERO

Operational Energy Efficiency

Given that one of the Company's most significant environmental aspects is emissions associated with energy consumption, it has a goal to continually improve the energy efficiency of its operations. In FY 2021/22, the Company's initiatives for energy reduction included the installation of low-energy lighting and related electrical equipment, energy-efficiency improvements to HVAC systems, better insulation, improving computer server room energy efficiency, adjustments to workstations, and employee education.

Renewable Energy

The Company's renewable energy installations include solar hot water facilities in Beijing and solar electric generation plants in Hefei and Wuhan, China, Whitsett and Morrisville, NC, USA, and Üllő, Hungary. At the end of FY 2021/22, the solar capacity of all projects was approximately 17 megawatts (MW).The Company continues to pursue installations in Brazil and Mexico, as well as additional phase II installations in Hungary and two new factories located in China.

Where actual direct energy reductions or use of renewable energy sources are not technically or economically feasible, the Company chooses to purchase Renewable Energy Credits (REC), International Renewable Energy Credits (I-REC), and Guarantees of Origin (GO). In FY 2021/22 the Company purchased renewable commodities that supported 100 percent renewable energy projects in Brazil (solar), China (wind), India (wind), Mexico (wind and solar), Europe (wind, solar, and hydropower), and United States (wind).

The images above are of solar panel installations at the Company's Üllő, Hungary and Wuhan, China locations.

Energy

Under the EMS, annual energy-related targets are also set. Since decreased energy use or increased renewable energy use impacts emissions, these energy-related targets are related to the Company's scope 1 and 2 emissions reduction targets and similar actions are taken to achieve both its scope 1 and 2 emissions target and its energy targets. For the Company's specific energy targets and performance against them see Section 8.0.

By FY 2025/26, **90%**

of our global operations' electricity will be obtained from renewable sources. [2]

[2] *May be accomplished through installation of onsite renewable energy generation, entry into power purchase agreements (PPA) with power providers and/or the purchase of renewable energy credits.*

Beyond the Company's direct operations, energy consumption is present in its value chain where it is consumed by suppliers and powers the Company's products. The Company's business units had product energy efficiency goals under the EMS. Additionally, the Company encourages its supply chain to report on energy use and targets.

The Company's ESG KPIs include climate change mitigation KPIs, for more information see Section 9.0.

Logistics

The Company shipped hundreds of millions of products to its customers all over the world in FY 2021/22. The logistics that supported this accounted for roughly 6 percent of the Company's GHG emissions (total scope 1, 2, and 3 emissions for FY 2021/22).

The Company's logistics is a major part of its global supply chain, and it is committed to reducing its scope 3 GHG emissions from upstream transportation.

In FY 2021/22, the Company's logistics priorities included:

Low carbon transport

- The Company is progressing a transition from air freight to road and ocean freight. In FY 2021/22, the Company's use of ocean freight in EMEA increased more than 15 percent. Roll on roll off shipping replaced more than half emergent air delivery in the AP region. More than 97 percent of total ISG shipments are transported by road in North America and China.

Low carbon fuel

- Beginning in January 2022, the Company was one of the first IT hardware companies to take part in a pilot carbon-neutral air freight program. Twenty (20) metric tons of chargeable weight was shipped per week from Shanghai (PVG) to Frankfurt (FRA) powered by sustainable aviation fuel, which is produced out of renewable waste and residue raw materials such as used cooking oils. The Company reduced emissions by 982 metric tons CO_2 equivalent[3] (MT CO_2e) with this program in FY 2021/22.
- For some deliveries in Chile and Mexico, the usage of electric vehicles has been introduced with the aim of decarbonizing the supply chain.
- In Brazil, 13 percent of total FY 2021/22 e-commerce shipments were made using motorcycles and electric bicycles.
- In China, the usage of electric forklifts in regional distribution centers and warehouse increased from 20 to 23 percent compared with FY 2020/21.

[3] *Jet-A1 Emission Factors acc. EN 16258 Annex A*

Utilization and consolidation

- For international shipments from China, the company began consolidating shipments from its LCFC manufacturing location to the Shanghai airport. This avoided 747 truck shipments in FY 2021/22.
- In EMEA, 20 percent of the final mile shipments have been consolidated.

Partnering with industry stakeholders

The Company is actively connecting with the logistics industry, sustainable logistics initiatives, government organizations and NGOs, such as Global Logistics Emission Council (GLEC), Green Freight Asia (GFA), Smart Freight Centre China and US Environmental Protection Agency (EPA) SmartWay program.

Smart Freight Alliance China

The Company uses Smart Way partners for 100 percent of its road freight in North America.

SmartWay® Transport Partner
Getting There With Cleaner Air

The Company acts in a leading role in Smart Freight Alliance China, an organization that works with shippers to build a compliant, efficient, and sustainable China freight sector.

The Company is a member of the Global Logistics Emission Council (GLEC) and uses this framework to calculate the carbon footprint of its scope 3 transport emissions.

In 2022, the Company achieved its 1st 4-Leaf Certification from Green Freight Asia (GFA) for its performance in Australia. The Leaf-4 Label is the highest ranked label a company can obtain and demonstrates the Company's commitment to sustainability and transparency in disclosing related data.

Climate Change Risks and Opportunities and Management

The significant risks and opportunities associated with climate change are identified and evaluated as part of two main processes within the Company's business management systems. These include its global Enterprise Risk Management (ERM) process and its annual environmental significant aspect evaluation. These two processes are connected, meaning that if climate change risks are identified in the global risk registration, they are considered in the environmental aspects' analysis – and vice versa.

1. The Company's formal risk management process includes, among other sustainability factors: environmental risk categories such as environmental incidents, catastrophic weather conditions, supply chain disruptions, and other elements. Each major business unit and function is required to identify risks and assess their impacts on the Company's strategy execution, then develop mitigation plans for select identified risks. This process is managed by the Company's ERM team.
2. Energy consumption, the associated greenhouse gas emissions, and climate change are identified as significant environmental aspects and impacts for the Company. As such, associated risks and opportunities are evaluated and prioritized annually based on its significant aspect methodology in accordance with the requirements of the Company's EMS. Per these requirements, climate change is evaluated relative to its actual and potential influence on the environment and the business. This process is managed by the Company's Global Environmental Affairs and Sustainability team. The results of this evaluation are considered in the ERM process described above.

The Company's climate risk assessment in FY 2021/22 also included climate scenario analysis to explore how physical and transition risks and opportunities of climate change can impact its business. Its ESG materiality assessment identifies energy and emissions as material topics that it should prioritize and focus on in its environmental programs. In support of UN Sustainable Development Goal (SDG) 13 – Climate Action, one of the Company's ESG pillars includes a climate action goal. More details about the Company's materiality assessment and how its goals align with the SDGs are available on page 14.

For more information about the Company's identification and assessment of climate-related risks and opportunities, metrics, and actions to address climate change, please read the Company's responses to the most recent CDP Climate questionnaire.

In 2021, the Company scored an A- "Leadership Level" on CDP's Climate Change questionnaire which reflects its performance toward environmental stewardship through climate change mitigation practices in its operations and supply chain.

Other Air Emissions

The Company's baseline environmental engineering specification prohibits the use of ozone-depleting substances in its products and manufacturing processes except in HVAC and fire-suppression equipment as permitted by law which are managed in accordance with local regulations, and intentional releases are prohibited. The Company's EMS requires the release of chemical substances to be reported as an environmental incident, including unintentional releases. During FY 2021/22, there were no reported incidents of refrigerant releases. The Company's operational processes do not have significant (as defined by the Company's SEA process) direct air emissions such as nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter (PM). In addition, the Company has no wet chemical or industrial processes that use volatile organic compounds (VOC) and thus has no point sources of VOC. Household and cleaning products that contain small quantities of VOC are used at some of its facilities but associated fugitive emissions are minimal and are not quantified.

WASTE

The Company's day-to-day operations around the globe generate nonhazardous waste and minimal quantities of hazardous waste. To ensure waste is properly managed and in an attempt to minimize environmental impact, the Company's waste, both nonhazardous and hazardous, are separated and collected on the site of generation and disposed of through third-party waste management companies in accordance with its Site Environmental Programs Manual and applicable legal requirements.

During the FY 2021/22 reporting period, the Company continued to measure and monitor both nonhazardous and hazardous waste generation volumes and disposal methods through an internal environmental database. In this system, environmental focal points at its sites collect and upload monthly waste data preferably from measured data or calculations based on measured data. When no measured data is available, nonhazardous waste estimations are based on the headcount at the site and the previous year's monthly data from similar sites[4].

[4] *In FY 2021/22, three offices did not report waste data due to site specific limitations.*

The Company's waste data for the current reporting period is presented in Section 7.0. Annual Verification Statements for the Company's total nonhazardous and hazardous waste are available on the Company's website.

The Company's EMS requires sites to report environmental incidents, including waste-related incidents, through the internal environmental database. During the FY 2021/22 reporting period, no waste-related incidents were reported. In addition to internal reporting, the Company's manufacturing facilities periodically undergo audits, some of which cover aspects of waste management. For more information on audits at the Company's facilities, see Section 4.0.

The Company recognizes that waste management is important throughout the value chain. The Company requires suppliers to meet the Supplier Code of Conduct and the RBA Code of Conduct through contractual stipulations, both of which include waste-related provisions. The Company uses RBA audits to verify compliance of suppliers that comprise its top 95 percent of spend. For more information on these supplier activities, see Section 6.0.

The Company manages downstream impacts through a product-end-of-life (PELM) program. More information on the Company's PELM activities can be found in the corresponding section.

Nonhazardous

The Company's nonhazardous waste includes typical office and cafeteria waste as well as packaging and manufacturing scrap at manufacturing locations.

Under the Company's EMS, a global nonhazardous waste target is set annually. For the FY 2021/22 reporting period, the target was to direct 90 percent (+/-5 percent) of the Company's nonhazardous waste to recovery operations. The results of the Company's environmental targets are available in Section 8.0.

Hazardous

The Company's operations generate minimal quantities of hazardous waste. Hazardous waste is waste designated as hazardous by applicable laws or regulations in a country, state, region, or locality and may include oils, coolants, organic solvents, batteries, fluorescent light bulbs, and ballasts. Hazardous waste is required to be disposed of in accordance with local environmental regulations with approved suppliers.

WATER

The Company is working both internally and externally to minimize and mitigate water risks. The Company has:

- Implemented a corporate Water Resiliency Policy;
- Endorsed the UN CEO Water Mandate; and
- Pledged alignment with SBTN's goals and vision and contributing advice and end-user insights to the development of SBTN methods and tools as an SBTN Corporate Engagement Participant

In addition, in celebration of World Water Day 2022 and to support the importance of increased water access, sanitation, and hygiene (WASH) services, the Lenovo Foundation announced a global partnership with Wine To Water (W|W), a non-profit organization committed to supporting life and dignity for all through the power of clean water.

During the FY 2021/22 reporting period, the Company continued to measure and monitor water use and risk. In the Company's direct operations, the primary use of water is for WASH services for employees, contractors and visitors in its facilities around the globe. Because the Company's primary water use is employees, water use varies from location to location with its largest manufacturing facilities, the sites with the largest employee headcount, withdrawing and discharging the most water. The Company's water data for the current reporting period is presented in Section 7.0. Annual Verification Statements for its total water withdrawal and discharge are available on the Company's website.

Over 99 percent of the Company's water is supplied by third parties. To date, the Company has not experienced any issues with sourcing water that is fit for purpose. Over 99 percent of the Company's water is discharged back to third parties for treatment. The Company's EMS requires sites to characterize their discharges before entering into an agreement with a treatment facility (exceptions may exist for typical sanitary waste), to not discharge constituents for which a treatment facility does not have treatment capability, to update characterization when a site's activities change, and to adhere, as applicable, to the discharge limits of local law, the treatment facility, and any associated permits.

The Company's EMS includes annual global water targets. For the FY 2021/22 reporting period, the targets were to maintain per person water withdrawal (volumes not to exceed a 5 percent increase compared to the FY 2020/21 reporting period) and perform a water withdrawal and risk analysis of the Company's operations. These targets were achieved through maintaining operational control of water withdrawals, local targets at select sites, and analysis of site water withdrawal volumes and local water risk indicators determined using publicly available tools. The results of the Company's environmental targets are available in Section 8.0.

The Company requires sites to report environmental incidents, including water-related incidents, through its internal environmental database. During the FY 2021/22, there was one water-related incident. In 2021, the Company received a violation for a lapse in a sewage discharge permit for a site under construction. As part of this, the Company renewed the permit and paid a fine of approximately US$4,000. In addition to internal reporting, the Company's manufacturing facilities undergo periodic audits some of which cover aspects of WASH and water management. For more information on audits at the Company's facilities, see Section 4.0.

While the Company has minimal wet processes, it appreciates the importance of adequate quantities of sufficient quality water to its supply chain partners with wet processes, particularly the semiconductor industry. The Company requires suppliers to adhere to the Supplier Code of Conduct and the RBA Code of Conduct through contractual stipulations, both of which include water-related provisions. The Company uses RBA audits to verify compliance from the suppliers that comprise its top 95 percent of spend. For more information on these supplier activities, see Section 6.0.

Water risks within the Company's operational footprint and supply chain are assessed annually using publicly available water risk tools (World Resources Institute's Aqueduct and WWF's Water Risk Filter Tool). During the FY 2021/22 reporting period, the risk assessment was part of the EMS bringing more visibility to the annual exercise.

For the first time in 2021, the Company scored an A "Leadership Level" on CDP's Water Security questionnaire and was listed on CDP Water A-List, which demonstrates leadership in transparency and action on water risk.

For more information about the Company's identification and assessment of water-related risks and opportunities, metrics, and actions, please read the Company's responses to the most recent CDP Water questionnaire.

ENVIRONMENTALLY CONSCIOUS PRODUCTS

Product Materials

The Company's corporate-wide environmental standards and specifications require its product designers to consider environmentally conscious design practices to facilitate and encourage recycling and minimization of resource consumption. The Company's priority is to use environmentally preferable materials whenever applicable. In adhering to this precautionary approach, it supports restricting the intentional addition of materials that are potentially concerning when economically and technically viable alternatives exist. These restrictions may also include implementing concentration limits for incidental occurrences.

For materials where economically and technically viable alternatives do not exist, the Company collects data on usage above the defined concentration limit. This data can then be reported to customers or other stakeholders. The Company continues to actively search for environmentally preferable materials that can be used as substitutes and expects its partners and suppliers to demonstrate the same commitment to environmentally sound practices. See the Company's Materials Management webpage for more information.

The Company restricts the use of environmentally sensitive materials in its products. This includes the prohibition of ozone-depleting substances in all applications; the restriction on the use of persistent organic pollutants (POPs) under the Stockholm Convention; and the elimination of materials covered under European Union (EU) Restriction on Hazardous Substances (RoHS) and Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH), even beyond the jurisdictions where these regulatory requirements exist. The Company's implementation strategy and requirements are consistent with the requirements specified in the EU's RoHS Directive and REACH Regulation.

The Company supports phasing out brominated flame retardants (BFRs) and PVC and is committed to driving its supply chain toward this goal. The Company continues to focus on eliminating halogens from its top-selling products and across as many commodities as possible.

The Company has made progress in phasing out halogens in many commodities across several product lines, among its achievements:

- Phasing out completely the use of BFR/CFR/PVC in all mechanical plastic parts (such as external covers, housings, etc.) across all its products
- Most of hard disk drives, optical disk drives, solid-state drives, LCD screens, memory, CPUs, chipsets, and communication cards; and other commodities with offerings meet the iNEMI definition[5] of low halogen
- All commercial notebooks including PCBs meet the iNEMI definition[5] of low halogen except for cables and wires, AC adapter
- All commercial monitors meet the iNEMI definition of low halogen except for their PCBA and cables. Furthermore, some monitors fully meet the iNEMI definition[5] of low halogen

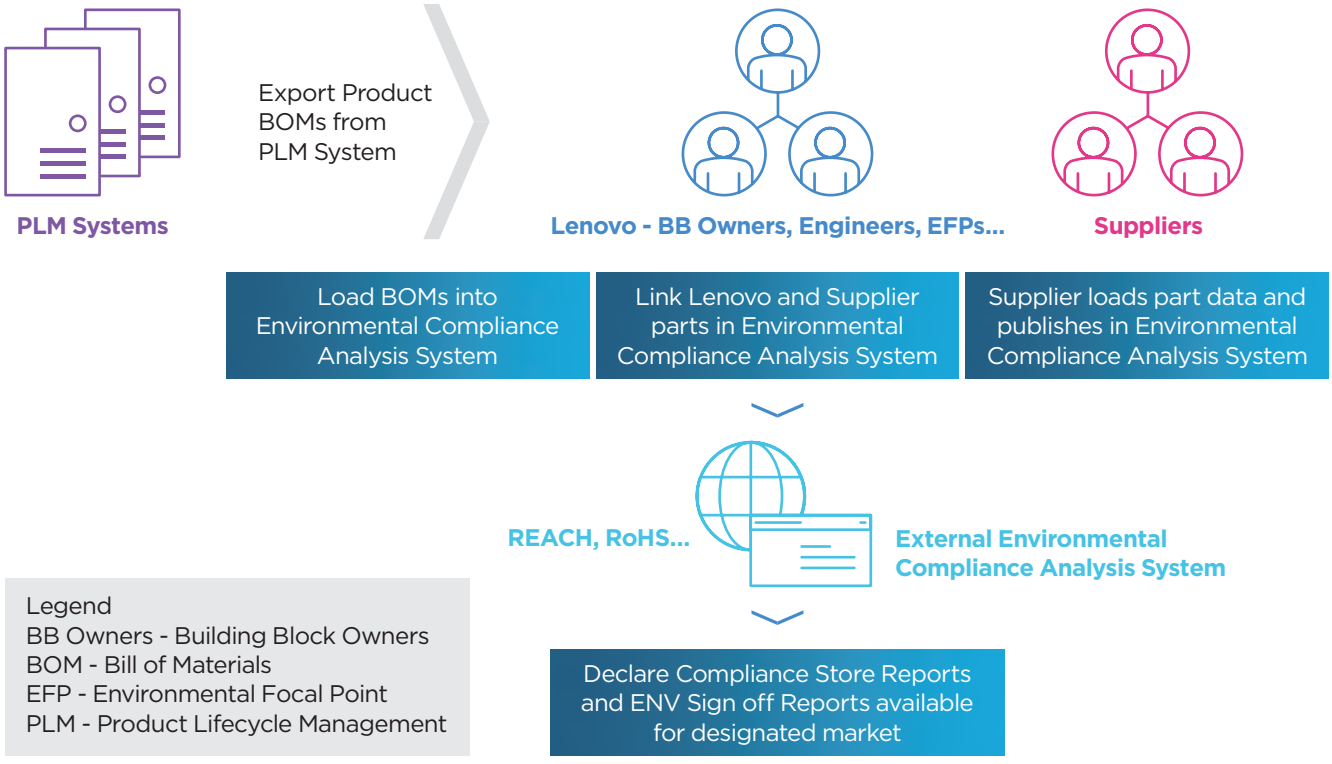
- All smartphone products are free of CFR and PVC
- Prohibiting the intentional addition of the following pollutants to any of its parts:
  - Polybrominated Biphenyls (PBBs)
  - Polybrominated Diphenyl Ethers (PBDEs)
  - Deca-Brominated Diphenyl Ethers

[5] *The Company supports the definition of "low halogen" electronics as defined in the "iNEMI Position Statement on the 'Definition of Low-Halogen' Electronics (BFR/CFR/PVC-Free).*

The Company plans to use additional BFR- and PVC-free parts and materials across the Think and Idea family of products as acceptable alternative materials become available, working toward the goal to phase out the use of these materials across all newly introduced products. The Company continues to work with its suppliers to pilot new BFR- and PVC-free applications. The Company recognizes that the phase-out of these materials is dependent upon the availability of suitable alternatives that meet its technological, cost, quality, environmental, health, and safety requirements.

In addition to the regulated materials, the Company has also identified an expanded list of materials and substances of environmental interest. These substances may be candidates for further restrictions in the future. It holds suppliers accountable for reporting the use of these materials through Supplier Material Declarations. An industry-standard IPC 1752A XML Full Material Disclosure (FMD) form, submitted via an environmental compliance analysis system, is the preferred format for confirmation of compliance to the restrictions and for reporting when substances in question are above the specified concentration levels.

The Company's business unit environmental engineers utilize the environmental compliance analysis system to perform a Bill of Materials (BOM) validation to ensure every part number used in building the product has the required supplier information. Once the full BOM compliance verification is complete a detailed compliance summary report is generated to show the internal Company and external legal requirements at the full product level.



Big Data Set for Materials and Substances

As of the end of FY 2021/22, the Company's Full Material Disclosures (FMD) system has accumulated an expansive data set of full material disclosure information for the business units. This information serves as a tool that can aid structural design and optimization, analyzing materials and mechanical properties, and improving product reliability.

The Company does not exempt any of its suppliers from providing Full Material Disclosures, though it does allow considerations for confidential information. Less than five percent of component suppliers do not provide full material disclosure, usually for security or intellectual property reasons. The Company will continue its efforts to support full material disclosure. Those who do not provide Full Material Disclosures are requested to ensure their components' compliance with its format of material disclosure, IEC 62474 declaration, test report, or self-declaration.

The Company informs its customers about the environmental attributes of its products and compliance with applicable laws and regulations through an industry-standard IT Eco Declaration form. Declarations for newly released products are posted on the Company's ECO Declarations webpage.

Consistent with its precautionary approach, the Company continuously analyzes the regulatory environment and considers input from its customers, nongovernmental organizations (NGOs), and other stakeholders in the evaluation of potential health and environmental impacts of its products. The Company weighs these inputs to determine the restricted substances, as well as the substances of interest to be tracked for reporting and consideration of future restrictions.

Recycled Materials

The Company continues to incorporate post-industrial recycled content (PIC) plastics, post-consumer recycled content (PCC) plastics, and closed-loop post-consumer recycled plastics (CL PCR) and to introduce new materials such as ocean bound plastics and recycled metals into its products. These recycled materials are instrumental to the Company's product development strategy and transition to a circular economy. Using these engineered plastics not only saves the natural resources and energy that would have gone into manufacturing new plastics but also diverts these materials from landfills. The Company's increased use of CL PCR is helping to sustain the demand for plastic materials from IT products. These environmental benefits are achieved while still creating a product that meets the Company's high-performance standards.

The Company currently uses post-consumer recycled content in laptops, desktops, workstations, monitors, and accessories and is introducing its closed-loop process in more products each year. In 2021, the Company expanded the use of CL PCR to 248 products, up from 103 products the previous year.

By FY 2025/26, **100%**

of PC products will contain post-consumer recycled content materials. [6]

[6] *Excludes tablets and accessories*

Using PCC in IT products presents significant challenges due to the unique structural, performance, and cosmetic requirements associated with these applications. To overcome the continuing challenges of using recycled content in the design and manufacture of smart connected devices, especially notebooks, tablets, and smartphones, the Company's team of engineers works closely with its suppliers to develop and qualify new grades of plastic resins previously unavailable to the IT industry. These materials receive environmental and performance qualifications before their approval and use in their product applications.

For CL PCR, the Company's research and development teams work with material suppliers and a third-party certification authority to build its CL PCR supplier and material process, including the "Approved Recycling Standard", the "Quality Assurance Operation Requirements", and the "Recovery Ratio" to validate their sources of waste and control processes using a hierarchical waste product traceability scheme. Since early 2005, the Company's cumulative total use of recycled plastics in products has reached over 123 million kilograms (gross) containing PIC, PCC, and/or CL PCR, with net PCC of over 52 million kilograms and net CL PCR of more than 14 million kilograms.

In 2021, the Company's use of plastics containing recycled content was approximately 7.8 million kilograms (gross) with a net CL PCR of approximately 4.6 million kilograms. While the Company continues to introduce plastics containing recycled content to more and more products, these usage annual numbers have tended to decrease over time which reflects the Company's decreasing use of plastics overall resulting from successful efforts to make products thinner and lighter.

Results of the Company's progress against its recycled content usage targets are available in Section 8.0. The Company's ESG KPIs include recycled content KPIs, for more information see Section 9.0.

In addition to recycled plastics mentioned above, during the FY 2021/22 reporting period, the Company began incorporating ocean bound plastics (OBP) and recycled metals in its products. In an effort to reduce ocean pollution, the Company researched and sourced OBP for use in some products. In 2021, the Company introduced OBP content in the speakers of ThinkPad L13 Gen 3 and ThinkPad L13 Yoga Gen 3, and speakers, dummy smart cards, and dummy SIM covers of the ThinkPad L14 Gen 3, and ThinkPad L15 Gen 3, and C14 Gen 1 Chromebook.

Recycled metal usage also supports the transition to a more circular economy. Recycled metal usage helps reduce mining and consumption of natural resources and has energy and emissions savings. In 2021, the Company introduced 75 percent recycled aluminum for the A/C covers of the ThinkPad Z13 Gen 1 and ThinkPad Z16 Gen 1, and 50 percent recycled aluminum for the A cover of the Yoga 6 Gen 7, and 90 percent recycled magnesium for the A/C covers of the ThinkPad X13s Gen 1.

The Company will begin reporting on the total weight of OBP and recycled metals in the next ESG Report.

Milestones for the Company during the past four years in recycled content usage includes:

2021	• Expanded the use of CL PCR to 248 products • Introduced Ocean Bound Plastics in five products • Introduced recycled aluminum in three products and magnesium in one product
2020	• Expanded the use of CL PCR to 103 products, up from 66 products the previous year • Began using CL PCR in a server application for the first time in the Company's ThinkSystem SR950
2019	• Expanded use of CL PCR to 66 additional products • 1st Use of CL PCR in Lenovo notebook application (X1 Carbon 7th Generation) • Desktop and visual models with >25% CL PCR by total product weight
2018	• Qualified new grades of CL PCR for additional resin chemistries and suppliers • Expanded use of CL PCR to 21 products (added keyboards)

In April 2022, the Company was acknowledged as a contributor to a first of a kind research report on plastic pollution, "Plastic Pollution Prevention and Control in China". Jointly released by the Institute of Economic System and Management of Macroeconomic Research, National Development and Reform Commission (NDRC) and the Institute of Quantitative Technological Economics, Chinese Academy of Social Sciences (CASS), the report includes a comprehensive interpretation of the practices, results and experiences of China's plastic pollution control.

Product Energy Efficiency

Product energy efficiency remains a core focus for the Company. To ensure that it is adhering to existing and proposed global IT product energy efficiency policies and regulations for current and future technology, the Company collaborates with original equipment manufacturers (OEMs) and industry stakeholder workgroups. The results of these efforts are leveraged to develop leading-edge products with improved operating efficiencies.

The Company actively manages its response to ongoing energy-related regulatory activities such as updates to emerging protocols and regulations, and industry-related standards, including:

- ENERGY STAR® program specifications
- U.S. Department of Energy (DOE) Appliance and Equipment Standards
- California Appliance Efficiency Program requirements
- China CEL and CECP Standards
- EU Ecodesign (ErP) requirements

In 2020, ENERGY STAR® implemented a new Computer Specification version 8.0 covering desktop and all-in-one (AIO) PC products. This new specification defines energy efficiency performance metrics based on the top 25 percent of PC products available on the market with a focus on enhancements and incentives relative to full network connectivity, internal power supply (IPS) efficiency, and Energy Efficient Ethernet (EEE).

To further improve product energy efficiency for desktops, workstations, and servers, the Company certifies the energy efficiency of many of its internal power supplies through CLEAResult Plug Load Solutions' 80 Plus program. This external certification establishes requirements for internal power supplies through independent testing and verification of the program's rated efficiency criteria, such as Bronze, Silver, Gold, Platinum, and Titanium. Certified systems with internal power supplies (desktops, workstations, and server products) with this certification are significantly more energy-efficient than other systems equipped with typical power supplies. The Company's servers also utilize 80+ Titanium Power Supply Units (PSUs), Central Processing Units (CPUs) P-state cooperative (voltage/frequency) control, CPU Voltage Regulator Device (VRD) auto-tuning and have transitioned to newer VRD technology with lower losses to enhance and maximize energy efficiency.

By FY 2029/30, we will achieve 50% improvement in energy efficiency of Lenovo desktops [7] and servers. [7]

By FY 2029/30, we will achieve 30% improvement in energy efficiency of Lenovo notebooks [7] and Motorola products. [8]

[7] *Energy efficiency improvement on average for comparable products relative to FY 2018/19*

[8] *Energy efficiency improvement on average for comparable products relative to FY 2020/21*

Through its product development process, the Company requires its products to meet energy efficiency and performance requirements in various markets, including – but not limited to – the United States, China, Japan, and Europe. Many of the Company's notebooks, desktops, servers, and monitors meet and often exceed the current ENERGY STAR® requirements. In 2021, 27 Company monitors were recognized as "*ENERGY STAR Most Efficient*". The ENERGY STAR® Most Efficient list highlights products utilizing the latest in technological innovation to deliver cutting edge efficiency and represents the very best for energy savings and environmental protection. The Company's ENERGY STAR® qualified models are listed on the ENERGY STAR® website. For more information about the Company's energy-efficient products, see its Product Energy Efficiency webpage.

In support of the Company's commitment to lower greenhouse gas (GHG) emissions, science-based targets were established to reduce emissions associated with the use of sold products per comparable products (for Notebooks, Desktops, and Servers). Product Development Teams are actively investigating and implementing technical enhancements to support power efficiency improvements and track annual performance against the prescribed targets.

Product Energy Management Features

The Company offers innovative tools that allow better control of PC and server power consumption, calculate energy savings, and report on the management of energy performance, IT equipment, and devices.

PC Tool	Benefit
Lenovo Settings (Windows)	An application that provides power management features, such as Connected Standby for the user.
Adaptive Thermal Management	Adjusts system power and fan speeds based on ambient levels.
Active Directory and LANDesk®	Supports remote deployment of power schemes and global settings to allow administrators the ability to control and enforce ThinkPad® energy savings company-wide.
EasyResume	Provides quick recovery from computer lid close, balancing low power state by suppressing CPU usage at lid close.
Intelligent Cooling	Balances thermal performance to adjust settings to provide a cooler surface for comfort while optimizing product energy.
Energy Saving Power Supply Unit (PSU)	The PSU turns off the internal fan when the system detects the power load is low and saves energy consumption.
Smart Power (Monitors)	A power and energy management feature that dynamically detects and optimizes the distribution of power. Example: If there are multiple devices plugged into a monitor like a smartphone, a laptop, or other USB-powered peripheral – the monitor will gauge how much power each of them needs and adjust according to the requirement.

Durability and Repairability

Keeping a product in use for longer is an important aspect of circular economy and reducing climate impact. The Company designs its products to maximize its product lifecycle by focusing on durability and repairability.

To keep products in use, the Company offers three-year standard warranties and five years of replacement parts availability on many of its top-selling commercial PC products to support this extended lifecycle. Three-year warranties are offered as the base warranty on many top-selling Think branded products, including all commercial monitors, notebooks, desktops, and others. In addition, customers can purchase warranty upgrades to extend the base warranty by one or two years for many products. Base warranties for consumer (Idea) products vary by product type and geography but typically start at one to two years for the base warranty with the option for many products to purchase an extended warranty.

In addition to the warranty offerings, the Company makes service and maintenance manuals for most products along with parts removal and replacement videos. Customers can source spare parts from the Company or authorized partners. The Company's serviceability engineers are focused on minimizing the interruption to customers during repair and maintenance and consider the products' eligibility for onsite repair as an indicator for ease of repair.

For more details, see the Company's Warranty and Maintenance Services webpage. The Company's ESG KPIs include a repairability KPI, for more information see Section 9.0.

The Company is continuously designing innovative features for its products to help extend their useful life. For example, its battery technology extends notebook battery cycle life through key technologies, including:

- **Increased use of lithium polymer cells**: Used in notebooks and tablets with embedded batteries, these cells typically provide longer life cycles than lithium-ion cylindrical cells.
- **Longer lifespan batteries**:
  - Many of the Company's embedded batteries are designed to last two to three times longer than standard batteries. It offers three-year warranty upgrades on many embedded batteries. The longer lifespan is made possible with carefully selected cells and charge algorithms.
  - In July 2021, the Company began working with a battery manufacturer to develop a mobile battery with a longer life of 1200 cycles (up from the current 800 cycles).

Product Carbon Footprint

There are numerous and substantial challenges to calculating an accurate carbon footprint for information and communications technology (ICT) products, especially if the intent is to use the data for product-to-product comparisons. These challenges include:

- Collecting and compiling dependable emissions data across a long and complicated supply chain
- Accurately allocating emissions from facilities across different geographies providing numerous products and services to multiple customers
- Maintaining current data with a continuously evolving and rapidly changing ICT product portfolio
- Ensuring consistency of results in an environment where multiple and varying calculation methodologies are available

The Company continues to search for an efficient and credible way to calculate its product footprints, and it also wants to understand the impacts while credibly disclosing environmental information about its products. With these challenges and goals, the Company joined the Product Attribute to Impact Algorithm (PAIA) Project, an ICT sector-wide pre-competitive collaboration led by the Massachusetts Institute of Technology (MIT), to streamline footprints for ICT products. To help address these challenges, MIT developed PAIA, an easy-to-use online platform that allows companies to significantly reduce the time and cost of environmental impact calculations.

With a suite of simplified online tools, PAIA delivered a methodology for ICT product footprints which originated from a multi-stakeholder initiative of ICT companies that shared insights and best practices. The Company's participation in PAIA is helping to drive a sector-wide streamlined methodology that will be key to transforming ICT companies into sustainable businesses.

The PAIA PCF calculation tools help to efficiently calculate product carbon footprint (PCF) for a wide range of products and configurations. The Company's product development groups currently use the PAIA tools for notebooks, desktops, workstations, monitors, all-in-ones, tablets, thin clients, servers, network switches, and storage products and are engaged in optimization of the online platform.

Using PAIA tools to calculate product footprints has significantly reduced the time and cost of calculating environmental footprints for its products. The quality and accuracy of the calculations allow the Company to confidently communicate this information with customers and other stakeholders. The Company shares these results with enterprise customers and publishes them publicly as PCF information sheets. PCF sheets for specific products can be found on the Company's ECO Declarations webpage.

The Company's product LCA system is based on the ICT industry eco-design requirements that analyzes the product's full life cycle and design process to help provide products with less environmental impact to the market. Its product LCA system utilizes the ICT product footprint tool which assesses the core product design and manufacturing plan by using a scientific and quantitative configuration that supports improvement initiatives. In 2021, the Company conducted 10 product LCAs for Notebook, Display, Tablet, Mobile phone and Accessories and is working to expand this exercise to more products. The 10 products are: ThinkPad X1 Carbon Gen 9, ThinkPad X13 Gen 2, ThinkVision P27q-20, ThinkVision P27q-2L, ThinkVision P27h-20, ThinkVision P27h-2L, Lenovo TB-X6C6, Lenovo TB-J606, Lenovo TB-J607, XT2143-1, XT2153-1, ThinkPad Thunderbolt 4 Workstation Dock DK2131.

While there are other voluntary standards available to guide practitioners in compiling PCF, these standards are not designed to establish comparative values between products. The degree of flexibility written into the standards can produce variations in results for the same products when the same standard is applied by different practitioners. Compiling PCF using these standards is also a very lengthy and resource-intensive process. Other commonly used standards include the British Standards Institute's PAS 2050, WRI/WBCSD's GHG Protocol Product Lifecycle Accounting and Reporting Standard, ISO 14040, ISO 14044 – Life Cycle Assessment (LCA), and ISO 14067 – Carbon Footprint of Products.

Ecolabels from around the Globe

The Company pursues ecolabels for many of its products. Select products have the achieved, one or more, of the following ecolabels:

PACKAGING

Packaging has been identified as a significant environmental aspect under the Company's EMS. Its packaging priorities focus on reducing its packaging consumption, waste, and carbon emissions levels by:

- Increasing the use of recycled and renewable materials in packaging
- Increasing the use of bio-based materials
- Reducing the size of product packaging
- Expanding the use of bulk and reusable packaging solutions

In FY 2021/22, the Company's packaging objective was to minimize the consumption of packaging material while driving the use of environmentally sustainable materials. The Company is intent on reducing the size of its packaging to minimize the materials used while maintaining adequate protection for its products.

The Company supports the above objective with a target to transition packaging to recycled materials or renewable materials, especially the plant-based bamboo/sugar cane fibers. The use of bamboo/sugar cane fibers in select products marked the launch of a new era of eco-friendly packaging offerings for the Company, while also enhancing customer experience. Bamboo fiber has many favorable features, including:

- Sleek and robust design
- Lightweight
- 100 percent rapidly renewable

The Company's packaging program requires all corrugated container packaging supplied to be a minimum of 70 percent post-consumer fiber content and requires suppliers to use the maximum available PCC where adequate supplies exist without compromising required packaging performance characteristics, while the printing on boxes is done via flexography with water-based, non-toxic, RoHS-compliant inks. In addition, the Company's packaging program requires the use of Forest Stewardship Council (FSC) certified fibers in liners for all ThinkPad products and select consumer notebooks when virgin fibers are used.

Since 2008, the Company has eliminated[9] 3,737 metric tons of packaging consumption by weight. In FY 2021/22 alone, the packaging team reduced[9] packaging consumption by 497 metric tons.

[9] *These numbers reflect packaging innovations that resulted in reduced packaging weight for individual products. See Section 7.0 for additional metrics about total packaging use by year.*

In its operations, the Company uses reusable bulk packaging for the transportation of chassis to manufacturing locations.

Leading the Way in innovative Packaging

At the Company, packaging isn't just a way to get finished laptops from the manufacturing facility safely into the customers' hands. It's an opportunity for the innovative packaging engineers and designers to reduce the environmental impact of packaging and logistics.

Bamboo Fiber Gift Box

The Company began using bamboo fiber in 2016. In FY 2021/22, a brand-new bamboo gift box was introduced to ThinkPad X1 and Z series. It's made from 100 percent renewable bamboo fiber and the box weight is effectively reduced by 30 percent compared to the previous gift box.

ThinkPad Z13 with bamboo gift box.

All PC boxes contain at least 70 percent old corrugated containers[10] (OCC) recycled content.

[10] *OCC contains both PCC and PIC contents.*

Ocean Bound Plastic

Plastic pollution has negatively affected the ocean's ecosystems and the marine animals who reside there. In 2019, the packaging team began researching the possibility of using ocean bound plastic (OBP) in product packaging. Based on repeated test results, the packaging team determined a mix of 30 percent OBP with 70 percent other recycled plastic had the best performance. In FY 2021/22, the Company introduced a cushion containing OBP (30 percent OBP and 70 percent other recycled plastics) in the packaging for select products. Through these applications, the Company estimated it will use 70 to 80 metric tons of ocean bound plastic per year.

ThinkPad L14 Gen 3 with 30% OBP cushion.

Plastic-free Packaging

The Company aims to eliminate plastic materials from product packaging. The ThinkPad X1 and Z series packaging are pioneers towards this ultimate target. By combining bamboo fiber technology with other innovative materials, the packaging team has accomplished plastic-free packaging on ThinkPad X1 and Z series. The Company continues to evaluate expanding the use of plastic-free packaging to additional product lines.

ThinkPad Z13 with plastic-free packaging.

Results of the Company's progress against its packaging targets are available in Section 8.0. The Company's ESG KPIs include packaging KPIs, for more information see Section 9.0.

PRODUCT END-OF-LIFE MANAGEMENT (PELM)

The Company's Product End-of-Life Management (PELM) program is an important part of its efforts to support a transition to a circular economy. The PELM program increases the beneficial reuse and recycling of products and parts and supports the elimination of end-of-life electronic products being disposed of in landfills and includes the practice of reuse, refurbishing, de-manufacturing, dismantling, reclamation, shredding, recycling, treatment, and disposal of products, parts, and peripherals when they are taken out of service, reach end-of-life, or are scrapped. This program covers Company-branded and non-branded products owned by the Company or accepted from customers and others (including customer returns or take back). As a part of its efforts to improve the Company's global supplier base, it has made available the Electronics End of Life Standard for Suppliers. This document details the Company's PELM supplier requirements and the industry-standard certifications it promotes.

Product Take-Back Programs

As a global business, the Company offers end-of-life recycling and management programs for both consumer and business customers in many countries around the world. These product take-back programs (PTB) are tailored to the specific location and business needs and include programs for recycling products as well as packaging and batteries in many geographies. Customers can obtain information about the Company's recycling programs by country at its Recycling webpage.

For its business and enterprise customers, the Company offers Asset Recovery Services (ARS) globally to manage the disposition of IT assets and data center infrastructure. Customers can access information about the Company's global ARS program at its Asset Recovery Services webpage.

Product and Parts Management

The Company strives to maximize the value and potential reuse of excess, returned, and obsolete products and parts across its business and manufacturing operations, repair network, and channel partners. Through reverse supply chains, these products and parts are kept in circulation as-is or after refurbishing. The Company recognizes the positive environmental benefit to this reintegration of products and parts by avoiding the need to manufacture new products and parts.

Management of PELM Suppliers

The Company maintains a program for ensuring that recycling, disposal, and disposition of end-of-life products owned by the Company or returned by customers are accomplished in an environmentally conscious and legally compliant manner. This program includes:

- Supplier completion of the Company's initial supplier audit/evaluation form declaring their processing capabilities and controls, management systems for quality, environmental, health and safety, legal compliance, downstream facilities disclosures, and evaluation criteria.
- The Company's environmental audit/evaluation of facilities and suppliers' processes prior to use with documentation of audit findings and recommendations in a final report.
- Review of all audit/evaluation documentation and recommendations by its Geographic Environmental Managers and final approval by the Company's Director of Environmental, Sustainability, and Compliance.
- Database of all the Company's audited and approved PELM supplier facilities by geography with approved services for use by all the Company organizations, sites, and programs worldwide.
- The Company's supplier contracts with specific environmental terms and conditions related to expected environmental performance and reporting.
- Suppliers in scope include ARS suppliers, legal and voluntary product take-back providers, dismantlers, recyclers, refurbishers, disposal, and other related vendors. The Company's Electronics End of Life Standard for Suppliers sets guidelines that all recovered products and parts to be data wiped, refurbished, tested for function, labeled as refurbished, and resold where they will be used as originally intended without further refurbishing before use. The standard also requires suppliers to use Company-approved recyclers for the disposition of non-working products and parts and waste generated from their refurbishing processes and prohibits the shipment of hazardous waste to non-OECD countries.

Recovery and Recycling Trends

As customers continue to have considerable interest in the Company's recycling programs, its continual improvement activities include searching for opportunities to maximize reuse and recycling. Since 2005, the Company has processed 324,811 metric tons of computer equipment through its contracted service providers. During the 2021 calendar year, it financed or managed the processing of 34,163 metric tons[11] of the Company-owned and customer-returned computer equipment.

[11] *This metric represents all data received from PELM suppliers as of the time of publication of this report. Not all data was available at the time of publication, so actual volumes may be higher.*

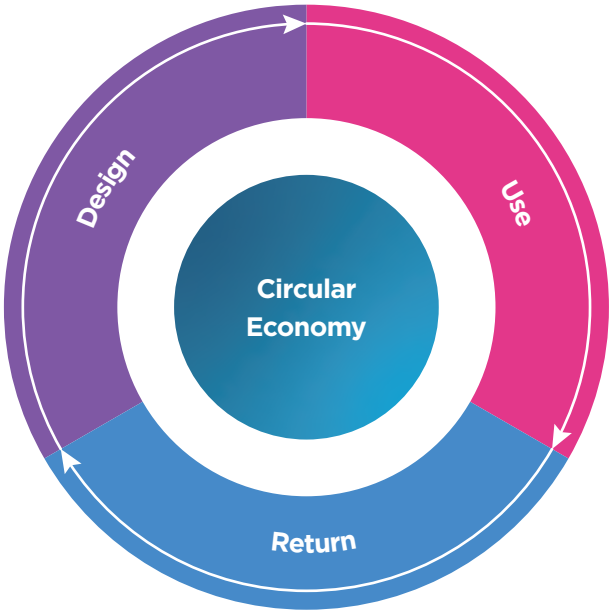
Of this total, 5.5 percent was reused as products or parts, 88.2 percent was recycled as materials, 1.5 percent was incinerated with waste-to-energy recovery, 2.1 percent was incinerated as disposal treatment, and 2.6 percent was disposed of by landfill.

The Company's 2021 performance includes data from its ARS program offered to business and enterprise customers, along with data from the Company's other voluntary and legally required product take-back programs for consumers and businesses. These customer programs resulted in more than 32,938 metric tons of products collected for recycling and reuse in 2021.

Results of the Company's progress against its PELM targets are available in Section 8.0. The Company's ESG KPIs include recycling/reuse KPIs, for more information see Section 9.0.

CIRCULAR ECONOMY

With a vision for a net-zero future, the Company knows the transition to a circular economy is critical. Collaboration and credibility are important to the Company during its journey to achieving net-zero and advancing a circular economy. To help scale circular economy solutions in the IT industry, the Company joined the Circular Electronics Partnership to collaborate with technology industry, suppliers and stakeholders. The Company's vision to deliver smarter technology for all extends to its circular economy practices that include Smarter Circular Design, Smarter Circular Use, and Smarter Circular Return activities.



During the design phase, important decisions are made to improve circularity. The Company is evaluating its products' carbon impacts and using circular design decisions that can reduce carbon during production and use. The use of recycled and sustainable materials is an important aspect of the circular economy that the Company focuses on.

New sustainable and recyclable materials are being researched and introduced into products. By FY 2025/26, the Company plans to include PCC plastic in one hundred percent of its notebook computers, desktop computers, workstation computers and monitors. This fiscal year, the Company more than doubled the number of products containing CL PCR to 248 products. Also, the Company expanded the types of components that contain PCC plastics. The Company introduced recycled aluminum and magnesium as well as ocean bound plastic for the first time to select components in FY 2021/22. Since 2008, the Company has used more than 123 million kilograms (gross) of PCC plastic in products and on track to meet its target of using over 136 million kilograms of PCC plastic by FY 2025/26.

The Company's circular design decisions extends to its packaging as well. In FY 2021/22, the Company increased its use of recycled fiber, recycled plastic and sustainable materials in packaging including bamboo, sugarcane and sustainably forested fiber. The Company has a goal that by FY 2025/26, ninety percent of plastic packaging will be made from recycled plastics for notebook computers, desktop computers and workstation computers. The Company has additional goals for smartphone product packaging, sixty percent of the materials will be recycled content and single use plastics will be reduced by fifty percent by FY 2025/26.

The Company can advance a circular economy by optimizing the use of its products and parts. Improving the energy efficiency of the Company's notebook computers, desktop computers, servers and smartphones is the Company's goal. To extend the life of its products, the Company offers support and repair options as well as other managed services. The Company has a goal that by FY 2025/26, 84 percent of repairs can be done at the customer site, without having to send their PC to a service center. The Company is keeping repairable parts in use longer and has a goal that by FY 2025/26, at least 76 percent of repairable parts will be repaired for future use. The Company offers enterprise customers second life data center products through its Lenovo Value Recovery business.

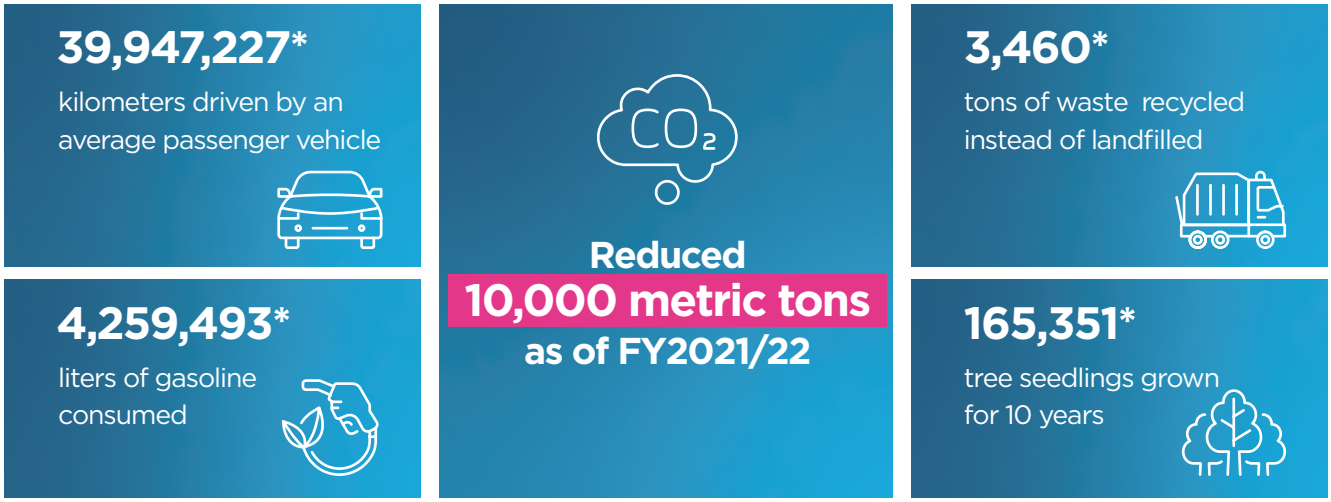
While the Company continues to expand its use of CL PCR from IT equipment, the circular return of IT products into the recycling systems and supply chain is essential. The Company offers consumers and commercial customers product return programs to keep the products and materials in circulation. Commercial customers need reliable and secure solutions to manage their technology at the end of life. The Company's Asset Recovery Services maximizes value of IT and enterprise hardware. The Company also offers consumer recycling programs in major markets. Since 2008, the Company has enabled the recycling and reuse of 325 million kilograms and is on track to meet its target of more than 362 million kilograms of IT products recycled and reused by FY 2025/26.

The Company's ESG KPIs include KPIs that support a circular economy, for more information see Section 9.0.

SMARTER MANUFACTURING: LOW-TEMPERATURE SOLDER

The Company's engineers continue to seek solutions that support the Company's climate change mitigation goals in the manufacturing process, while also providing reliable products with a lower carbon footprint. In 2017, the Company pioneered an innovative low-temperature solder (LTS) technology that did just this.

As the Company carries out their recently announced science-based targets, LTS technology is supporting its progress towards its climate change mitigation goals. The Company is working to expand the use of this technology and drive benefits that extend beyond the environment, including improved reliability, efficiency and cost.



** https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator*

From FY 2021/22, the Company has greatly extended this technology to more and more sub-module vendors, who produce parts such a SSD, wireless, display panel, memory, and human interface device modules, and also sharing this technology to industry openly, supporting low carbon footprint transformation.

In FY 2021/22, the Company has shipped 14.2 million laptops manufactured with the LTS process, and total shipped since 2017 has reached 50 million. This has resulted in a total reduction of 10,000 metric tons of CO_2 emissions.

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4.0 Social

LABOR PRACTICES

The Company's Human Rights policy communicates its respect for human rights and how it extends those rights to employees and business partners. As a signatory of the UNGC, the Company's practice is to uphold and support the protection of internationally proclaimed human rights. The Company does not permit the use of child labor, forced labor or coercion, including physical punishment, in any of its operations. The Company's Human Rights policy is committed to the following practices:

- Conduct business in accordance with the U.N. Declaration of Human Rights and the principles of the UNGC and extend those requirements to all suppliers doing business with the Company.
- Perform due diligence across the value chain to identify risks and avoid complicity in human rights violations.
- Provide access to grievance mechanisms, investigate allegations, and escalate known cases of human rights abuse to senior leadership.
- Integrate training and accountability for respecting human rights across the business.
- Engage internal and external stakeholders to address common challenges and advance human rights practices through continuous improvement.
- Operate legally and ethically in each country where it does business.

WE SUPPORT
UN GLOBAL COMPACT

All of the Company's corporate strategies, practices, and guidelines as well as supplier requirements must support this commitment to human rights. The Company is not aware of any cases of child labor or forced labor at its facilities. Concerns about possible human rights violations must be reported to the Company's management who shall take prompt corrective action. More information is available in the Company's Human Rights Policy.

The Company is determined to ensure that the working conditions at its locations are safe; workers are treated with respect and dignity; operations are environmentally sound; and business operations are conducted responsibly and ethically. The Company aims to raise awareness by engaging with the Responsible Business Alliance (RBA). As of FY 2021/22, all Lenovo owned and joint venture manufacturing sites (not including new locations with less than one year of labor data) have undergone audits by independent auditors using the latest version of the RBA Standards, which are based on the International Labor Organization (ILO) Standards and include a review of child labor and forced labor processes at each facility that is audited. The auditors also review employee files and conduct individual and group interviews.

Labor practices are also evaluated as part of the scope of two main processes within the Company's business management system. These include the Company's global risk registration process as part of its Enterprise Risk Management (ERM) and the ESG reporting materiality assessment. The detailed processes may vary by market and are based on local laws.

DIVERSITY, EQUITY AND INCLUSION (DEI)

A Message from our Chief Diversity Officer

As a global technology leader, Lenovo touches the lives of millions of people from all walks of life, from our global workforce to the customers we serve with experiences and solutions. We are ushering in a bold new era of Intelligent Transformation, and big data, 5G, and AI will deliver new models for how we live, work and play. In an ever-changing and increasingly diversified world, technology has the potential to serve as the great equalizer. It can provide more opportunity, greater connectivity, and the ability for populations to transcend historic, cultural and geographic limitations.

We believe that technology companies have the capability and the profound responsibility to champion diversity and inclusion. Not only in the products and services we provide, but also in the values we foster and our internal practices. Innovating for a diverse world requires a diversity of perspective. As such, diversity is a business imperative at Lenovo. It ensures that we not only embrace the best, most disruptive ideas, but it also allows us to better understand and address our customers' needs.

Lenovo has always pursued a path of inclusion and we've built a culture where all can belong – but our work is not done. With new research, data, and insights, we continue to evolve our approach of building inclusive leadership behaviors and fostering diverse and inclusive systems through increased accountability and training.

Our goal is simple: People should no longer have to change themselves to fit the world. Instead, the world will change to fit its people – all of its people. Technology can and should be a positive catalyst for change and evolution.

Lenovo is channeling this capability to build a smarter future, where everyone thrives, together.

Calvin Crosslin
Vice President, Chief Diversity Officer and President, Lenovo Foundation

DEI Culture

Maintaining a diverse culture and achieving its full potential is fundamental to the Company's competitive success. A key element in the Company's workforce diversity programs is the commitment to equal employment opportunity and to prohibit discrimination, harassment, and similar inappropriate behavior in the workplace. The Company's policy and Code of Conduct commits to providing a work environment free of discrimination and harassment based on race, color, gender, religion, age, nationality, social or ethnic origin, sexual orientation, gender identity or expression, marital status, pregnancy, disability, or veteran status. Company policy prohibits management from making employment decisions based on such characteristics. These business activities and the design and administration of the Company's benefit plans must comply with all applicable laws. For qualified employees with disabilities, the Company will make reasonable accommodations needed for effective job performance in a manner that complies with applicable laws.

Diversity and inclusion have been the building blocks of the Company's history and are among its greatest strengths. Its diverse team of people and locations enables collaboration and sharing across borders and encourages the Company to adopt the best practices in the markets it serves. The Company is bringing awareness about inclusion to all its leaders and employees in a variety of ways, including Global Anti-Harassment training to ensure a workplace free of harassment. The Company is conducting a global campaign with 100 percent target completion rate for Global Anti-Harassment Training.

A diverse business model starts at the top. The Company's leaders throughout the world hold a deep commitment to these values that fuel long-term growth. The Company believes that a global workforce should reflect the global customers that it serves, and this begins with leadership that is representative of the various cultures and ethnicities that comprise its internal talent.

100% target completion rate for Anti-Harassment Training

DIVERSITY AND INCLUSION (D&I) BOARD

Since 2018, the Company's Diversity, Equity, and Inclusion (DEI) initiatives have been overseen by the Diversity and Inclusion Board. Comprised of 10 senior leaders from Lenovo's Executive Committee (LEC), the D&I Board represents the Company's diverse geographies, business groups and corporate functions. The D&I Board serves as counsel to the Company's diversity and inclusion strategy and helps to drive accountability across the Company with the vision of leading intelligent transformation and inclusivity by inspiring the differences in everyone and building a smarter future where every person thrives. Through quarterly meetings and ongoing communications, the D&I Board has adopted a four-pillar strategy designed to foster greater diversity, equity and inclusion, and that aims to:

1) Build inclusive leadership behaviors

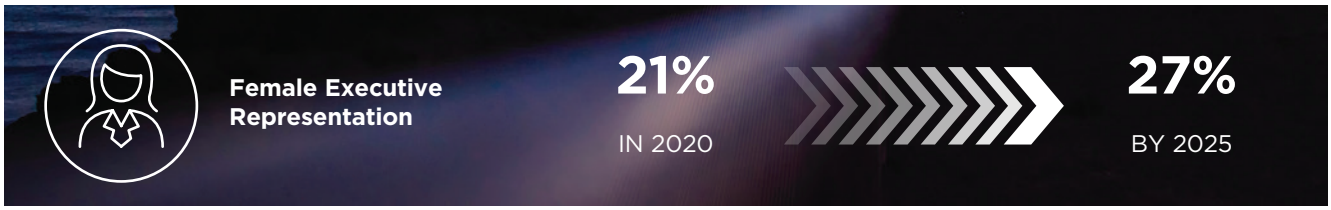
2) Foster diverse and inclusive systems

3) Ensure accountability

4) Tell the Company's unique diversity and inclusion story

Working toward our Next Generation Goals

After meeting the Company's 2020 executive representation targets, the Company established new goals to further advance our executive representation of women globally and U.S. underrepresented racial and ethnic groups by 2025. After exceeding its 2020 goal for female executive representation (21 percent), the Company set a new target to reach 27 percent female executive representation by 2025. Additionally, after exceeding the Company's goal of U.S. executive representation from historically underrepresented – or otherwise excluded ethnic and racial groups – in 2020 (29 percent), the Company is working to achieve 35 percent representation by 2025. The Company's ESG KPIs include DEI KPIs, for more information see Section 9.0.



To achieve its representation goals, the Company recognizes that it must foster a strong pipeline of diverse talent. The Company invests in several career programs to ensure it is developing that pipeline through learning, sponsorship, and mentorship programs in partnership with its employee resource groups, business leaders, and Human Resource teams. The longest-running programs include the Women's Leadership Development Program (WLDP) to develop female executive talent, and the Mosaic Leadership Development Program (MLDP) which aims to develop executive talent from underrepresented backgrounds.

Both programs directly contribute to the Company's progress toward the executive representation KPIs and follow a similar timeline of leadership education and training, 360 assessments, coaching, and a fully digital curriculum since the onset of the COVID-19 pandemic. The WLDP was the first program to be established in 2014, and its success has helped with the development of new programs and strategies to attract, retain, and develop diverse talent.

Programs to retain and grow diverse top talent internally

Attracting Diverse Talent	Developing Diverse Talent	Retaining Diverse Talent
The Company's Talent Acquisition (TA) team has established goals to ensure a diverse slate of candidates is presented to hiring managers. The team has a global goal to ensure each slate is 33 percent women, and that candidates from under represented backgrounds in the U.S. represent 15 percent of the candidates. Hiring managers are trained on equitable interview practices. The TA team has also engaged in partnerships and executive sourcing consultants to strengthen the pipeline to meet these goals.	In addition to the previously cited Women's and Mosaic leadership development programs, the Company started a sponsorship program in 2020 to grow diverse talent at the director level into the executive director ranks, ensuring that there is appropriate exposure and career progression for participants. The Company will also be launching a 'Courageous Leadership' program in the U.S. during Summer 2022 to develop senior managers from diverse backgrounds into the director level.	The Company conducts an annual pay equity review to examine any equity risks for gender and underrepresented minority employees. While this review is done for compliance, the team is preparing for its global expansion in 2022. The Company's Organization and Human Resource Planning process also codifies diversity into talent reviews and succession planning for the future workforce.

The Company has also taken a step forward in advocacy for women by endorsing the United Nation's Women's Empowerment Principles (WEPs). These principles offer guidance for businesses to promote gender equality and women's empowerment in the workplace, marketplace, and community. While the Company works toward gender equity, it understands that reducing bias and increasing gender equality is an effort that will require its total commitment. The Company is proud to join its fellow signatories and UN Global Compact members in this initiative.

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

The Company's DEI strategy also prioritizes inclusive behaviors amongst its employees. In 2021, the DEI team launched the CARE Model for Inclusive Behaviors, defining and encouraging four behaviors to foster inclusion in the community: communicating across differences, acting in allyship, recognizing and mitigating bias, and ensuring psychological safety.

C	A	R	E
Communicate across differences	Act in allyship	Recognize and mitigate bias	Ensure psychological safety

The Company's global Human Resources (HR) community is also empowered to embed DEI in their programs and practices. In 2021, the DEI team began a program called HR DEI Champions. Through the program, the DEI team trained HR leaders around the world in DEI basics for HR professionals. The team was also trained to facilitate inclusive and courageous conversations. The Champions have since trained their extended HR teams in DEI best practices, furthering the DEI strategy across the global HR function.

Increasing Diversity through Innovation

The Company is committed to diversity and inclusion and undertakes many efforts to follow through on that commitment. This commitment extends to the Company's intellectual property (IP). In July 2021, the Company became a Founding Signatory of the Increasing Diversity in Innovation Pledge and declared to understand and address the issue of underrepresented inventors on patent applications. This initiative was launched by the United States Intellectual Property Alliance (USIPA) to support all IP people and ideas, regardless of race, gender, ethnicity, nationality, religion, age, disability, or sexual orientation, especially those that are underrepresented. USIPA will seek to include diverse perspectives for the best IP ecosystem.

Innovation is a core value of the Company and the patent program is a cornerstone of its innovation. Increasing diversity in the patent process will help the Company achieve its overall diversity goals. As part of the Increasing Diversity in Innovation Pledge, the Company committed to a year one goal to identify and secure internal data with respect to an underrepresented inventor group and use best efforts to implement initiatives targeted at increasing representation of that group in the Company's patent process.

The Company selected employees who identify as women as the underrepresented inventor group. In year three, the Company has committed to publishing metrics for each year of the pledge related to the rate of inventorship for women. The Company is on pace to meet its year one and year three goals. Once the initial framework for meeting the pledge commitments is established, the Company intends to expand its focus to other underrepresented inventor groups.

In addition to the Increasing Diversity in Innovation pledge, the Company is working to make a global impact through collaboration with other global organizations, including fellow signatories to the pledge. The Company is leading efforts to establish industry-wide standards for collecting data on the diversity of patent inventors, developing best practices for improving participation in patent inventorship by underrepresented groups, and defining useful metrics for tracking such participation. Additionally, the Company is working to establish relationships with national and international patent offices to assist and publicly support their efforts in tracking and increasing diversity in patent inventorship. The Company also promotes greater diversity in inventorship and innovation through regular participation in conferences, panel discussions, and webinars.

Fostering a Culture of Inclusion

The Company is proud to support 13 employee resource groups (ERGs) around the world that foster a sense of inclusion and belonging in its workforce. The groups are led by employee volunteers and sponsored by executives who are allies or are a part of the community that the group supports. The Company's ERGs have continued to engage employees despite much of the workforce working remotely in FY 2021/22.

- A Better Lenovo for Everyone (ABLE – U.S.)
- Black Leaders Achieving Success in Technology (BLAST)
- Diversitas (EMEA)
- Hispanics of Lenovo Association (HOLA)
- Indigenous (Australia/New Zealand)
- Lenovo Employees of Asian Descent (LEAD)
- Lenovo Interfaith (Latin America)
- New and Expectant Mothers Outreach (NEMO)
- People with Disabilities (PwD- EMEA)
- Professionals Respecting Identity Diversity and Empowerment (PRIDE)
- Rising Employees at Lenovo (REAL)
- Veterans Engaging Together (VET)
- Women in Lenovo Leadership (WILL)

Employees who engage in an ERG become critical stakeholders in the Company's diversity and inclusion efforts. While providing educational webinars and programs that increase awareness about diversity and inclusion, ERGs have also advised on marketing campaigns that seek to authentically empower diverse audiences. In 2021, the Company was proud to work with PRIDE ERG chapters around the world to create a personal pronoun campaign, educating the workforce with history, guidance, and resources on the use of pronouns in the LGBTQ+ community. With support from the Lenovo Foundation, ERGs also began partnerships with aligned NGOs to advocate for inclusion in the community. More information is available on page 62.

DEI Recognitions

HUMAN RIGHTS CAMPAIGN FOUNDATION
BEST PLACES TO WORK
2022 for LGBTQ+ Equality
100% CORPORATE EQUALITY INDEX

Bloomberg
Gender-Equality Index
2022

DEI BEST PLACE TO WORK FOR DISABILITY INCLUSION 2021
100% DISABILITY EQUALITY INDEX

Inclusive and Compassionate

The Company continues to drive positive, meaningful change by embedding disability inclusion in the business leadership agenda. Since becoming a member of the Valuable 500 in 2020, the Company continues to partner with disability rights advocates to help ensure its products and solutions are inclusive and accessible. The Valuable 500 is a global business collective of 500 CEOs and their companies who have pledged to work together as a collective to drive systemic change.

Since launching the Product Diversity Office (PDO) in 2020, the Company continues to scale up capacity to ensure its products are empowering its vision of delivering smarter technology for all – regardless of a user's physical attributes or abilities. The PDO's mission is to ensure usability for a diverse customer base and minimize any inherent bias in the Company's technology or products. It was founded with the support of LEC members and governed by the PDO Task Force, a group of business leaders who help to drive the PDO's strategy and influence across the business.

In FY 2021/22, 31 products were reviewed by the PDO Task Force and 21 obtained the Diversity by Design Certification, a four-phase certification process that is customized to the level of risk detected in the product.

While the PDO's task force continues to drive the Diversity by Design review process, the team is also proud of their new partnership with Governor Morehead School for the Blind in Raleigh, North Carolina (U.S.). In this first-of-its-kind partnership, the Company is able to provide products and access to technology for visually impaired students, while gathering real-time recommendations on the user experience for people with disabilities.

Disability inclusion strategy expanded to 8 global markets by 2025

In addition to ensuring accessibility of the Company's products, the Company launched a People with Disabilities internal awareness campaign on Global Accessibility Awareness Day in 2021. The program works to create a stronger understanding of disability in its workforce through internal surveys. While the program began in the United States, the DEI team seeks to expand it to eight markets around the world by 2025.

Much of the understanding and awareness for people with disabilities is driven with the help of the Company's ERGs, People with Disabilities and ABLE (A Better Lenovo for Everyone).

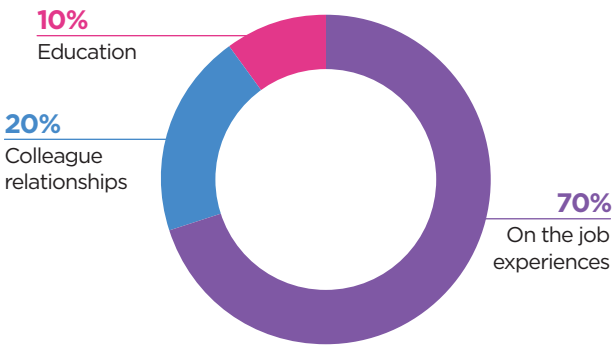
TRAINING AND DEVELOPMENT

The Company's 70-20-10 approach to employee development recognizes that employees learn through three distinct types of experiences: on-the-job training and assignments (70%), developmental coaching, reverse coaching and mentoring relationships (20%), and coursework and training (10%).

Experiences on the Job – learning while doing. The Company designs for 70 percent of career development to happen on the job.

Colleague Relationships – mentors, guides, coaches, managers. The Company designs for 20 percent of employee development through sharing their successes and failures with others and by seeking guidance and advice.

Education – formal training in the classroom or online that teaches key principles and skills. The Company designs 10% of its learning opportunities to be formal education.



The Company has enhanced its management and leadership development program to provide support for managers during their leadership progression by offering specific training experiences. Examples include the Executive Director Accelerator Program (EDAP), Executive Presence Workshop (EPW), Director Leadership Enhancement Program (DLEP), Manager Leadership Enhancement Program (MLEP), and Women Leadership Development Program (WLDP), which are provided at key points in employees' careers.

Instructor-led professional development courses and forums are made available throughout the year for all employees, in addition to rich online learning resources provided on demand via the Company's global learning management system – Grow@Lenovo. Courses focusing on intelligent transformation are available on Grow@Lenovo for employees to learn anytime anywhere.

FY 2021/22 was the first full reporting period since the Company launched the new platform for its learning management system, Grow@Lenovo. The improved features and functionality of the platform provide an expanded view of the completed training metrics. With over 72,000 training assets, Grow@Lenovo enables employees to consume training that can enhance their knowledge and skills. Training assets include e-books, audio books, video courses, certification preparation courses, virtual and instructor led trainings. The externally developed content aims to provide professional and technical skills, including specialized content for sales, product and process training. These courses are delivered globally both in-person and virtually and are carefully designed around leadership priorities and skills that support the Company's mission and vision.
Grow@Lenovo continues to be a strategic resource for employee upskilling and engagement. FY 2021/22 employee training metrics are available in Section 7.0 Consolidated Metrics of this report.

The Company also places a high priority on executive leaders' development, bringing senior leaders together once a year to share best practices, learn from external experts and drive strategic alignment across the enterprise through Global Leadership Team (GLT) and Lenovo Executive Accelerator Program (LEAP).

The Company's new-hire training includes a combination of required instructor-led and online courses on the Code of Conduct, Information Security, Privacy Basics, and Global Anti-harassment training. Through a series of culture and company history trainings, new hires are introduced to the "Lenovo Way" to help them understand the Company's operations and values.

Recruitment

The Company's recruitment practices support its vision to deliver smarter technology for all. The Company's objective is to develop recruitment strategies that support business needs and attract the best talent around the globe. The Company's Talent Acquisition (TA) organization manages the end-to-end recruiting process which includes collaborating with Human Resources Business Partners (HRBP) and Managers, while applying best practices to ensure the recruiting process is fair and consistent for all candidates.

The Company's recruitment process executes the candidate's journey through all touchpoints, including sourcing activity, job postings, and communication throughout the application and interview process. The Company's recruiters also source candidates using social media, employee referrals, and other creative methods. As a Global TA organization, some of the recruitment practices that the team manages include:

- End-to-end hiring of interns, early career, professional, and executive positions for all business units
- Job board management across various platforms (careers website, LinkedIn)
- Expansion University Programs to build its future workforce
- Lenovo Employer Value Proposition and Employer Branding
- Ongoing recruiter training and metrics to ensure candidate slates have diverse candidate representation

Internships are a vital source for prospective candidates and a great way to provide opportunities. In 2021, the Company hired over 800 interns globally, providing meaningful learning experiences, mentor programs, innovation projects, and a view into a Global Fortune 500 technology company. The Company has been able to maintain its intern program via a hybrid model of virtual or on-site work to accommodate the business and student needs impacted by the COVID-19 pandemic.

The Company partners with universities around the world to attract diverse and early career talent. With a goal to increase early career hiring by 10,000 employees over the next three years, its intern programs aim to recruit technology enthusiasts and STEM students from High School through doctoral degrees, helping attract qualified talent and building pipelines for potential hiring needs. The Company's internship programs are specifically designed to help attract students from traditionally underrepresented backgrounds to the Company.

- Lenovo Accelerated Sales Intern Program (LASR)
- Neurodiverse Interns
- ISG Global Supply Chain Intern Program
- Lenovo HBCU Intern Program Spring/Summer
- Wake Tech Community College Intern program
- National Academy Foundation (NAF) – High School Intern Program
- Brazil for Afro-Latino 2-year Intern/Mentor – Motorola
- China Summer Intern Program

The Company is dedicated to growing and developing a workforce to support its long-term growth and innovation. It offers multiple programs that includes rotations across multiple business groups, leadership development, and technical ladder programs. The Company's goal is to infuse diverse talent into its innovative culture to support its digital transformation as it creates smarter technology for all. Diverse hiring, development, and engagement is a vital part of its human capital strategy. These programs include, but are not limited to:

- China Future Leaders (Sales/Marketing)
- India Future Leaders (Sales/Marketing)
- Lenovo Accelerated Sales Rotational Program-Global (LASR)
- ISG Global Supply Chain Rotational Program
- Global Finance Talent Program (GFTP)
- Global Future Leaders Program (Management/ Technology)
- Global Future Leaders Plus (GFL+) (High Potential – Internal Talent Development)
- Technical Ladder Program
- Le Grow-Pro

Compensation and Benefits

The Company designs and implements competitive compensation programs to attract, motivate, and retain talent, including a mix of base pay and short-term and long-term incentive plans. It routinely monitors and evaluates market trends and industry practices to ensure its compensation practices are competitive and react quickly to changes. The Company invests heavily in industry-leading market surveys to ensure that its pay practices remain competitive.

The Company's compensation philosophy is to pay for performance. It believes exceptional individual performance drives exceptional business performance and plays an important role in the pay-for-performance philosophy. All regular employees are either bonus or commission eligible. Its regular non-sales employees establish Key Performance Indicators (KPI) at the start of the fiscal year and managers are encouraged to review their performance against those objectives on a regular basis. KPIs may be updated at any time during the year as the strategy evolves. At the end of the year, employees receive documented feedback on their performance and are rated accordingly. All regular non-sales employees receive a performance rating and an individual performance modifier (IPM) which supports the Company's pay for performance culture by allowing for performance differentiation.

Sales employees receive periodic quotas that impact their commission payments. Furthermore, sales quotas are reviewed and adjusted periodically as market conditions dictate. A feature of the Company's performance management system allows employees to request or provide feedback at any time during the performance year. This feedback may then be used by managers in making their year-end assessment.

The Company strives to create a supportive working environment for its employees around the world by giving them the flexibility to manage their unique life needs and their work. To ensure it can attract and retain high-quality talent in the competitive technology marketplace, the Company offers a variety of benefits for employees and their families. Benefits packages are developed with the following strategic guidelines:

- Position the Company competitively within the local marketplace
- Align with and support the Company's business and culture strategy
- Emphasize the Company's commitment to wellness and families

To achieve these goals, the Company must be flexible and consider varying customs, practices, legal requirements, and employee expectations around the world to design impactful benefits programs. The Company's Total Rewards approach consists of five elements: compensation; benefits; work-life balance; performance and recognition; and development and career opportunities. These five elements are critical in its ability to attract, motivate, and retain its most valuable strategic resource – its people.

Globally, the Company offers flexible benefits in multiple markets and provides employees with a range of choices for benefits that fit their needs at various stages in their life. Choices vary by geography depending on the local market but often include the opportunity to add additional insurance coverage (life, disability, critical illness, dependent health care) or to purchase lifestyle-type benefits (pet insurance, home, or auto insurance) at discounted rates. In the United States, the Company offers voluntary wellness programs that seek to improve employee health or prevent disease. The program is administered according to federal rules permitting employer-sponsored wellness programs, including the Americans with Disabilities Act of 1990, the Genetic Information Nondiscrimination Act of 2008, and the Health Insurance Portability and Accountability Act, as applicable, among others.

‘Lenovo Listens’ Employee Engagement

As the Company works to build a culture of inclusion, employee feedback is one of the best indicators of success. The Company seeks the insights of its employees worldwide through its annual ‘Lenovo Listens’ employee engagement survey. The survey is designed to measure employee sentiment and capture feedback on the Company’s performance as it works to create an equitable and inclusive work environment. The 2021 survey results revealed that overall employee participation reached an all-time high of 94 percent.

Results also indicated confidence in the Company’s future rose to 90 percent, representing an incredible 10-point increase since 2020. While the Company’s greatest strengths continue to be its ethical business practices, incredible teamwork and its continued commitment to diversity and inclusion, the key takeaways from the 2021 Lenovo Listens survey are included in the graphic below*:

FY 2021/22 Lenovo Listens Highlights

Participation	Engagement	Future Confidence	Ethics	D&I
94%	89%	90%	97%	93%
(+2% YoY)	**(+13% YoY)**	**(+10% YoY)**	**Ethical Business Practices**	**Fair and Equal treatment**
Largest number of employees invited to date - 35K, including Direct Labor	**All time high** score	**All time high** score	**12 points above** market benchmarks	**14 points above** market benchmarks

* This data includes regular employees only.

HEALTH AND SAFETY

The Company's manufacturing business model combines joint-venture (JV) partnerships, Company-owned manufacturing, and original design manufacturer (ODM) capacity. This hybrid model provides a competitive advantage that allows the Company to bring innovations to market faster while maintaining control over product development, supply chain operations, and ESG impacts. This model also provides a means to tailor its global manufacturing operations and products to regional markets.

The Company adheres to world-class standards for workplace safety through its Occupational Health and Safety (OHS) Management System. The Company's global manufacturing locations are ISO 9001:2015 (Quality), ISO 14001:2015 (Environmental), and ISO 45001:2018 (OHS) certified by an accredited third-party auditor. As required by these internationally accepted standards, the management of objectives and targets at each certified facility continually foster a safe and healthy work environment for employees.

The OHS Management System is also evaluated in the scope of the Company's global risk registration process as part of its Enterprise Risk Management (ERM) program which is designed to enable effective and efficient identification of, and management's visibility into, critical enterprise risks, including health and safety. Through a process of planning, education, controls, performance evaluation and continuous improvement, health and safety programs are assimilated throughout the Company's global manufacturing footprint.

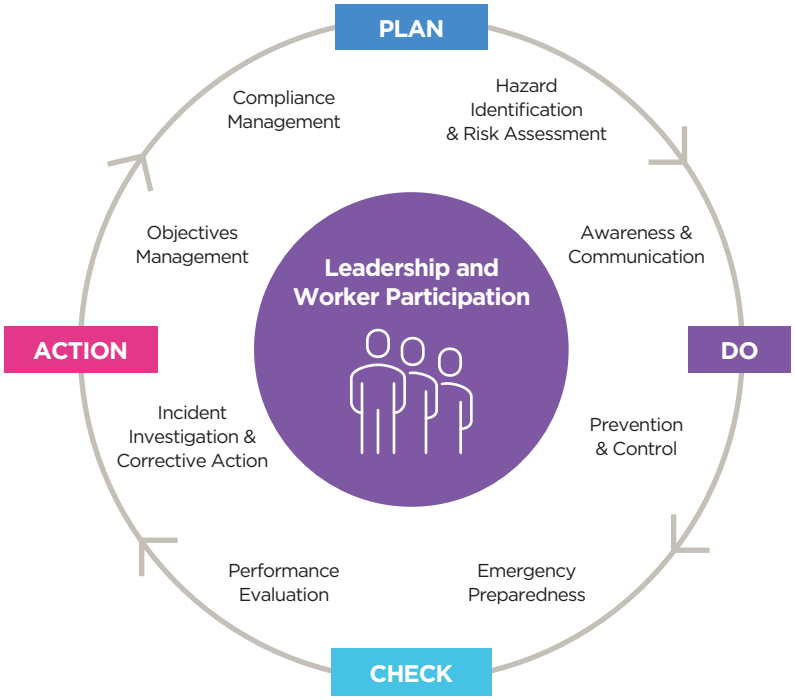
Each manufacturing and development facility reports the number of industrial injuries, illnesses, and lost days each month to the Global OHS Team as part of their KPIs. In FY 2021/22 there were no fatalities or major accidents, the recordable injury rate was 0.07, and the days away from work rate was 0.05. More information is available in Section 7.0 Consolidated Metrics of this report.

MANAGEMENT SYSTEM

OHS-MS ISO 45001

RBA Code of Conduct

Work Safety Standardization (China sites)



INTENDED OUTCOMES

Enhancement of Performance

Fulfillment of Compliance Obligations

Achievement of Objectives

Hazard Identification and Risk Assessment

The Company has implemented comprehensive hazard and risk identification program that assesses the activities and projects throughout its operations. The program provides a detailed process to identify health and safety risks and the associated impacts, suggested corrective actions, tracking necessary responses, and communicating how the challenges were addressed. This practice helps to establish effective health and safety measures and protects against work-related injuries by identifying if actions are needed as a precaution.

Additionally, self-assessments are administered when there are changes in the workplace, including changes to workshop layout, new equipment installation, or other compliance-related changes. The Company's hazard identification award program is an effective way to engage employees and encourage participation in health and safety management while helping employees recognize potential risks or hazards in their daily work environment. Through this and other programs, the Company can increase awareness and implement a sense of ownership as it maintains a safe workplace for everyone.

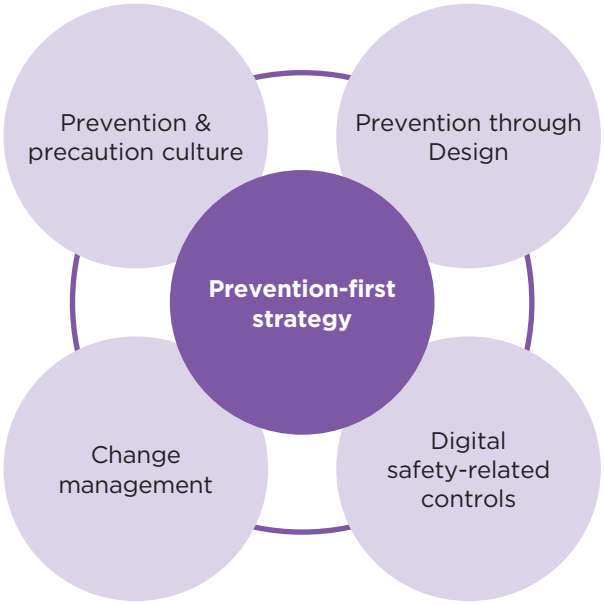
Health and Safety Awareness and Communication

The Company fosters a philosophy that values a health and safety culture. Employee participation is essential to the success of health and safety management. Employee awareness is carried out through online tools that provide appropriate training and site-specific safety information. Training programs are also conducted during monthly team meetings and some manufacturing sites conduct annual Health and Safety Week or Safety Month to further encourage awareness.

The Lenovo Manufacturing and Engineering (LME) Health and Safety Center of Excellence (COE) was established to support the activities of the manufacturing organization, oversee the collaboration between the manufacturing sites, share best practices and execute appropriate training. During FY 2021/22, a total of 18 training courses were carried out by the COE. The LME COE also provides a monthly report to management which includes updates on the KPI progress for the manufacturing sites.

Prevention and Control

The Company's health and safety program incorporates a prevention first approach. Health and safety standards are incorporated at the earliest stage in the life cycle of a facility and during non-routine tasks and projects. The Company's 'Prevention Through Design' process provides a safety precaution roadmap to support the manufacturing sites during new equipment installations and includes a change management process for locations that are integrating new technology, engineering, services, and materials as a proactive measure to help prevent work-related injuries.



Performance and Evaluation

Management assesses the performance of its manufacturing sites to ensure health and safety objectives are being met. These evaluations consist of:

- Conducting monthly assessments of health and safety KPI performance to ensure the sites are on track and correct the deviations and help meet the targets as needed.
- Organizing a monthly global manufacturing ESG meeting to share updates on manufacturing site performance, best practices, and lessons learned.
- Conducting quarterly LME ESG Committee review meetings.
- Conducting internal audits of manufacturing sites, including site self-assessments.
- Organizing periodic management reviews for each manufacturing site.

Incident Investigation and Corrective Action

The Company strives to maintain a workplace that is accident or injury-free. When a work-related injury, illness, or near-miss incident occurs, facility managers and the OHS team immediately launch an investigation of the incident, analyze the root cause, formulate corrective action plans, and track the activities to closure. The 'Lessons Learned' process includes the sharing of information and data analysis with other manufacturing locations, and the distribution of a Safety Bulletin Alert to raise awareness and reduce repeated incidents.

Emergency Preparedness

The Company recognizes the importance of developing and implementing an emergency plan that protects people involved in its manufacturing processes and ensures that employees are familiar with its emergency response procedure. The Company's Emergency Response Team (ERT) collaborates with the facilities to design an emergency plan that specifies the appropriate response to unexpected events, minimizes related risks, and ensures the safety of employees. This process is further supplemented by providing skills that include first aid and CPR training.

Certification and Audits

The Company is determined to ensure that the working conditions at all its manufacturing locations are safe; workers are treated with respect and dignity; operations are environmentally sound, and business operations are conducted responsibly and ethically. In support of this commitment, the Company has implemented programs and practices to ensure that its manufacturing sites comply with the Responsible Business Alliance (RBA) Code of Conduct.

Additionally, the Company is working to achieve RBA Validated Audit Program (VAP) and Factory of Choice (FoC) designations at its manufacturing sites as it aims to demonstrate social and environmental leadership. The Company also conducts internal audits, ISO certification audits, and customer-requested audits.

During the RBA VAP audits, independent auditors assess the sites' health and safety practices in addition to other ESG-related topics. As of FY 2021/22, all manufacturing sites (not including new locations with less than one year of labor data) have undergone the RBA VAP. Since FY 2019/20, three manufacturing sites achieved Platinum Level, one manufacturing site achieved Gold Level, five manufacturing sites achieved Silver Level, and eight manufacturing sites received the RBA Factory of Choice (FoC) Award.

Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

Wuhan Site, GSC, Lenovo

No.19th Gaoxin 4th Road, Eastlake High-tech Zone,
武汉, 湖北, 430079,
China

Completed the RBA Validated Audit Process, achieving PLATINUM Status closing all Priority, Major and minor findings, earning a score of 200

Validated Audit Report: VAR-20220121-CN-01B02-1
Audit date: January 21, 2022
Certificate issue date: January 30, 2022
Expiration date: August 13, 2023

Robert F. Lederer
CEO, RBA

Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

Lenovo Tecnologia Brasil Ltda - IDU

Estrada Municipal IDT,334 Estrada dos Leites nº200, Bairro do Sapezal Modulos 05 -10,
Indaiatuba, SP, 13337-200
Brazil

Completed the RBA Validated Audit Process, achieving PLATINUM Status closing all Priority, Major and minor findings, earning a score of 200.0

Validated Audit Report: VAR-20210528-BR-01B02-1
Audit date: May 28, 2021
Certificate issue date: June 21, 2021
Expiration date: November 13, 2022

Robert F. Lederer
CEO, RBA

Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

Lenovo Centro Tecnologico S. de R.L. de C.V.

Boulevard Escobedo No. 316, Apodaca Technology Park, Apodaca, Nuevo Leon,, Nuevo Leon, mexico, 66600
Mexico

Completed the RBA Validated Audit Process achieving PLATINUM Status with a full audit score of 200/200

Validated Audit Report: VAR-20210118-MX-02A01-1

Audit date: January 18, 2021

Certificate issue date: February 11, 2021

Expiration date: January 20, 2023

Robert F. Lederer
CEO, RBA

Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

Lenovo system technology Products(Shenzhen)Co.,Ltd.

No.30 TaoHua Road,Futian Free Trade Zone,Futian District,Shenzhen , Futian, , 518000
China

Completed the RBA Validated Audit Process achieving SILVER Status Without any Priority findings achieving a score of 183.3/200

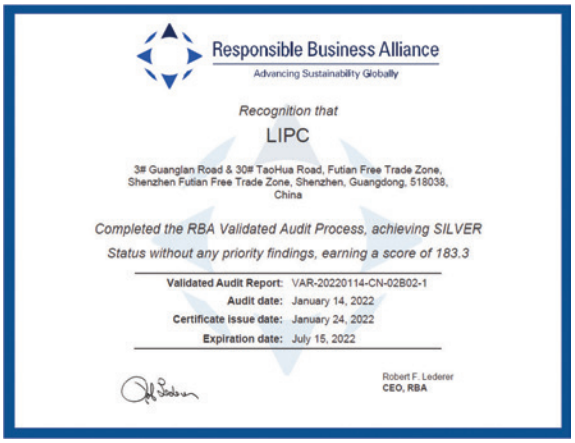
Validated Audit Report: VAR-20200716-CN-02A01-0

Audit date: July 16, 2020

Certificate issue date: February 11, 2021

Expiration date: July 16, 2022

Robert F. Lederer
CEO, RBA


Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

LIPC

3# Guanglan Road & 30# TaoHua Road, Futian Free Trade Zone,
Shenzhen Futian Free Trade Zone, Shenzhen, Guangdong, 518038,
China

Completed the RBA Validated Audit Process, achieving SILVER Status without any priority findings, earning a score of 183.3

Validated Audit Report: VAR-20220114-CN-02B02-1
Audit date: January 14, 2022
Certificate issue date: January 24, 2022
Expiration date: July 15, 2022

Robert F. Lederer
CEO, RBA

Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

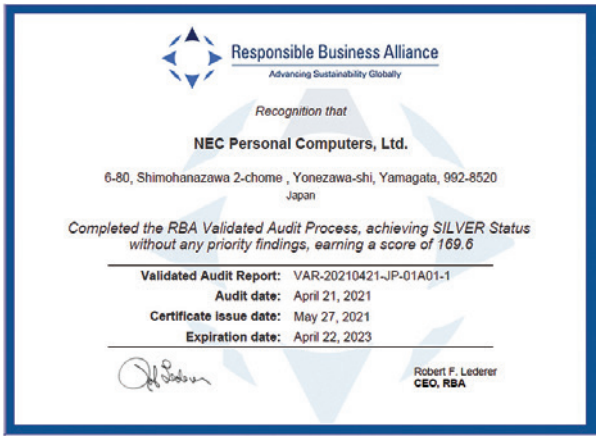
LCFC (Hefei) Electronics Technology Co., Ltd

Hefei Economic & Technological Development Area in Anhui Province, No. 3188-1
Yungu Road (Comprehensive Bonded Zone),
Hefei, Anhui, 230601,
China

Completed the RBA Validated Audit Process, achieving GOLD Status without any Priority or Major findings, earning a score of 193.1

Validated Audit Report: VAR-20211022-CN-01B02-1
Audit date: October 22, 2021
Certificate issue date: November 17, 2021
Expiration date: May 20, 2023

Robert F. Lederer
CEO, RBA



The Company's FY 2022/23 target is to achieve successful RBA VAP audits and FoC designation for manufacturing locations.

The RBA FoC designation is intended to recognize manufacturing sites that fully commit to the RBA Code of Conduct and demonstrate leadership through impact and transparency. To enter the FoC program, factories must complete an evidence-based application that is reviewed by RBA staff to ensure the program criteria are met.

To be recognized as a Factory of Choice, the following requirements must be met:

- A VAP with a minimum score of 160 and all Priority findings must be closed
- At least one RBA-Certified Factory Lead
- A functioning worker forum to provide feedback to management that results in workplace changes

Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

Lenovo Tecnologia Brasil Ltda - IDU

Estrada Municipal IDT, 334 Estrada dos Leites nº200, Bairro do Saperal, Modulos 05 -10, Indaiatuba, SP, 13337-200, Brazil

completed the RBA® Factory of Choice

One-Star Level

Award ID*: xQc3npocrxgl4lR
Issue date: March 25, 2022
Expiration date: November 11, 2022

*To verify this award, send an email to FOC@responsiblebusiness.org

Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

Lenovo (Huiyang) Electronic Industrial Co., LTD.

Lenovo Science and Technology Park, Huiyang Economic Development Zone, Huizhou City, Guangdong Province, 51600, China

completed the RBA® Factory of Choice

One-Star Level

Award ID*: rMhWCQOO5ZmGnAp
Issue date: April 29, 2022
Expiration date: January 11, 2024

*To verify this award, send an email to FOC@responsiblebusiness.org

Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

NEC Personal Computers, Ltd.

6-80, Shimohanazawa 2-chome, Yonezawa-shi, Yamagata, 992-8520, Japan

completed the RBA® Factory of Choice

One-Star Level

Award ID*: NptjjUGS74pNwfb
Issue date: May 13, 2022
Expiration date: April 20, 2023

*To verify this award, send an email to FOC@responsiblebusiness.org

Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

Lenovo - Unites States Fulfillment Center

6540 Franz Warner Parkway, Whitsett, North Carolina, 27377, United States

completed the RBA® Factory of Choice

One-Star Level

Award ID*: Pe6QJXD7LmlP1v4
Issue date: May 11, 2022
Expiration date: March 08, 2023

*To verify this award, send an email to FOC@responsiblebusiness.org

Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

LCFC (Hefei) Electronics Technology Co., Ltd

Hefei Economic & Technological Development Area in Anhui Province, No. 3288-1 Yungu Road (Comprehensive Bonded Zone), Hefei, Anhui, 230601, China

completed the RBA® Factory of Choice

One-Star Level

Award ID*: VmPHWeuiE2c88lN
Issue date: April 29, 2022
Expiration date: May 16, 2023

*To verify this award, send an email to FOC@responsiblebusiness.org

Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

Wuhan Site, GSC, Lenovo

No. 19th Gaoxin 4th Road, Eastlake High-Tech Zone, Wuhan, Hubei, 430079, China

completed the RBA® Factory of Choice

One-Star Level

Award ID*: byNXeGoiKGPkm3
Issue date: April 29, 2022
Expiration date: August 08, 2023

*To verify this award, send an email to FOC@responsiblebusiness.org

RECOGNITIONS

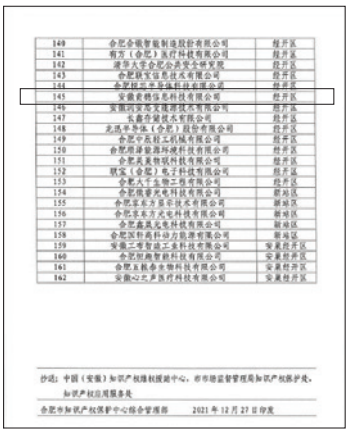
In 2021, the Company's Taiwan, China, office received its first 3-Star Rating Fitwel-certification as a commercial office in Taiwan, China.

Fitwel is the world's leading certification system committed to building health for all®. Generated by expert analysis of 5,600+ academic research studies, Fitwel is implementing a vision for a healthier future where all buildings and communities are enhanced to strengthen health and well-being.

During the pandemic crisis, a healthy workplace for employees became paramount as it increased the awareness of work spaces and socialization, and the impacts on employees' health and well-being. The employees at the 'Taiwan, China' site adopted Fitwel as a tool to optimize the workplace and prioritize employee health. The 3-star Fitwel certification is a key indicator of the Company's Corporate Real Estate commitment to designing sustainable spaces and promoting a healthy workplace to all.

On December 10, 2021, Company's Hefei (LCFC), China plant renewed The Chinese Environmental Labeling Product Certification.

In December 2021, the Company's Hefei (LCFC), China plant was included in the first batch of filing enterprises of the China (Hefei) Intellectual Property Protection Center.



Community Investment

The Company's social investments are focused on empowering underrepresented populations with access to technology and STEM (science, technology, engineering, and math) education. The Company has a goal of committing a minimum of 0.5% of its pretax income to global social investment programs and initiatives. The Company's social investments are executed through charitable corporate contributions and its charitable entities: the Lenovo Foundation, U.S. 501(c)(3), and the Lenovo Foundation Beijing (non-profit registered in China).

Social Investment Objectives

- Partner with charities, educational institutions, and civic organizations to empower under-represented populations with access to technology and STEM education.
- Share the Company's Smarter Technology for All vision with communities around the world through employee volunteerism aligned to its mission and vision.
- Use the Company's technology and philanthropic resources to strategically respond to natural and humanitarian disasters.

In FY 2021/22, the Company's philanthropy program made record-breaking strides in its community investments, employee engagement and impact measurement key performance indicators. Overall, the initiatives helped the Company provide US$24 million in estimated community investments and 83,436 hours of employee volunteerism, benefitting nearly 13 million individuals in communities around the world. These results were achieved through the close collaboration of the global philanthropy team, dedicated employees, and oversight of the Lenovo philanthropy board.

A Lenovo employee in Brazil poses at volunteer project.

- **Launch of the Love on platform:** In 2021, the Company expanded access to its regular employee matching gift and volunteer tracking benefits by launching the Love on platform for global employee engagement. The software platform enables regular access to 1:1 matching gift benefits and volunteer tracking to regular employees around the world, a benefit that had only been available to employees in the U.S. and Canada on an ad hoc basis.
    - In alignment with the launch of the Love on platform and employee giving benefits, employees contributed to a record-breaking Love on Global Month of Service by reaching more individuals, increasing participating office sites, and increasing employee volunteers despite the ongoing pandemic.

- **Employee Resource Group Grant Round**: The Company's philanthropy program empowered the leaders of its employee resource groups by facilitating partnerships with community organizations that are aligned to their diversity segment. The inaugural funding opportunity led to US$250,000 in grants supporting community organizations and empowering diversity around the world.

Lenovo employees in Azerbaijan mentor students and donate product at local school.

- **Humanitarian response**
  - Unidas Pela Vacina (Brazil): The Company supported the public-private partnership to amplify the vaccination rate against COVID-19 in Brazil. The Company's support enabled tens of thousands of Brazilians to have access to the COVID-19 vaccine.
  - Floods in Henan Province (China): The Company responded with monetary and IT support after floods devasted the area of Henan province during the summer of 2021.
  - COVID-19 Variant Research (India): The Company supported genome sequencing research at India's Institute of Genomics and Integrative Biology, providing 26 high performance computer servers in support of COVID-19 research. This support was in addition to resources provided through the American India Foundation, World Vision India, and Americares India during the second wave of COVID-19 during the fall of 2021.
  - Flooding in Southern Germany: Employees responded with more than US$50,000 in contributions matched by the Company after floods devastated communities in Germany, Belgium and the Netherlands. Employees in Germany provided hands-on support, cleaning and reconstructing damaged buildings, and provided food to local crews.
  - Support for refugees in Europe: Employees donated more than US$300,000 to local European organizations supporting families fleeing conflict in Ukraine, beginning in February 2022.

Lenovo employees in Jakarta, Indonesia provide donations to local orphanage.

- **TransforME Grant Round**: The Company's philanthropy program launched a strategic grant round in January 2022, working to invest US$1 million in new partnerships with organizations focused on providing digital skills training. The Foundation allocated funds to partnerships around the world in May 2022 and will continue to report on grantee outcomes in future ESG Reports.

Lenovo employees in the UK provided VR experiences to children with disabilities.

By 2025, the **Lenovo Foundation** will have **impacted 15 million lives** around the globe.

The philanthropy team is taking additional efforts to standardize and measure its global impact. In order to do this, the team has defined its beneficiaries into a standard impact category and transformational impact category, while developing goals for each category.

3,650 Employee Volunteers
(+17% since 2020)

79 Participating Offices
(+52% since 2020)

42,000 Individuals Benefitted
(+9% since 2020)

Metrics above reflect participation and impact of 2021 Love on Global Month of Service

By 2025, the Company's philanthropy program seeks to:

- Impact the lives of 15 million people through standard programs, partnerships, and experiences that expose individuals to the importance of STEM education, share the Company's values of diversity and inclusion, and its 'smarter technology for all' vision. Its philanthropy program is on track to reach this target as of this report.
- Transform the lives of 1 million people through programs that provide opportunities to individuals through permanent access to necessities, scholarships, skills training, and technology. The Company's philanthropy program will continue to invest in and track this target to meet its 2025 goal.

For additional quantitative details of the resources contributed, please see Section 7.0 Consolidated Metrics of this report.

WORK FOR HUMANKIND

Lenovo's Work for Humankind is a bold initiative in partnership with nonprofit organization Island Conservation and the Robinson Crusoe Island community that took volunteers from around the world to experience first-hand how to make a long-lasting difference with an island community, while working from Lenovo's high speed technology hub.

Born out of Lenovo's research which showed a global desire for remote work, while supporting local communities and giving back, Lenovo was inspired to leverage its technology and partner with Robinson Crusoe Island. As one of the most ecologically rich places on the planet, Robinson Crusoe faces many challenges in a changing world, including access to education, healthcare, the impact of habitat degradation, and invasive species. Local efforts have been made to tackle these issues, however, they have been hindered by telecommunications and technology challenges.

So, in early 2022, Lenovo sent volunteers from around the world with a range of skills to support vital community and conservation projects on the island.

After the volunteering phase was completed, a study revealed progress against the three objectives of the project:

1. Connecting an isolated community to the global economy

Bridging the 'digital divide,' Work for Humankind aimed to bring high-speed connectivity to the remote island community, helping advance its education, healthcare and ability to protect its unique ecosystem.

Key impacts include:

- High-speed connectivity with internet speeds up to 200 Mbps (up from 1 Mbps)
- Approximately 30% of the island's entire population has taken advantage of Lenovo's technology hub, opening up new career possibilities along with positive trade, tourism and IT learning opportunities for the community for greater economic resilience.
- The island community has self-determined, equitable access to the internet – a good example of Lenovo's vision of delivering smarter technology for all. This is the most important advancement regarding connectivity in more than 20 years on the island.

2. Transforming local conservation projects that protect rare species and ecosystems

The conservation results from Work for Humankind have helped Island Conservation and local conservationists achieve years' worth of work in only weeks:

- Increased endangered species protection for seven critically endangered species, including the Pink Footed Sheerwater, in the Juan Fernandez Archipelago

- Lenovo's AI server enables field staff to detect invasive species more efficiently. A process to analyze hundreds of thousands of images from camera traps that previously took months now takes days.

3. Bringing new skills and knowledge to the Robinson Crusoe community

Nearly 1,000 hours of professional volunteer expertise advanced the community's vision of a sustainable future. This resulted in:

- Self-determined initiatives to increase the resilience of local food supplies and improve plastics and waste management
- The island community now being empowered with digital tools and strategies to effectively engage with the global economy, enabling remote and hybrid work opportunities that previously did not exist.

Leaving a positive lasting legacy

Looking ahead, Lenovo is committed to leaving a positive legacy on the island:

- The tech hub will migrate to the local library to provide residents with access to new educational and digital tools.
- Lenovo is also donating a US$100,000 grant for tech hub maintenance, ongoing project support and internet access for vital services to improve healthcare access and education.

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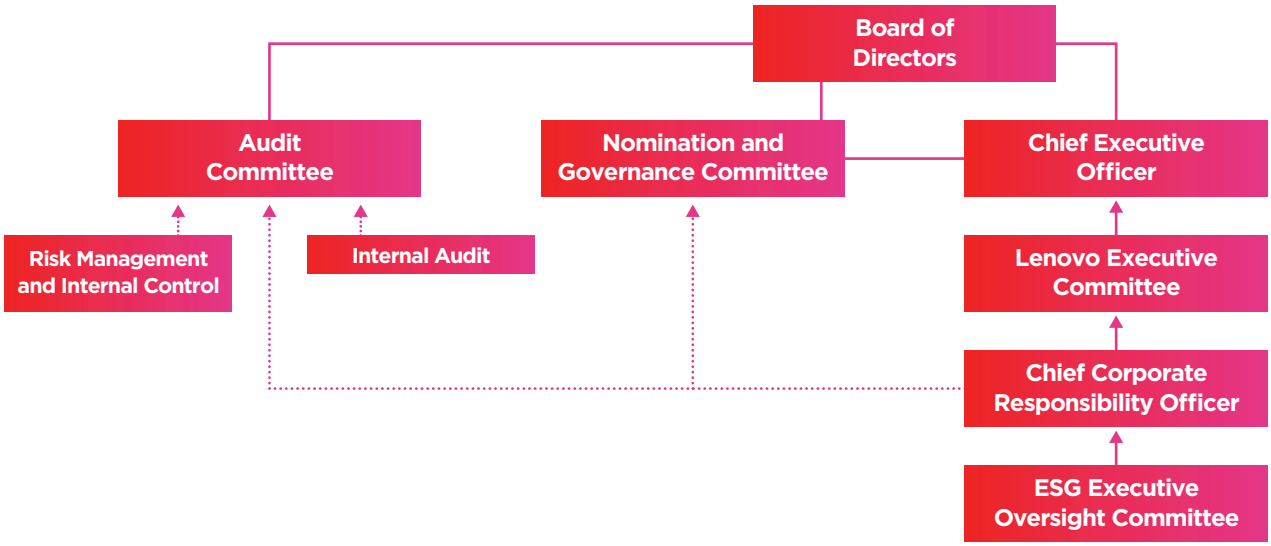
5.0 Governance

ESG GOVERNANCE

"Statement on Oversight and Management of Environmental, Social, and Governance Issues

The following is a statement from the Board of Directors (the Board) and management of Lenovo Group Limited (the Company) explaining the Board's oversight of Environmental, Social, and Governance (ESG) matters and the approach and strategy of the Company towards the management of ESG issues.

ESG Governance Structure and Board Oversight



The Board has the highest level of oversight for ESG programs and its reporting is through the governance structure outlined above. The Board supports the Company's ESG programs and processes by evaluating the Company's management of and response to key ESG-related risks, in the context of strategy and long-term value-creation across its business operations. Board members are updated on critical ESG risk areas and responses through regular briefings which include a review of key ESG practices and the approval of the annual ESG Report after due discussion. ESG-related topics appear in the agenda items of the Board and Board Committee meetings at relevant times throughout the financial year, and ESG is a standing agenda item at least twice annually. Regular updates on ESG issues, including updates on topics discussed by the ESG Executive Oversight Committee, are also provided to the Board and its Committees from the Chief Corporate Responsibility Officer.

The Board is aware of the importance of continuous improvement of its own collective performance in the leadership of the Company, including addressing climate-related risks and opportunities and the oversight of ESG matters. Through a formal process that is led by the Nomination and Governance Committee, all directors conduct Board evaluation via an online platform, the aim of which is to evaluate and advance the performance and effectiveness of the Board and its Committees, including the oversight of ESG matters. This evaluation is conducted every two years or as agreed by the Board members.

As part of the Board's continuous professional development program, Directors from time to time receive training on ESG matters including anti-corruption, climate- and water-related risks, and other topics in the form of presentations from ESG professionals. This facilitates Board members' understanding of the Company's ESG practices, supports the continuous development of ESG competencies within the Board's skills matrix, and increases awareness of ESG impacts on the Company's operations.

Concentrated discussion on ESG issues, including climate change, assists the Board in making the most appropriate decisions and providing oversight based on the long-term risks and opportunities that impact the Company's stakeholders and the business. At least annually, the Board is briefed on the Company's ESG KPIs including its climate strategy and progress towards its climate change mitigation goals.

ESG oversight is supported through the Nomination and Governance Committee, which oversees the corporate policies and practices regarding governance and compliance with legal and regulatory requirements. The Audit Committee has a complementary role in the effective management of risks and safeguarding the Company's resources, through oversight of the Internal Audit and Enterprise Risk Management (ERM) systems, both of which support overall ESG risk management practices. The Chief Corporate Responsibility Officer provides executive leadership for the Company's ESG position and ensures regular reports are made to the Lenovo Executive Committee (LEC), the Board and its Committees. The LEC consists of senior management who have delegated authority established by the Chief Executive Officer to manage operational performance, including strategic decisions.

In addition, the ESG Executive Oversight Committee (EOC), chaired by the Chief Corporate Responsibility Officer, provides strategic direction, and facilitates the coordination of ESG efforts across the Company, including proposing recommendations for the effective management of ESG programs. The ESG EOC is comprised of senior management from across the business and functional areas and is chartered to promote a culture that encourages strong ESG performance, including compliance and leadership activities.

The ESG EOC is responsible for:

- Monitoring emerging ESG trends, impacts, and opportunities
- Representing the voice of the customer in ESG strategy decisions
- Recommending ESG initiatives, investments, and disclosures to management and the Board
- Ensuring the Company ESG strategy appropriately addresses risks and obligations
- Evaluating ESG programs and investments for effectiveness
- Supporting ESG disclosure and messaging initiatives
- Acting as executive champions for the Company's ESG culture and values

ESG Management Approach

In addition to the responsibilities listed above, the Board through management process delegates authority to the ESG EOC for the following ESG oversight activities:

- Overseeing the assessment of the Company's environmental and social impacts, including the Company's annual materiality assessment process
- Ensuring alignment of the company's ESG programs with regulatory requirements and investor expectations
- Understanding the risks of ESG issues on the Company's operating model and ensuring that actions taken to address the risks are appropriate and well-followed
- Ensuring that ESG considerations are part of business decision-making processes

As part of the Company's ESG program, a materiality assessment is conducted annually with internal and external stakeholders to identify ESG-related risks and opportunities and their impacts on the business and stakeholders. The results are reviewed and approved by the ESG EOC and included in the ESG Report reviewed and approved by the Board. This assessment guides the objectives for the Company's ESG programs, including goals and targets, informing the business strategy, targeting communications, and the disclosures in the annual ESG Report.

The Company sets targets to address the Company's material impacts through a variety of related processes, including the Company's ISO 14001:2015 (environmental), ISO 50001:2018 (energy management), ISO 45001:2018 (occupational health and safety), and ISO 9001:2015 (quality) management systems. In addition, relevant teams within the Company including Strategy, Human Resources, and others may set KPIs related to their own impacts which may be rolled up into the corporate ESG KPIs as appropriate. The Company's Corporate ESG KPIs are developed with approval from the ESG EOC and supported by the LEC and Lenovo's Board of Directors.

The Company recognizes that risk management is the responsibility of everyone within the organization, and that risk is best managed when business functions take responsibility and are accountable for them. Rather than being a separate and standalone process, risk management is therefore incorporated as part of the Company's annual strategic planning process across all major functions of the organization.

The Company's official ERM process details various business risks that include environmental, social, and governance risk categories. Annually, the Company requires each business unit to identify risks, assess their impacts on executing its strategy, and develop risk mitigation plans. The results of this assessment ensure that effective risk management and internal control systems are in place.

ESG-related information is periodically audited by an internal control framework as part of a broader corporate risk assessment that incorporates audit processes to provide independent and objective assurance that the Company's ESG disclosures, statements, and metrics are accurate and aligned with the Company's risk management approach. For many years, the Company has had an integrated approach for internal control which is consistent with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) internal control framework. This internal control framework is overseen by the Audit Committee.

The Company's ESG disclosures, statements, and metrics are managed by a dedicated team that is focused on monitoring the effectiveness of the ESG initiatives and reporting the organization's progress against the goals and targets.

Review of Progress and Relevance to the Business

The ESG EOC conducts regular meetings to assess the progress of the Company's ESG initiatives, including climate change and a net-zero vision, the relevance to stakeholder expectations and the Company's long-term business strategy, and the direction and investment of the ESG program.

The ESG practices, related goals and targets, KPIs and associated progress are periodically reviewed by the Board and are aligned with credible industry and science-based standards that support ESG reporting frameworks. The Company's progress is reported in the annual ESG Report that is reviewed and approved by the Board.

The Board acknowledges that the corporate ESG landscape is evolving, and that the effective governance of ESG matters is fundamental to a company's ESG accountability. As the Company develops an awareness of the ESG risks and opportunities faced by the industry and the potential impacts on the Company's business continuity plan, the Board strives to strengthen the oversight of ESG programs and practices that will help to build a more resilient future for all."

Ethics and Integrity

The Company is committed to conducting business legally, ethically, and with integrity. Its Ethics and Compliance Office (ECO) oversees the ethics and compliance function across the organization and strives to promote a culture that is committed to ethical business conduct. The ECO works in partnership with business units across the globe to promote legal and ethical operations. The ECO is committed to raising awareness about the importance of ethical and compliant business practices to the Company and serves a critical role in providing employees with the information, resources, and training they need to make informed ethical decisions. The ECO oversees Lenovo's Code of Conduct (Code), which establishes clear expectations for employee compliance with its policies related to lawful and ethical business conduct. The Code reflects the Company's culture of trust and integrity and holds employees accountable for their behavior and helps employees determine when and where to seek advice. The Code, policies, and related awareness and training materials are provided electronically and through periodic communications.

The ECO is supported by various committees. The Executive Ethics Committee provides executive-level oversight and guidance to the ECO. The Investigation Oversight Committee works closely with the ECO to oversee the Company's internal investigation process. The Regional Ethics and Compliance Committee provides the ECO with global support, perspective, and insight. The Audit Committee also oversees the ECO and receives regular updates about the program priorities and initiatives.

BUSINESS PRACTICES

The Company's Code of Conduct (Code) mandates compliance with applicable laws in markets where it conducts business. Its policies strongly support ethical and responsible business practices, including but not limited to:

Anti-Bribery and Anti-Corruption

The Company complies with the anti-corruption laws of the countries in which we do business. Its policy on anti-bribery and anti-corruption and the Company's policy on gifts, entertainment, corporate hospitality, and travel reinforce provisions in the Code and provide additional guidance regarding compliance with global anti-bribery and anti-corruption rules and laws. Its policy stresses that the Company will not directly or indirectly offer or give anything of value to any person, including government officials, to influence actions or to secure an improper advantage as defined by applicable laws.

To help employees understand these requirements, training on anti-bribery and anti-corruption is provided. In FY 2021/22, over 37,000 global employees were assigned a mandatory eLearning course focused on anti-bribery and anti-corruption. The interactive training highlighted key areas of importance on this topic. In addition, over 30 facilitator-led sessions focused on anti-corruption basics and anti-corruption case studies were provided to over 10,000 of the Company's China-based employees. Training on the Company's gifts, entertainment, corporate hospitality and travel policy was also provided, highlighting the Company's requirements and approval processes. In addition, the Company provides Code of Conduct training to new employees, which also includes anti-bribery and anti-corruption topics. The Board of Directors and Senior Leadership Team were also provided a facilitator-led training session on anti-bribery and anti-corruption.

In FY 2021/22, the Company received the result of one concluded legal case regarding corruption that the Company had previously transferred to authorities. The involved person was convicted of position embezzlement and sentenced to four years and six months and fined RMB50,000. The Company terminated employment with the involved person. In addition, the direct manager and two subordinates of the involved employee were issued appropriate discipline. The Company has undertaken additional internal control measures to prevent similar incidents. The impact of the case to the Company's business was minor.

Anti-Competitive Practices and Fair Competition

The Company competes for business ethically and lawfully. The Code and policy on anti-competitive practices and fair competition forbid employees from engaging in anti-competitive practices, such as entering into an agreement or discussion that would result in setting prices, limiting the availability of goods or services on the market, or agreeing to boycott a customer or supplier.

Intellectual Property

The Company values intellectual property as it innovates for the future. The Company expects employees to protect intellectual property and to respect the intellectual property rights of other companies and individuals. It secures its intellectual property by using patents, copyrights, trademarks, confidential information, related contract rights, and other applicable forms of legal protection.

Employees are required to abide by their agreement with the Company regarding confidential information and intellectual property. Additionally, all employees are expected to contribute to the Company's innovation leadership. This includes submitting inventions and ideas to the Company's Patent Review Board for review and protection with the support of the Intellectual Property Legal team. Employees must also consult with the Company's Legal Department as appropriate to ensure the required rights and licenses are obtained before utilizing any third-party proprietary materials. Employees are expected to obtain and abide by licenses or other permissions as appropriate, as described in the Employee Code of Conduct.

Privacy & Data Protection

The Company maintains a Global Privacy Program, which leads the organization's commitment to responsibly using and protecting customer, consumer, employee and partner identifiable information. The Lenovo Global Privacy Program develops and maintains policies, processes, training, and other mechanisms and resources to ensure that the Company is in compliance with global privacy and related data protection laws and regulations. These policies and the Company's commitments in this area are communicated to all employees via the Lenovo Privacy Basics course which new employees are required to take within 30 days of their employment with the Company, and on a recurring basis thereafter. It is the individual and collective responsibility of the Company's employees and contractors to act in accordance with the requirements of the Company's privacy and security policies and standards and to

report privacy and security incidents/vulnerabilities in a timely manner. The Lenovo Global Privacy Program, Chief Security Office, Chief Information Security Office, and the Company's product security teams maintain incident reporting mechanisms and work together to investigate, mitigate, and prevent privacy and security incidents that could impact the Company, its customers, users, or employees. Individuals may learn more about the Company's product and website privacy practices by visiting https://www.lenovo.com/us/en/privacy/. The Lenovo Privacy Program may be reached at privacy@lenovo.com (or privacy@motorola.com).

The Company recognizes the great importance of privacy to individuals everywhere – customers, website visitors, product users, employees – everyone. The responsible use and protection of personal and other information under the Company's care is a core value. To ensure adherence to its privacy policies, principles, and processes, the Company maintains a global Privacy & Data Protection Program led by the Legal Department. The Privacy & Data Protection Program reports its progress regularly to the Company's Chief Legal Officer and Chief Security Officer. In addition, the Privacy & Data Protection Program coordinates a cross-functional Privacy Working Group (PWG) comprised of key partners drawn from Information Security, Product Security, Product Development, Marketing, E-Commerce, Service and Repair, Human Resources, and other groups. The PWG meets several times per year and discusses the Company's privacy policies, processes, legal developments, industry developments, and more. Key elements of the Company's approach to ensuring meaningful privacy and data protection include:

99%

Computer-based employees completed Information Security essentials and Privacy Basics training during FY 2021/22

- Monitoring global privacy and data protection legal developments and regulatory trends, and improving the Company's privacy practices and processes
- Harmonizing global privacy and data protection requirements into an organization-wide set of guiding privacy principles intended to drive how the Company handles personal information and certain other types of data, including developing and updating its privacy policies and procedures
- Providing contractual support to ensure that risks associated with supplier and partner agreements include appropriate privacy and security terms; including assistance to the Lenovo Legal Center of Excellence (COE) in its efforts to update contract templates and improve privacy and security-focused contract addenda
- Providing early input to product and service development teams by incorporating privacy checkpoints into formal product development plans, including privacy impact assessments, and conducting pre-launch privacy compliance reviews of products, software, services, websites, marketing programs, internal systems, and supplier relationships
- Responding to requests from individuals to review, correct, amend and/or delete their personal information
- Coordinating the Company's response to law enforcement and other government requests for applicable personal and user information
- Developing and delivering privacy and data protection-focused training programs and working closely with the Chief Security Office (CSO), Corporate Information Security Office (CISO), and product security teams to timely identify and respond to privacy and data protection incidents
- Maintaining an internal Privacy Program portal and other resources for employees to provide guidance, documents, contract templates, compliance checklists, and additional privacy and data protection resources for the Company's community

RAISING QUESTIONS OR CONCERNS

The Company has established clear processes and reporting channels for raising questions or reporting concerns. The Company's policy on reporting unlawful or inappropriate conduct guides employees how to raise questions or concerns regarding any aspect of their work. Employees are encouraged to raise concerns to their managers, Human Resources, the ECO, Internal Audit, or the Legal team about any potential issues including those known about or suspected:

- Fraud by or against the Company
- Corruption or bribery
- Unethical business conduct
- Violation of legal or regulatory requirements
- Substantial and specific danger to health and safety
- Violation of the Company's corporate policies and guidelines, particularly the Code of Conduct

Also, the Company provides formal, confidential ways to report concerns, ask questions, or request guidance in person, by email, or through the LenovoLine, a confidential reporting system that is accessible 24 hours a day, seven days a week by the secure website or toll-free telephone with translators available. Where allowed by law, employees may report concerns about business practices anonymously. Received reports are reviewed and taken seriously.

When necessary, the Company will conduct an internal investigation to determine whether specific behavior is consistent with applicable law and the Company's standards. Internal investigations are conducted in compliance with the Company's Code of Conduct and established internal investigations processes and guidelines. The Company's Investigation Oversight Committee (IOC) is responsible for initiation and oversight of investigations and for reasonably assuring internal investigations comply with established internal standards. The IOC monitors and maintains accurate records of internal investigations.

COMPLAINTS

The Company is dedicated to reviewing and responding to all customer feedback, including product or service-related complaints. It has a robust process for managing customer complaints. Practices include a review and approval process for all product or service-related complaints with checkpoints to ensure adherence to the process.

Complaint Channels

Customers can raise dissatisfaction or complaint through a diverse range of channels that includes, but is not limited to phone calls, chat, email, social media (Facebook, Instagram, Twitter, LinkedIn), and the Lenovo Support Page.

Complaint Process

Complaints are collected by various internal systems and centralized on Microsoft Dynamics CRM. The dedicated Customer Care team will manage the case end-to-end and engage with the customer to find a resolution to their complaint. The Customer Care team will:

- Investigate the background of the complaint to understand the customer's experience better thus far
- Identify potential solutions for the customer and communicate with the customer to gain agreement on a solution
- Implement the agreed-upon solution

Based on the solution criteria, the Customer Care Case Manager may:

- Explain the Company's warranty policy
- Repair the product if it is not working per the machine specifications
- Replace the product if the repair does not resolve the problem
- Refund the customer

Once the case is escalated to the Customer Care team, the global average time for resolution and agreement with the customer is usually 48 hours.

To maintain a consistent process and continuously identify improvements to the policies, by the end of the case management, Customer Care team will launch a survey to customers looking to understand:

- Likelihood to recommend the Company in the future
- Overall satisfaction with the service provided
- Gauge how easy it is to do business with Lenovo Group
- Resolution satisfaction
- Resolution time

Enterprise Feedback Management

The Customer Care team executes a closed-loop process with customers and internal stakeholders to improve the Company's process and policies. The process includes compiling and categorizing the reasons for escalation and customer feedback and sharing the findings and recommendations with the services delivery teams.

The Customer Care team also evaluates the survey responses and areas to improve while managing critical and dissatisfied customers. Those areas include, but it is not limited to:

- Timeliness of response
- Friendliness
- Knowledge of the Company's processes and policies
- Overall satisfaction
- Satisfaction resolution

This closed-loop process is defined by the geographies and internal stakeholders and may vary in the markets where the Company operates.

PRODUCT QUALITY MANAGEMENT

The Company delivers superior quality products and is committed to ensuring that its products are safe throughout their life cycle. Product Life Cycle Assessment (LCA) principles are incorporated to ensure that every stage of the product's life is taken into consideration, including development, manufacturing, transportation, installation, use, service, and recycling. This approach ensures the continual delivery of design improvements into current and future products.

The Company's Quality Policy forms the foundation of its Quality Management System (QMS) and business processes that support its practices around customer, legal and regulatory responsibilities, and meet the requirements of ISO 9001:2015 standard. The Company's new-hire training includes an introduction to the QMS, and all employees are expected to support the continual improvement as an integral part of its quality management system. To maintain the highest level of product quality, the Company employs an active, closed-loop process whereby feedback mechanisms provide a quick resolution to customer issues. The Company conducts root cause analysis for any product issues and collaborates with the appropriate teams, including manufacturing, and product development and testing teams to ensure any issues do not arise again with current or future products.

Cross-Organizational Quality Assurance

The Company's active closed-loop process incorporates various feedback mechanisms that enable opportunities for enhancing product quality and reliability. When product issues are discovered, the Company performs a root cause analysis and feeds the results back into manufacturing, development, and test organizations ensuring that similar issues do not arise with current or future products. These feedback mechanisms provide quick resolution of customer issues.

Because the Company's products fail less often and have a longer lifespan, fewer resources are required for their upkeep and end-of-life management. The Company's comprehensive product development process includes prototype development, product testing, and focus groups that represent the diverse needs of global customers. For example, the Company proactively elicits input on design and product features from customers and partners. Prototypes are extensively evaluated, and final products undergo rigorous testing to ensure they meet stringent standards specific to their application and use before they are cleared for shipment.

The Company's business unit executives are responsible for establishing objectives and measuring results to drive continual improvement in quality and customer satisfaction. The Company's Technical Evaluation Center provides information and recommendations, collaborates with engineering through a Lessons Learned feedback loop and refines its processes to eliminate recurring problems. As a result, its product repair action rates are among the lowest in the industry.

The Company provides high-quality products that are safe to operate throughout their lifecycle. Its QMS framework is designed to support this commitment. Its products meet, and in many cases exceed applicable legal requirements as well as voluntary safety and ergonomics practices to which it subscribes wherever its products are marketed and sold. The Company's product safety priorities are described below.

Throughout FY 2021/22, there were no product recalls related to safety and health reasons. In very rare instances, the Company may recall a product due to safety or health reasons. Under these circumstances, the Company adheres to corporate guidelines and engages with the appropriate government regulatory agencies to provide customers with a remedy for the recalled product. Active product recalls from previous years can be viewed at www.lenovo.com/recalls.

In FY 2021/22, the Company did not experience any material incidents of non-compliance (assessed using the Company's ERM framework) resulting in fines from regulations and/or voluntary codes concerning product and service information and labeling.

Quality Recognitions

中华人民共和国工业和信息化部
Ministry of Industry and Information Technology of the People's Republic of China

In January 2022, the Company was recognized by the Ministry of Industry and Information Technology (MIIT) of the People's Republic of China's Green Manufacturing List. This recognition promoted the Company's commitment to sustainable product development. Ten of the Company's products were recognized with outstanding performance for the restricted use of substances of environmental interest, energy efficiency, recycled content, and reliability. To date, the Company has 75 products that received this recognition. The product categories recognized include portable computer, tablet, mobile communication terminal, display device, and docking station.

In May 2021, the Company was recognized by MIIT and selected into the National Green Data Center Advanced and Applicable Technology Product Directory for its self-developed "warm water cooling" technology that can reduce the overall power usage effectiveness to below 1.1, reduce energy consumption and indirect carbon emissions by more than 42 percent, and the reuse of waste heat.

In October 2021, the Company was recognized as "Best Partner of the Year 2021" by the Institute of Electronic Industry Standardization of the Ministry of Industry and Information Technology for its contribution to software standardization that supports a wide range of infrastructure and for its solutions that support digital transformation for its customers.

The Information Technology Intelligence Consulting (ITIC) 2021 Global Server Hardware, Server OS Reliability Report ranked Lenovo ThinkSystem as the number one performer in the categories of:

- The least amount of per server/per minute unplanned downtime due to server flaws
- The least amount of unplanned per server downtime over four hours
- The fewest number of successful security hacks resulting in server outages
- The least amount of unplanned per server downtime due to security and data breaches
- The least amount of security-related data losses, data theft
- The least amount of monetary losses
- The fastest Mean Time to Detection (MTTD) and Meantime to Recovery (MTTR)
- The lowest Total Cost of Ownership (TCO) and fastest Return on Investment (ROI)
- The best customer service and satisfaction rankings

For the complete report, click here.

In August 2021, the Company was recognized with the "2021 IDC Future Enterprise Award – Best in Future of Intelligence". This award recognizes organizations that have made impactful positive changes to their enterprise intelligence by innovating around how they synthesize information, how they learn from these insights and share those learnings across the organization, how they delivery insights at scale, and how they develop and promote a data culture.

In December 2021, the Ministry of Finance and the State Environmental Protection Administration jointly recognized Lenovo's Hefei (LCFC) site with the Chinese Environmental Labeling Product Certification. China's environmental labeling has become an important means for the country to promote the circular economy strategy.

In August 2021, the Company's Hefei (LCFC), China plant achieved the "Anhui Province Silver Award" for design of laptop packaging.

In August 2021, the Company's Hefei (LCFC), China plant achieved the "Anhui Province Excellence Award" for a patent on a power supply device used for a graphics card.

INNOVATION

Innovation Through Research and Development

Innovation is one of the pillars for the Company's long-term success and the most effective game changer in its industry. From smartphones to servers and everything in between, the Company creates technology capable of transforming the way we live, work, and play. The Company recognizes how much potential the future holds for technology, and it is motivated to build smarter solutions for the things that matter the most to its customers.

The Company accelerated its innovation over the past two years to provide immediate solutions and shape a more equitable and empowered future through smarter technology. The intensified commitment to innovation, underpinned by ESG commitments, is manifesting the Company's vision to transform from a devices company to a global technology powerhouse that also includes services and solutions.

Innovation through Research and Development (R&D) has enabled the Company to focus on new and emerging IT architecture and drive its service-led intelligent transformation. In FY2021/22, the Company strategically increased its R&D professionals by approximately 5,000 and announced plans to hire an additional 12,000 while doubling its R&D investments over the next three years.

> My vision for Lenovo's innovation is to become one of the world's leading ICT companies, a pioneer and enabler of intelligent transformation...Lenovo is much more than business growth and financial success. We are innovators who are committed to helping solve humanity's greatest challenges. Smarter powers what's next.
>
> **Yang Yuanqing**
> *Chairman and Chief Executive Officer*

CO_2 Offset Services

The Company devised an CO_2 Offset Service that enables its customers to offset the carbon emissions associated with its devices at the point of purchase and help the environment by supporting one of several United Nations Climate Action projects.

The Company first launched the program as a pilot in the Nordics in February 2020. Building on this successful pilot, the Company rolled out the program in 2021 for all of Europe, Middle East, and Africa as well as Asia Pacific and North America. The innovative service enables customers to understand the ecological impact of every individual product and its lifetime usage simple and transparent. Customers are then able to contribute to specific ecological projects from across the globe and offset an equivalent total of emissions.

The CO_2 Offset Service was developed as a solution for its customers to help them meet their own environmental goals. The service works by factoring in emissions produced from the manufacture and shipping of each individual product, as well as those for up to an estimated typical five years of usage. This amount is then offset through one of many partner initiatives, including projects overseen by the United Nations and ClimeCo.

For more information about the Company's CO_2 Offset Service, please visit https://techtoday.lenovo.com/us/en/co2-offset-services.

Innovative Solutions for a Circular Economy

The Company's vision to deliver Smarter Technology for All extends to its practices that include Smarter Circular Design, Smarter Circular Use, and Smarter Circular Return activities. In a circular economy, products are made, used, then returned, instead of being discarded and consigned to waste. In this model, the greatest amount of value is extracted from a resource while in use. Then, at the end of its service life, the resource is recovered, refurbished, and redeployed. This drives greater resource productivity, makes businesses more competitive, and creates new opportunities for growth. The demand for a more circular economy has given rise to the 'as a service' or usage models seen across many industries in which the user pays for only what they need, when they need it, and returns the assets or resources when they are finished.

The Company provides innovative solutions for its customers' business needs that help reduce the volume of end-of-life electronic products that may otherwise be discarded or consigned to waste. These solutions include:

- Services that keep products operating longer
- Services that make infrastructure management easier
- Solutions to manage its customers' products at the end of life to maximize value and reuse opportunities

The Company's introduction of Device as a Service (DaaS) to the PC industry has enabled organizations to maximize value throughout a product's lifecycle and minimize raw material use and waste generation. DaaS is a usage model in which the consumer pays to use the device of their choice as they need it and has the option of pausing or returning the device when it is not in use. Along with the device, the Company offers a variety of services to protect and support the asset during its lifecycle. When the device reaches the end of its service life, the Company will collect the device, wipe it clean of the customer's data, and recycle or repurpose it. This means the device can either be refurbished and reintroduced into a new working environment, or the device's parts can be used to repair other devices under warranty. Customers only pay for what they use, avoiding the heavy capital outlays of the ownership model, as well as escaping the burden and cost of disposal. These services are addressing the industry's transformation to as-a-service and providing lifecycle value to the Company's customers.

With a vision for a net zero carbon future, the Company knows the transition to a circular economy is critical. To help scale circular economy solutions in the IT industry, the Company has established a target to enable the recycling and reuse of 800 million pounds of end-of-life products by 2025/26[1]. For more information see Section 9.0.

[1] Cumulative total since 2005.

Lenovo 360 Circle

Through its vision of Smarter Technology for All, the Company is aiming to expand its influence by creating new solutions to help its partners and customers enhance their own sustainability strategy. Launched in 2021, the Lenovo 360 Partner Program includes a sustainability pillar to drive actionable and impactful initiatives throughout its channel ecosystem. This project is called Lenovo 360 Circle.

The Vision

As an enabler of intelligent transformation, the Lenovo 360 Circle is working to accelerate global ESG progress, promote corporate citizenship, and facilitate the transition to a sustainable business model throughout the Company's value chain.

The Lenovo 360 Circle aims to develop a circular eco-system partnership program to influence and support new market needs by 2025 through the integration of three complementary pillars that ensure success:

Business Model Transformation

Support and accelerate the transition to circular economy principles within our value chain while supporting Lenovo's and its partners' ESG KPIs.

Collaborative Leadership

Enhance and leverage Lenovo's and Partners Sustainability Strategies while supporting and Accelerating ESG KPIs Attainment

UN 2030 Agenda Role Model

Actively and Vocally Stand at Local and Global Levels to guide and unify the ICT industry to reach the 2030 Agenda Goals

Phase One

In November 2021, the Company kicked off the first phase of this project and invited key partners to join the Lenovo 360 Circle and be the voice of its channel. This strategic approach can help to ensure that the Lenovo 360 Circle blueprint is developed to meet the needs of its distribution ecosystem. At the close of FY 2021/22, 15 distributors and resellers had officially joined the Lenovo 360 Circle and together, the partnership is aiming to:

- Establish common goals and develop a comprehensive plan to achieve respective KPIs while setting and aligning sustainability objectives with market expectations
- Transform the partners' ESG needs into new business opportunities and develop an innovative sustainability solutions portfolio
- Build a global ESG Channel community of experts to support small and medium sized local partners

Status and Next Steps

During recent Lenovo 360 Circle workshops, the Company was able to identify five key areas that can help to drive the collaboration and partnership efforts in FY 2022/23:

- Scope 3 with a focus on Logistic/Mode of Transportation
- Circular Economy
- Education and Training
- Diversity Equity and Inclusion
- Sustainability Metrics

While the Company is expecting that this program will yield environmental and economic impacts, it is also confident that there will be positive impacts on its employees and customer engagements. The Company recognizes the importance of demonstrating leadership as it strives to establish best practice for its channel and distribution ecosystem and for the industry.

As the Company creates a strong collaboration with its channel ecosystem, it also aims to partner with local communities where there are synergies that can further facilitate the transition to a sustainable business while supporting the vision of Smarter Technology for All.

6.0 Global Supply Chain

82 Supply Chain ESG Practices

90 Supply Chain Diversity

6.0 Global Supply Chain

SUPPLY CHAIN ESG PRACTICES

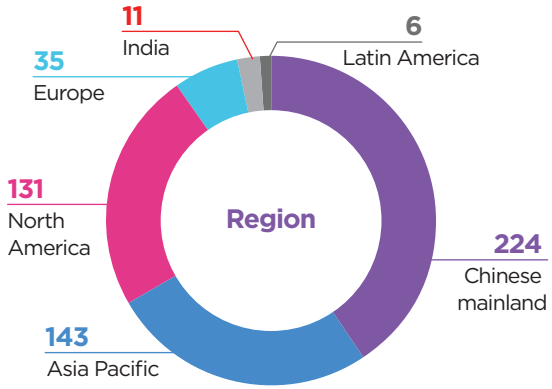
As a global business offering a variety of products and services in 180 markets around the world, the Company manages a diverse and dynamic supply chain. The Company's supply base is comprised of the following categories: internal manufacturing centers, production procurement, original design manufacturers (ODM), and general procurement. Production procurement includes all suppliers that provide materials or components that become part of the Company's products. ODMs include manufacturing partners who manufacture products on behalf of the Company.

General procurement includes all suppliers that provide materials and products which support the Company's operations but do not become part of its products. The Company's supply base is comprised of multiple tiers in which lower tiers of suppliers provide materials and parts to higher tiers – and eventually to its Tier 1 suppliers, the suppliers with whom the Company has a direct contractual relationship.

The disclosures in this report apply to the Company's production procurement supplier base. The majority of the Company's spend is with production procurement suppliers which often have ESG impact and risk. Production procurement suppliers can have social risks because they require substantial labor forces and have access to large, lower-skilled labor pools that are vulnerable to exploitation. Production procurement suppliers may generally also have environmental impacts through the energy, water, and materials required for production.

Distribution of Suppliers

The Company recognizes there are many benefits in utilizing local suppliers, including decreased logistics costs, potentially lower greenhouse gas emissions, and the opportunity to support local economies and maintain community relationships. The Company considers local suppliers as those that operate in the same country as its significant locations of operations. In FY 2021/22, its significant locations of operations included manufacturing locations in China, the United States, Mexico, Brazil, Hungary, Japan, and India. The Company estimates that 90 percent of production supply spend in China is with local suppliers. In other manufacturing geographies, the Company estimates that 20 percent of spend is with local suppliers. The chart below shows the geographic distribution of the Company's 550 production suppliers in FY 2021/22:



* The allocation pie chart based on the registered legal entity of the headquarters of suppliers

Supply Chain Process Overview

The Company considers the supply chain a vital part of its operations and views effective supply chain management as an important contributor to its success. Given this, the Company has many controls and programs in place to manage its overall procurement process. The Company recognizes that ESG risks and impacts exist among its suppliers which may differ from the ESG impacts and risks associated with the Company's own operations. To better manage these risks, the Company has integrated several ESG-specific controls and practices into its Master Procurement Process.

Key elements of the procurement process include:

Master Procurement Process

The Company's Master Procurement Process is designed to oversee all purchase commitments for production materials and the goods and services that support its worldwide operations. With a mission to deliver the best pricing, quality, supply, technology, and service in a sustainable manner, this model provides a controlled procurement approach that is applied across the organization for commodities and includes the following elements for production and general procurement:

Delegation Authority

The Company's Code of Conduct includes requirements for the formal delegation which support accountability and responsible procurement practices. The 'Authority to Make Lenovo Commitments' section outlines the requirements for delegations with well-defined authority for commitments and other contract terms and conditions and, most importantly, that making business commitments outside these processes is not permitted.

Supplier Selection

Implementing a controlled approach to awarding the Company's business to suppliers is critical to meet its procurement objectives and to establish a trusted base of suppliers. Therefore, even the perception of favoritism or bias is unacceptable. To ensure business awards are conducted ethically and fairly, the Company utilizes defined and approved sourcing methods to ensure the following:

- Suppliers have a fair opportunity to compete for the Company's business
- Buyers conduct an ethical evaluation on carefully understood facts such as supplier prices, terms, and conditions
- The most capable suppliers are selected based on the best overall acquisition value
- Business awards are reviewed and approved with proper delegation of authority

New Supplier Validation

New suppliers are assessed for numerous capabilities including their operational aspects, financial stability, product security, and ESG expectations. More specifically, all new suppliers are reviewed on the Company's sustainability policies, codes of conduct, ISO certifications, ESG standards, environmental impact aspects, controls to prevent forced labor, and public reporting. Of particular concern are suppliers that may be listed as restricted or denied parties identified by governments and/or international agencies. The Company's policy and formal practice is that under no circumstances shall the Company's personnel purchase, sell, or ship any product contrary to applicable export laws or to any individual or firm appearing in any relevant government list of any party who has been denied export or import privileges. During FY 2021/22, 78 companies were assessed using this process.

Contract Management

Supplier relationships are best managed when there are clear stipulations of responsibilities, deliverables, and relevant terms and conditions. The Company's supplier contracts incorporate legal and operational agreements and address various types of engagement. Additionally, all production suppliers must comply with the Company's Supplier Code of Conduct and they are encouraged to comply with the latest version of Responsible Business Alliance's (RBA) Code of Conduct. Compliance with the comprehensive Supplier Code of Conduct is executed via standard purchase agreements or standard purchase orders. The Company's Supplier Code of Conduct, as well as the RBA Code of Conduct, strictly prohibit bribery and corruption. The RBA audit protocol includes anti-bribery and anti-corruption in the Ethics section.

Internal Training

The Company recognizes that supply chain management is an ever-changing field. To ensure those with delegated authority are informed on current best practices, it conducts numerous communication and education activities throughout the year for its global supply chain team. Typically, the Company conducts monthly events that feature education opportunities with subject matter experts and provides on-demand targeted training. Beginning in FY 2021/22, the Company has enhanced the education program by releasing additional online training courses, targeting a 100 percent completion rate.

Procurement Process

The Company is committed to sound ESG management across its end-to-end supply chain process. It has ESG-specific systems in place, supported by contractual requirements to help ensure that suppliers meet or exceed applicable labor, environmental, health and safety, and ethics standards.

The practices below align with its ESG-related internal corporate policies. The Company's human rights commitments are codified through its Human Rights Policy and further explained in its Anti-Slavery and Human Trafficking Statement. The Company's environmental commitments are codified in its Environmental Affairs Policy, Climate and Energy Policy and Water Resiliency Policy. The portions of these commitments that apply to its supply chain extend to suppliers through its Supplier Code of Conduct.

RBA Leadership and VAP Audits

The Company started an effort to require its suppliers to commit to achieving RBA Validated Audit Program (VAP) and Factory of Choice (FOC) designations to demonstrate leadership in ESG.

Responsible Business Alliance
Advancing Sustainability Globally

This requires significantly high audit scores, formally trained site personnel, and proof of working grievance systems. In FY 2021/22, 87 percent of the Company's suppliers by spend achieved VAP Recognition, and almost 6 percent of the spend was designated Factory of Choice (FOC). By comparison, the numbers were 63 percent and 2 percent respectively in FY 2020/21. It is the Company's goal that by 2024, 95 percent of its suppliers by spend will have RBA VAP recognition and 50 percent will have FOC recognition.

Regardless of their self-assessment risk level, the Company requires 95 percent of suppliers by spend to conduct an RBA VAP audit or an equivalent independent, third-party audit by RBA-approved auditors every two years. During these audits, independent auditors stay for several days at the supplier's premises to review employee contracts (direct and through agencies), employee age requirements, timesheets, pay slips, environmental controls, and other documents. The auditors also conduct individual and group interviews with a random selection of employees (direct and through external agencies). During those interviews the auditors, address freedom of association and collective bargaining among other topics by having conversations with the employees regarding their rights at the facility.

The table below provides an overview of the Company's suppliers' annual RBA audit performance. Because suppliers are encouraged to be audited every two years, each year represents approximately one-half of the suppliers in its audit program for the given year (a total of 56 in the previous FY 2020/21).

In the event of supplier non-conformance to ESG requirements, including those identified by RBA audits, several actions may take place, which include:

- Immediate discontinuation of business for serious violations
- Track audit findings to closure and required supporting evidence whenever possible
- Penalize the supplier in the quarterly supplier report card score with a sustainability multiplier
- Senior procurement management engagement with the supplier
- Executive Company management engagement with the supplier

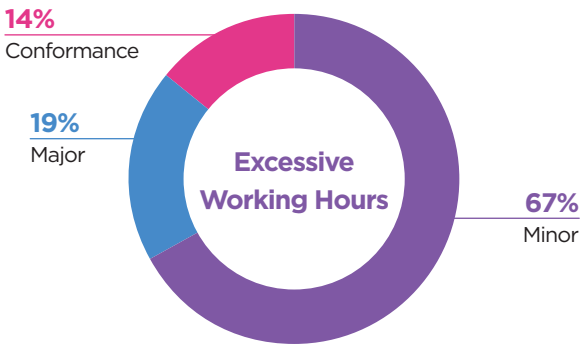
In FY 2021/22, 71 RBA VAP audit reports were completed by the Company's suppliers. According to the audit report results, none of the Company's suppliers had findings related to the use of child labor or forced labor.

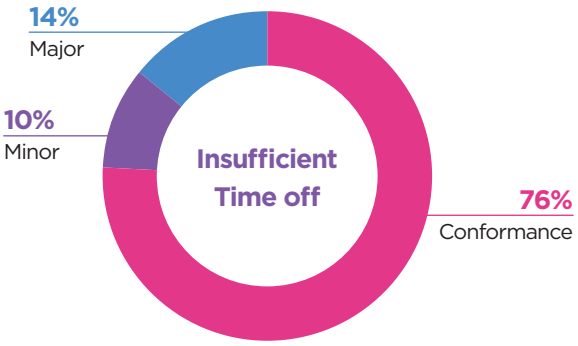
Historical Average Scores

	Labor Score	Health & Safety Score	Environmental Score	Ethics Score	Management Score	Total Score	# of Priority findings	# of Major findings
Suppliers								
2017	153	158	181	191	183	**143**	0.6	6.3
2018	156	167	184	191	188	**149**	0.7	5.0
2019	157	174	184	197	187	**153**	0.4	5.0
2020	157	173	189	199	190	**155**	0.3	5.4
2021	158	180	193	198	196	**165**	0.1	4.7
ODM Partners								
2019	156	175	182	197	188	**156**	0.2	5.6
2020	166	188	196	200	197	**172**	0.2	3.3
2021	167	181	197	194	194	**170**	0.1	3.9

Audit Results and Responses

In FY 2021/22, 63 suppliers had major labor findings identified in their audits. The most common supplier audit findings are related to an industry-wide problem of excessive working hours and insufficient time off for their employees. While most of this work is done voluntarily by the employees, the Company considers these findings as significant or potentially negative social impacts. The Company requires its outsourced manufacturers to report their employees' working hours and time off performance monthly via an online tool so that it can take action to resolve any issues that are identified. Because agreements for improvement were reached with suppliers with significant or potentially negative social impacts, no relationships were terminated as a result of the labor findings. The FY 2021/22 results are shown below.





Joint Audits with Company's PCSD Quality Team

Besides running the Company's formal RBA Program, the Global Supply Chain Team also collaborates with the Company's PCs and Smart Devices (PCSD) Quality Team to conduct on-site audits in suppliers' facilities. With assistance from the Quality Team, the Company is building a new way to emphasize the importance of monitoring its suppliers.

The new joint program was launched in October 2021. In total, 81 PCSD Quality Engineers have been trained by the Company's RBA professionals and have engaged in 80 supplier audits. These audits focus on Labor, Health and Safety. The Company's Quality Team leads the audit by using pre-designed questionnaires and checklists developed by the ESG Team in accordance with the RBA standard.

Social

Forced Labor

The Company is committed to eradicating forced labor in all its forms including slavery and human trafficking at every stage of business operations. It holds a firm position that there is zero tolerance for forced labor and any documented instances will be met with immediate action, including discontinuing the business relationship with any suppliers that overlook this practice.

To better detect and mitigate the forced labor risks, the Company adopts and implements preventive measures. In FY 2021/22, some of the Company's actions to prevent this practice were:

- Updated version of the Supplier Code of Conduct enhancing the management of labor agents and contractors
- Updated version of the Procurement Source Right Code 6.1, improved with new supplier validation process
- Mandatory education and certification on forced labor prevention for a total of 325 sourcing managers from all global business groups
- A third-party ESG risk assessment tool (EcoVadis) launched to screen suppliers throughout the supply chain tiers
- Quarterly discussions with suppliers on potential red flags related to forced labor
- Regular RBA Responsible Labor Initiative/VAP workgroup engagements

Child Labor

The Company supports universal human rights including those identified in the United Nations Declaration on Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The Company commits to extending these rights to its employees and others directly or indirectly employed in its supply chain. Child labor is not to be used in any stage of business operations. The term "child" refers to any person under the age of 15, under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is the highest. To ensure the human rights noted above, the Company implemented multiple guidelines and actions including, but not limited to:

- Human Rights Policy
- Employee Code of Conduct
- Supplier Code of Conduct
- Source Right 6.1
- Due diligence and audits across the supply chain to identify risks in child labor violations
- Mandatory education and certification on labor topics for buyers

In FY 2021/22, there were no violations reported related to child labor at the Company's suppliers' RBA VAP audits.

Living Wages

Through the RBA audit and corrective action process, the Company drives suppliers to adhere to applicable wage and benefit laws and regulations. In FY 2021/22, the Company decided to move a step forward to extend the responsibility from the worker's individual wellbeing to an employee's family. The Company is participating in the RBA Living Wage work group and is exploring the development of implementation guidelines to support workers throughout the supply chain. The ultimate target of the Living Wage project team is to publish a Living Wage policy, to deliver training, and verify the baseline within its business in 2022.

EcoVadis

The Company is continuously increasing focus on sustainability in procurement. In FY 2021/22, it began to strategically expand the scope of ESG assessments to suppliers across all categories by launching the EcoVadis tools.

The EcoVadis platform aims to provide ESG ratings for a large base of suppliers, including production procurement, general procurement, and other key suppliers. The Company has implemented the EcoVadis IQ tool to screen suppliers' ESG risk, based on their inherent Corporate Social Responsibility (CSR) risks and procurement information. In FY 2021/22, more than 457 suppliers were processed in the EcoVadis IQ tool, and 110 suppliers were invited to conduct an EcoVadis ESG assessment.

The Company continues to ensure that all strategically important suppliers participate in the EcoVadis program and achieve at least 45 of 100 points or a comparable audit result. Suppliers scoring less than 45 out of 100 points must implement a corrective action plan (CAP) and the progress will be tracked within 90 days.

The 360 Watch feature of the EcoVadis platform is another monitoring measure taken to minimize the risk of child and forced labor, or any other social, environmental, and governance risks. Negative media coverage in these areas related to a supplier will be highlighted to the Company's management, requiring the supplier to respond within one week, and develop a corrective action plan. The 360 Watch, in addition to other indicators, enables the Company to monitor and score its suppliers on various ESG focus areas, helping it to continually improve the supply base.

Responsible Sourcing of Materials

The Company recognizes the importance of the responsible procurement of raw materials when sourced from regions experiencing political and social conflict, which may include the conflict minerals of tin, tantalum, tungsten, and gold (3TG) from the Democratic Republic of the Congo (DRC) or surrounding countries. Since 2012, the Company has adhered to the following efforts and expects its production procurement and ODM suppliers to do the same:

- The intentions of the U.S. Securities and Exchange Commission (SEC) 'Dodd-Frank 1502 Rule' even if not directly regulated by the U.S. SEC
- Organization for Economic Cooperation and Development (OECD) Due Diligence Guidelines for Responsible Sourcing Materials from Conflict-Affected and High-Risk Areas
- RBA Responsible Minerals Initiative (RMI) program

The Company supports the efforts of the RMI to address materials beyond 3TG. In FY 2021/22, the Company conducted extensive due diligence for the Company's cobalt supply chain using the Cobalt Reporting Template (CRT) and the RMI Responsible Minerals Assurance Process (RMAP). The Company will coordinate with the RMI as RMI performs risk profiles on other materials, assess the content in its products, and further develop due diligence efforts to mitigate supply chain risk. These efforts were initiated through RMI's coordination with the 'Drive Sustainability' organization which has already developed risk profiles on over 30 materials in the technology and automotive industry. For more information, please visit the Lenovo Responsible Sourcing webpage.

FY 2021/22 Program Performance (Percent of Procurement Spend)

100%	Maintained 100 percent Tanlalum conformance
100%	Attained Tungsten conformance
96%	Attained overall active smelters conformance
95%	Attained overall active smelters Gold conformance
94%	Suppliers with public conflict minerals policies
91%	Attained Tin conformance
79%	Suppliers who are formal RMI members
77%	Suppliers with public conflict minerals reports

Environmental

The Company's supplier environmental performance incorporates RBA audit performance, supplier requirements, and programs that support its material environmental topics — specifically climate change, water, and waste. These disclosures pertain to production procurement and ODM suppliers.

The Company's corporate-wide environmental standards and specifications require its product designers to consider environmentally conscious design practices to facilitate and encourage recycling and minimization of resource consumption. The Company's priority is for its suppliers to use environmentally preferable materials whenever applicable. Compliance to the standards and specifications is monitored as part of the Product Compliance Review Board Process.

Environmental Audit Results and Responses

During the FY 2021/22 reporting period, 71 of the Company's suppliers, representing over 50 percent of its total procurement spend, underwent RBA facility-level audits. Over the period of FY 2020/21 and FY 2021/22, 129 suppliers underwent RBA facility-level audits, which represent 95% of the suppliers by spend. The Company considers RBA priority findings to be indicative of significant impacts and requires both RBA priority and major findings to be tracked to closure. None of the RBA audits for the reporting period contained priority environmental findings; therefore, the Company did not terminate any supplier relationships in response to significant potential or actual negative environmental impacts.

Environmental Impacts in the Supply Chain

Annually, the Company requests key suppliers to formally report environmental data related to climate change, water and waste. The Company asks that suppliers report via the Responsible Business Alliance or the CDP reporting methodologies in addition to responding to the Institute of Public and Environmental Affairs (IPE). Last year, the Company introduced the IPE tool to its suppliers. IPE provides a free tool to help Tier 1 suppliers assess environmental compliance in their supply chain, extending the Company's governance to up-stream suppliers.

* Relative to FY 2018/19 measured emissions

Recognitions

The Company has once again been named in the Gartner Global Supply Chain Top 25 listing for 2022. This is the highest ever ranking for the Company, rising seven places from 2021 to rank #9, and ranking #3 among the six technology companies featured in the list and ahead of all other PC brands. This annual ranking of the world's leading technology, retail, manufacturing, food and beverage, and pharmaceutical brands identifies and celebrates companies leading the way in supply chain management and is considered the gold standard in supply chain excellence.

The Company's increasing efforts to optimize supply chain environmental impacts has been recognized by different organizations. In FY 2021/22, it was recognized for the first time by the Institute of Public & Environmental Affairs (IPE) Green Supply Chain Corporate Information Transparency Index (CITI) and was ranked among the Top 10 in the IT industry. Since 2021, the Company has been using IPE's Blue EcoChain tool to track the environmental performance of its suppliers and encouraging the disclosure of carbon data and greenhouse gas reduction targets.

IPE
Institute of Public & Environmental Affairs
公众环境研究中心

Climate Change

The Company surveys climate change related data including indicators such as scope 1 and 2 emissions, emission reduction goals, renewable energy usage and targets, and implementation of the ISO 50001:2018 Energy Management System.

In FY 2021/22, the Company achieved a CDP score of "A" for its Supplier Engagement Rating in Climate Change. This year, it is also listed on the Supplier Engagement Rating Leader Board along with a total of 518 companies. The Company has maintained this honor for four consecutive years, since 2018.

As a Supplier Engagement Leader, we're working with our suppliers to cascade environmental action down our supply chain

The Company's most recent supplier engagement efforts covered the top 94 percent of procurement spend. This effort identified the following results (reported by total procurement spend):

- 94% suppliers with third party verification of their GHG emissions data
- 92% suppliers with public GHG reduction goals
- 78% suppliers who track and report renewable energy generation and purchases
- 54% suppliers with renewable energy goals

Lenovo's Science-Based Targets

The Company used the emissions data reported by suppliers to inform its Science Based Target (SBT) for Scope 3 emissions from the purchased goods and services category. The Company's target in this area is to reduce Scope 3 GHG emissions from purchased goods and services by 25 percent per million US$ procurement spend by FY 2029/30, compared to FY 2018/19. Based on FY 2021/22 data, the Company is on track reducing the GHG emissions from purchased goods and services.

Scope 3 GHG Emissions from Purchased Goods and Services (MT/per million US$ procurement spend)

Baseline (FY 2018/19)	FY 2021/22	Target (FY 2029/30)
79	73	59

Science Based Targets for Suppliers

In addition to setting Science Based Targets (SBT's), the Company has been working to promote the concept of a low carbon transition with production procurement and ODM suppliers. The Company is engaging and incentivizing these suppliers to also commit to the Science Based Target initiative (SBTi).

During the reporting period, 28 percent of its procurement spend included suppliers with formally recognized SBT's which was an increase of 4 percent from the previous year. It is the Company's goal to achieve 95 percent of procurement spend with suppliers that implement SBT's.

Capability Building

Many of the Company's suppliers are large national and international suppliers. They manage their corporate ESG programs while engaging directly with the Company's programs. In addition to its own training programs, the Company offers and provides the following:

- Semi-annual communications on the RBA, environmental impact, responsible sourcing of raw materials, key ISO certifications, ESG Reporting and Supplier Code of Conduct expectations
- The Company created education files for suppliers to learn its ESG requirements while providing an education session to 576 supplier attendees at 2021 Lenovo Standards and Certification Supplier Conference
- In FY 2021/22, the Company's procurement team began adding an ESG standard template into its quarterly business review (QBR) with suppliers to maintain ESG as a topic of discussion

Water

The Company surveys key suppliers on water-related data including performance indicators such as annual water withdrawal, water discharge, and water recycle/reuse volumes.

For the most recent supplier data collection period, the Company's coverage of engagement was 92 percent of procurement spend. Since one of the most straightforward indicators of impact (especially to water-stressed areas) is water withdrawal, the Company has been encouraging suppliers to set up water reduction targets since 2014. During the last data collection period, 76 percent of procurement spend was with suppliers with quantified water reduction goals.

Waste

The waste-related information collected from suppliers includes data such as annual hazardous and nonhazardous waste volumes.

Waste prevention is the most preferable option in the waste management hierarchy, and the Company encourages suppliers to set up public waste reduction targets. During the last data collection period, 83 percent of procurement spend was with suppliers with quantified waste reduction goals.

SUPPLY CHAIN DIVERSITY

The Company's Supplier Diversity Program is committed to seeking and developing diverse businesses while contributing to the economic success of communities it serves. It recognizes that supplier diversity creates a win-win by influencing the inclusion of diverse businesses within its supply base which impacts brand reputation management and improves revenue performance through sales.

In FY 2021/22, the Company's total U.S. spend across all business units with small and/or diverse suppliers accounted for 23 percent of its total expenditure in the U.S.

In FY 2021/22, the Company also exceeded the U.S. Government Small Business Subcontract Plan target of 12 percent by achieving 16 percent of U.S. spend with small businesses over the course of the Fiscal Year.

The Company continues to partner with several non-government organizations (NGO) such as the National Minority Supplier Development Council (NMSDC) and the Women's Business Enterprise Networking Council (WBENC). The Company also increased support to minority businesses through the "Evolve Small" program, in collaboration with Local Initiatives Support Corporation (LISC) and Toronto Regional Board of Trade. Through this initiative, the Company helped small businesses recover from the impact of COVID-19 by providing sixty companies in seven different markets across the United States and Canada ongoing support throughout the year.

As the Company moves forward, its success not only lies within workforce diversity but also in the inclusion of diverse suppliers that provide competitive advantages, increased innovation, and revenue that can support its brand reputation.

Building Supply Chain Resilience

In 2021, the Company established the GSC Risk Council to support risk management throughout its supply chain. The GSC Risk Council's mission is to boost the Company's growth by implementing risk controls through industry-proven processes that can enable the supply chain to quickly adapt to demands for new technology and reduce the risk associated with the transition. Agility and resilience are critical components for a successful GSC strategy than can withstand the short lifecycle of information and communications technology products and changing consumer demands.

The GSC Risk Council's main objectives include the oversight of:

- Risk identification
- Risk assessment
- Risk control
- Risk review and follow-up
- Scenario planning

The GSC Risk Council established a monthly collaborative platform to engage the business unit functions, leverage insight and identify synergies as the Company addresses risk management decisions. The convergence of business function leaders provides the opportunity to evaluate the impacts on the other functions and develop a consolidated business continuity plan with clear actions.

Effective risk management strategies have been a critical part of driving business performance. The Company has also recognized opportunities are created when it transforms risks into opportunities that can support its long-term growth. The Risk Council recently directed a scenario planning exercise that included identifying potential risks from the following categories:

- Strategy
- Financial
- Catastrophic events
- Human Capital
- Legal and Regulatory Compliance
- Operations
- Sociopolitical

After analyzing these categories, the strategy team selected the top five risks for the fiscal year. With consideration of the organization's risk appetite and the business-driven data that was collected, the team selected the top five potential risks and conducted a comprehensive scenario planning for each risk. For each scenario, the team incorporated stakeholder feedback, identified contributing factors, and analyzed both short-term and long-term impacts.

The information derived from this planning exercise enabled the GSC Risk Council to understand the types of risks that may impact the Company and how those conditions may affect its performance, thus contributing to the development of greater strategy resilience and flexibility throughout the supply chain.

7.0 Consolidated Metrics

7.0 Consolidated Metrics

FY 2021/22 CONSOLIDATED METRICS

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Revenue (Millions USD)	$45,350	$51,038	$50,716	$60,742	**$71,618**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Revenue by Geography					
Americas	31%	32%	32%	31%	**32%**
EMEA (Europe, Middle East, Africa)	28%	25%	25%	26%	**26%**
Asia Pacific (excluding China)	16%	19%	22%	19%	**16%**
China	25%	24%	21%	24%	**26%**

EMPLOYEE REPRESENTATION

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22[1]**
Number of Employees					
Total	45,754	57,000	63,000	71,500	**75,000**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22[2]**
Percentage of Employees by Region					
Americas (North America, Latin America)	16%	16%	18%	14%	**14%**
Asia Pacific (excluding China)	9%	11%	12%	10%	**11%**
China	66%	65%	62%	69%	**67%**
EMEA (Europe, Middle East, Africa)	8%	8%	8%	7%	**8%**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22[3]**
Percentage of Employees by Gender					
Male	65%	64%	64%	64%	**63%**
Female	35%	36%	36%	36%	**37%**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22[2]**
Percentage of Employees by Workforce Representation					
Regular Employees	n/a	n/a	n/a	73%	**80%**
Long-term Plant Contractors	n/a	n/a	n/a	27%	**20%**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22[3]**
Percentage of Employee Representation by Age Group					
Under 30 years of age	n/a	n/a	n/a	15%	**15%**
30-50 years of age	n/a	n/a	n/a	73%	**73%**
Over 50 years of age	n/a	n/a	n/a	12%	**12%**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22[3,4]**
Percentage of Employee Turnover by Gender					
Male	n/a	n/a	n/a	8%	**11%**
Female	n/a	n/a	n/a	8%	**11%**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22[3,4]**
Percentage of Employee Turnover by Age Group					
Under 30 years of age	n/a	n/a	n/a	16%	**21%**
30-50 years of age	n/a	n/a	n/a	7%	**10%**
Over 50 years of age	n/a	n/a	n/a	3%	**5%**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21[5]	**FY 2021/22[3,4]**
Percentage of Employee Turnover by Region					
North America	n/a	n/a	n/a	6%	**11%**
Latin America	n/a	n/a	n/a	6%	**12%**
Asia Pacific (excluding China)[5]	n/a	n/a	n/a	7%	**11%**
China[5]	n/a	n/a	n/a	10%	**12%**
EMEA (Europe, Middle East, Africa)[5]	n/a	n/a	n/a	4%	**7%**

EMPLOYEE TRAINING

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Average Training Hours Per Employee					
Individual Contributors and Contractors					
Female	n/a	n/a	n/a	4	**9**
Male	n/a	n/a	n/a	4	**10**
Undeclared	n/a	n/a	n/a	3	**5**
Middle Management					
Female	n/a	n/a	n/a	4	**9**
Male	n/a	n/a	n/a	5	**10**
Undeclared	n/a	n/a	n/a	9	**39**
Senior Management/Executives					
Female	n/a	n/a	n/a	3	**6**
Male	n/a	n/a	n/a	3	**6**
Undeclared	n/a	n/a	n/a	n/a	**n/a**
Percentage of Employees Trained					
Individual Contributors and Contractors					
Female	n/a	n/a	n/a	32%	**32%**
Male	n/a	n/a	n/a	47%	**47%**
Undeclared	n/a	n/a	n/a	2%	**2%**
Middle Management					
Female	n/a	n/a	n/a	4%	**4%**
Male	n/a	n/a	n/a	13%	**13%**
Undeclared	n/a	n/a	n/a	0%	**0%**
Senior Management/Executives					
Female	n/a	n/a	n/a	0%	**0%**
Male	n/a	n/a	n/a	1%	**1%**
Undeclared	n/a	n/a	n/a	n/a	**n/a**

MANUFACTURING EMPLOYEE HEALTH AND SAFETY TRAINING

	CY 2017	FY 2018/19[6]	FY 2019/20[6]	FY 2020/21[6]	**FY 2021/22**
Hours of training per manufacturing employee					
(including part-time employees)	35	35	35	52	**35**

OHS – SAFETY

	CY 2017	FY 2018/19[6]	FY 2019/20[6]	FY 2020/21[6]	**FY 2021/22**
Incident Rates (work-related)					
Recordable Rate	0.09	0.03	0.03	0.04	**0.07**
Lost-Time Rate	1.5	0.03	0.03	0.03	**0.05**
Number of employee fatalities	0	0	0	0	**0**
Number of contractor fatalities	0	0	0	0	**0**

	CY 2017	FY 2018/19[6]	FY 2019/20[6]	FY 2020/21[6]	**FY 2021/22**
Number of ISO 45001:2018 registered facilities	10	14	11	11	**11**

COMMUNITIES AND PHILANTHROPY

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22[7]**
Corporate Cash and Product Donations					
Lenovo Foundation and Donor Advised Funds	$819,000	$799,372	$482,887	$545,552	**$872,068**
China[8]	$378,516	$308,274	$5,440,440	$2,778,093	**$9,801,972**
North America[7]	$3,089,000	$1,319,070	$4,788,665	$4,520,545	**$4,996,881**
Latin America[9]	$111,000	$155,674	$2,507,863	$2,134,833	**$1,200,680**
EMEA (Europe, Middle East, Africa)	$107,000	$159,621	$407,535	$988,612	**$915,180**
Asia Pacific (excluding China)[10]	$570,709	$148,500	$855,386	$863,638	**$841,510**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Employee Volunteering Hours (through efforts sponsored by Lenovo)					
North America	19,296	28,242	9,838	4,161	**5,873**
Rest of World	10,704	9,072	17,046	15,335	**77,564**
Estimated Value of Employee Volunteer Hours[11]	$1,300,000	$1,616,794	$1,156,022	$838,307	**$3,587,791**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Employee Giving					
Lenovo Match of Global Employee Donations[12]	$339,000	$440,629	$1,344,085	$1,541,679	**$2,239,305**
Total Contribution to Communities[13]	n/a	n/a	$14,482,776	$11,831,274	**$20,867,596**
Estimated value of community impact through philanthropy and volunteerism[13]	n/a	n/a	$16,982,883	$14,211,260	**$24,455,388**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
"Love on" Annual Service Project					
Participating Locations	32	38	54	52	**79**
Number of Projects	37	45	86	132	**117**
Employee Volunteers	2,000	2,100	2,855	3,120	**3,653**
Hours Spent in Direct, Hands-on Service	11,500	9,700	13,355	19,267	**13,538**
Individuals Directly Impacted through Projects	33,000	32,526	55,942	38,478	**42,075**

ENVIRONMENTAL DATA

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
GHG Emissions (metric tons CO_2 equivalent — MT CO_2e)					
Scope 1	6,371	6,031	7,766	7,269	**6,069**
Scope 2 (location-based)	193,760	201,321	162,597	177,678	**191,778**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Total Scope 1 and Scope 2 (location-based)	200,131	207,352	170,363	184,947	**197,847**
Scope 2 (market-based)	176,800	26,029	23,852	21,519	**21,160**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Scope 3					
Business Travel	49,000	53,500	46,900	11,900	**20,255**
Product Transportation[14, 15]	359,000	633,000	716,384	1,037,000	**737,000**
Emissions from Waste[16]	1,700	1,920	2,110	1,770	**1,810**
Employee Commuting	20,100	23,600	24,900	39,800	**41,043**
Purchased Goods and Services[15, 17, 18]	1,855,000	2,000,874	2,341,000	2,283,500	**2,701,300**
Fuel-and-Energy Related Activities (not included in Scope 1 or 2)[19]	11,900	12,100	10,385	11,050	**12,000**
Use of Sold Products[20]	11,847,000	12,885,000	13,669,000	15,551,000	**8,270,000**
End of Life Treatment of Sold Products[21]	271,000	273,500	274,000	303,500	**181,000**
Capital Goods[21]	246,000	127,500	446,500	736,500	**360,000**
Total	14,660,700	16,010,994	17,531,179	19,976,020	**12,324,408**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Emissions Intensity: GHG Emissions — Scope 1 and Scope 2 (location-based) (metric tons per US$ million revenue)	4.41	4.06	3.36	3.04	**2.76**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Operational Energy Intensity Use					
Scope 1 and Scope 2 (location-based) (MWh per US$ million revenue)					
Fuel Combustion	0.77	0.61	0.69	0.55	**0.34**
Purchased Energy (electricity, steam, cooling)	6.57	6.20	5.77	5.16	**4.78**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Operational Energy Use — Scope 1 and Scope 2 (location-based) (MWh)					
Fuel Combustion	34,733.55	30,904.82	35,152.32	33,156.59	**24,546**
Purchased Energy (electricity, steam, cooling)[22]	298,019.77	316,482.68	292,645.18	313,526.43	**342,340**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Energy Consumption by Primary Energy Source (gigajoules)					
Fuel	125,041	111,257	126,548	119,364	**88,364**
Electricity	955,624	979,486	979,740	1,053,903	**1,165,186**
Steam	108,649	144,240	66,051	70,092	**62,213**
Cooling	8,599	9,016	7,731	4,701	**5,023**
Total[23]	1,197,913	1,243,999	1,180,071	1,248,059	**1,320,787**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Direct Energy Consumption by Source (Fuel Detail) (gigajoules)					
Gas/diesel oil (stationary combustion)	5,461	10,321	6,442	9,712	**5,058**
Natural gas (stationary combustion)	113,470	94,476	115,375	106,317	**77,757**
Liquefied petroleum gas (LPG) (stationary combustion)	3,087	2,550	1,628	1,454	**1,401**
On road diesel fuel (mobile combustion)	948	955	801	626	**1,593**
Gasoline/petrol (mobile combustion)	1,835	1,703	1,112	996	**1,492**
Liquefied petroleum gas (LPG) (mobile combustion)	240	188	260	236	**112**
Compressed natural gas (CNG) (mobile combustion)	–	–	–	–	**–**
Jet Kerosene (mobile combustion)	–	1,064	930	21	**952**
Total[23]	125,041	111,257	126,548	119,364	**88,364**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Global GHG Emissions by Markets (location-based) (MT CO_2e)					
Scope 1					
Brazil	13.14	20	340	202	**57**
Chinese mainland	3,765.29	3,860	3,190	3,826	**3,719**
Taiwan, China	0	177	0	0	**–**
Germany	667.35	1,047	652	731	**831**
Hungary	–	–	–	–	**379**
India	54.06	45	84	104	**58**
Japan	322.30	268	191	216	**226**
Mexico	73.39	80	625	97	**80**
United States	1,129.80	254	2,484	1,931	**525**
Rest of the World[24]	345.54	279	200	162	**195**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Scope 2 (location-based)					
Brazil	2,089.96	1,997	1,566	1,321	**1,361**
Chinese mainland	153,233.45	161,087	124,336	147,375	**159,278**
Taiwan, China	2,167.49	2,231	2,091	2,231	**2,962**
Germany	1,684.90	1,761	1,612	1,249	**1,036**
Hungary	–	–	–	–	**1,219**
India	3,435.42	3,058	2,914	2,690	**2,954**
Japan	5,298.89	5,047	5,754	5,133	**4,794**
Mexico	3,273.10	3,462	5,029	5,543	**6,272**
United States	18,297.63	18,615	15,220	8,939	**8,489**
Rest of the World[24]	4,279.26	4,062	4,075	3,197	**3,412**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Renewable Energy					
Solar Energy (MWh)	3,713	3,938	4,226	9,065	**9,360**
Generation Capacity (MW)[25]	5.5	12.42	16	16	**17**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Water Withdrawal (Megaliters)					
Withdrawal (All Areas)[26, 27]	1,385.08	1,391.30	1,307	1,428	**1,567**
Percent Withdrawal from Groundwater (All Areas)	n/a	n/a	n/a	<1%	**<1%**
Percent Withdrawal from Third-Parties (All Areas)	n/a	n/a	n/a	>99%	**>99%**
Withdrawal (Areas with water stress)[28]	n/a	n/a	322	343	**377**
Percent Withdrawal from Groundwater (Areas with water stress)	n/a	n/a	n/a	<1%	**<1%**
Percent Withdrawal from Third-Parties (Areas with water stress)[29]	n/a	n/a	n/a	>99%	**>99%**
Percent Third-party Water Withdrawal from Surface Water (Areas with water stress)	n/a	n/a	n/a	72%	**73%**
Percent Third-party Water Withdrawal from Groundwater (Areas with water stress)	n/a	n/a	n/a	8%	**9%**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Water Discharge (Megaliters)					
Discharge (All Areas)[26]	1,260.99	1,256.40	1,183	1,294	**1,469**
Percent Discharge to Groundwater (All Areas)	n/a	n/a	n/a	<1%	**<1%**
Percent Discharge to Third-Parties (All Areas)	n/a	n/a	n/a	>99%	**>99%**
Discharge (Areas with water stress)[28]	n/a	n/a	298	326	**371**
Wastewater Exceedances[30]	0	0	0	0	**1**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Water Consumption (Megaliters)					
Consumption (All Areas)[26]	124.094	134.9	124	134	**98**
Consumption (Areas with water stress)[28]	n/a	n/a	24	17	**5**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Water Intensity Metrics (cubic meters per person)[31]					
Withdrawal Intensity	n/a	n/a	n/a	20	**21**
Discharge Intensity	n/a	n/a	n/a	18	**20**
Consumption Intensity	n/a	n/a	n/a	2	**1**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Waste by Category (Metric Tons)[32]					
Nonhazardous Waste[33]	44,377.44	45,439.49	43,023	51,648	**49,403**
Hazardous Waste[34]	75.27	66.11	74	37	**125**
Total	n/a	n/a	n/a	51,685	**49,528**
Total Diverted from Disposal	n/a	n/a	n/a	46,198	**43,705**
Total Directed to Disposal	n/a	n/a	n/a	5,487	**5,823**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Waste Diverted from Disposal by Recovery Operation (Metric Tons)[35]					
Total Nonhazardous Waste Diverted for Recovery	n/a	n/a	n/a	46,195	**43,656**
Nonhazardous Waste Diverted for Resale/Reuse	n/a	n/a	n/a	28,099	**24,599**
Nonhazardous Waste Diverted for Recycling[36]	n/a	n/a	n/a	18,096	**19,056**
Total Hazardous Diverted for Recovery[37]	n/a	n/a	n/a	3	**49**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Waste Directed to Disposal by Disposal Operation (Metric Tons)[38]					
Total Nonhazardous Waste Directed to Disposal	n/a	n/a	n/a	5,453	**5,747**
Nonhazardous Waste Directed to Incineration	n/a	n/a	n/a	27	**776**
Nonhazardous Waste Directed to Incineration with Energy Recovery	n/a	n/a	n/a	3,093	**3,262**
Nonhazardous Waste Directed to Landfilling	n/a	n/a	n/a	2,334	**1,709**
Total Hazardous Waste Directed to Disposal	n/a	n/a	n/a	34	**76**
Hazardous Waste Directed to Incineration	n/a	n/a	n/a	28	**73**
Hazardous Waste Directed to Landfilling	n/a	n/a	n/a	0.09	**0**
Hazardous Waste Directed to Treatment	n/a	n/a	n/a	6	**3**

	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
Product End-of-Life Management (PELM) Disposition (Metric Tons)[39]					
Reused	918	652	1,557	1,695	**1,875**
Recycled	22,808	18,919	24,856	28,076	**30,143**
Waste to Energy (WTE)	826	845	987	793	**523**
Incinerate	284	338	1,126	1,978	**728**
Landfill	336	255	159	340	**894**
Total	25,171	21,010	28,685	32,882	**34,163**

	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
Product Take Back (PTB) Disposition (Metric Tons)[39]					
Reused	299	309	1,023	1,536	**1,556**
Recycled	22,194	18,589	24,112	27,249	**29,295**
Waste to Energy (WTE)	826	845	987	782	**519**
Incinerate	270	338	1,041	1,904	**728**
Landfill	318	254	143	324	**885**
Total	23,907	20,334	27,306	31,795	**32,983**

	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
Use of Recycled Plastics in Products (kilograms)[40]					
Plastics Containing Recycled Content (PCRC)	6,347,879	7,757,414	7,721,398	5,946,839	**7,787,871**
Net Post Consumer Recycled Content (PCC)	4,133,300	5,537,278	5,840,788	4,352,788	**5,760,388**

	CY 2017	CY 2018	CY 2019	CY 2020	**CY 2021**
ENERGY STAR® Certified Products Availability (% of product)					
Notebook Platforms[41]	100%	92%	93%	98%	**92%**
Desktop Platforms	99%	97%	97%	97%	**98%**
Workstation Platforms	78%	80%	90%	98%	**100%**
Server Platforms	91%	90%	94%	90%	**94%**
Monitors[42]	100%	98%	94%	90%	**80%**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Average Packaging Weight per Unit by Product Category (grams)					
Notebook	n/a	n/a	n/a	528	**528**
Desktop	n/a	n/a	n/a	1,900	**1,900**
Server	n/a	n/a	n/a	4,614	**4,614**
Workstation	n/a	n/a	n/a	1,700	**1,700**
Monitor	n/a	n/a	n/a	1,920	**1,920**
Smartphone	n/a	n/a	n/a	100	**100**
Tablet	n/a	n/a	n/a	373	**373**
Accessory	n/a	n/a	n/a	300	**300**

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	**FY 2021/22**
Total Packaging (Metric Tons)					
Total Packaging Material Used for Finished Products[43, 44]	n/a	n/a	n/a	115,041	**119,621**

FOOTNOTES FOR CONSOLIDATED METRICS:

1 At March 31, 2022, the Group had a headcount of approximately 75,000 worldwide.

2 Employment type and geographical data is aligned with the FY 2021/22 Financial Annual Report.

3 Employee representation data includes regular employees only. Data excludes:

- Consultants and vendors working through a contract agency or third-party performing services or consulting on site for a brief time and hence excluded from our scope.
- Contractors who usually perform non-critical, non-core jobs and their employment decisions, including pay and benefits, are made by the third-party employer – and hence excluded from our scope.
- Supplemental students who are interns or who are hired for a very short window of time and hence excluded from our scope.

4 Turnover rate data covers voluntary departure of regular employees for the full FY 2021/22. Involuntary turnover is planned exit of employees which is in alignment with the company strategy and decisions. Hence, as a strategic and standard practice, this is excluded from reporting.

5 In FY 2020/21, turnover rates by region were transposed among AP, China and EMEA. Totals did not change but were realigned with the corresponding region.

6 Metrics based on FY beginning with FY 2018/19. Results were not revised.

7 Lenovo's total contributions in responding to natural disasters is US$8,128,720.76. This amount is tracked at the geo level. In prior reporting periods, the Company reported a separate line item for global disaster response. Beginning with FY 2021/22, the disaster response total will be integrated into the respective geographic contributions.

8 Increase in China giving reflects tracking of Lenovo Foundation Beijing and a US$7.8M donation in response to the Henan floods.

9 Total giving in Latin America reflects tracking of the Motorola Brazil tax incentive program.

10 Total contribution in Asia Pacific includes Lenovo's commitment to the India Companies Act.

11 Estimated value of employee volunteer hours is calculated based off an entry level hourly wage of US$43 per hour.

12 Employee giving represents the corporate match from Lenovo for employees around the world, which increased in FY 2021/22 with the launch of the new Benevity platform.

13 Total contribution to communities for FY 2019/20 and FY 2020/21 was defined as the sum of corporate cash and product donations. In FY 2021/22 it is defined as the sum of corporate cash and product donations together with Lenovo's match of global employee donations.

14 Product transportation emissions include key upstream suppliers representing majority of global logistics spend. Note: Upon looking into GHG Protocol standard, we decided to re-categorize this to upstream from downstream transportation (from FY 2016/17, previous years were adjusted accordingly).

15 The Company is in the process of improving input data for this Scope 3 category. The data reported here is the best available estimate at the time of publication. In the FY 2022/23 ESG Report, data will be restated if needed to reflect any improved input data.

16 Emissions from waste include nonhazardous waste, hazardous waste and wastewater from all manufacturing, R&D locations and some large offices. No product waste is included.

17 Purchased goods and services include suppliers covering 94% of direct global suppliers spend. The RBA Carbon and Water Reporting Tool was used for collection of supplier data. Individual supplier data is from each supplier's most recent reporting period and not reflective of Lenovo's FY 2021/22. Data was allocated based on revenue.

18 The value for FY 2018/19 is being restated to correct an error that appeared in the FY 2020/21 ESG Report.

19 Fuel- and energy-related activities (not included in Scope 1 or 2) include transmission & distribution (T&D) losses from Lenovo's worldwide purchased electricity and natural gas. A World Bank database and Energy Star Performance Rating document were used for determining T&D loss rates.

20 Lenovo used the current Product Attribute Impact Algorithm (PAIA) notebook, desktop, monitor, tablet, all-in-one, thin client and server tool for calculating emissions of Lenovo's typical notebook, desktop, monitor, tablet, all-in-one, thin client and server. The calculated results show emissions distribution by different parts and also for use, packaging, transportation, and end-of-life treatment categories. The emissions associated with use and end-of-life treatment of sold products were estimated on a "narrow" baseline for the typical notebook, desktop, monitor, tablet, all-in-one, thin client and server multiplied by sold/shipped product volumes.

21 Emissions from capital goods are based on purchased capital goods in a given year. The 2012 Guidelines to Defra GHG Conversion Factors for Company Reporting, Annex 13 was used for emission factors for different type of capital goods adjusted for inflation rate and exchange rate.

22 Approximately less than 1% of purchased energy (electricity) is estimated based upon energy use at similar Lenovo facilities with metered usage.

23 When totals are slightly different than the exact sum of individual numbers it is due to rounding.

24 Brazil, Germany, Hungary, India, Japan, Mexico, United States, Chinese mainland, Taiwan, China represent manufacturing and R&D sites in these markets. "Rest of World" represents all sites managed by Lenovo's Real Estate organization (non-manufacturing) across the world (small and large — except the ones in regions listed above).

25 Renewable energy generation capacity includes electric solar panels in Hefei and Wuhan, China and Morrisville and Whitsett, NC, USA and Ullo, Hungary.

26 For FY 2021/22, All Areas includes all the Company's manufacturing, research & development, and large office sites (>100 employees). In earlier FYs, some research and development and large office locations were excluded while the Company worked to increase data coverage. Small offices (<100 employees) and retail locations are always excluded from the water reporting requirements, but a few small offices voluntarily report and are included.

27 All water withdrawals are estimated to be freshwater withdrawals. Due to our reliance on third-parties for the vast majority of the Company's water withdrawals, it is not possible to determine the exact parameters of all sources, but it is reasonable to assume the majority of the sources had low TDS based on local knowledge and communication with third-parties.

28 Areas with water stress are areas with high or extremely high baseline water stress according to World Resources Institute's Aqueduct Water Risk Atlas. Values reported for areas with water stress are a subset of values reported for all areas.

29 Third-party withdrawal by source was collected for all the Company's environmentally significant sites (which are the Company's ISO14001 certified locations). In FY 2021/22, these locations comprised approximately 82% of the Company's withdrawal from water stressed areas. The remaining 18% are primarily from office locations that often require less water and operate as part of a larger office complex where they may not be directly billed by the third-party responsible for withdrawals.

30 For more information on the wastewater exceedance that occurred in FY 2021/22, see page 25.

31 Water intensity metrics are based on the Company's total global headcount which includes the headcount of the excluded locations mentioned in Note 26.

32 Waste data includes site waste from most manufacturing, processes and operations, research & development sites, and large offices. Waste from products is reported separately.

33 E-waste generated at the Company's sites is also included in PELM data.

34 Batteries collected at Lenovo's sites are also included in the PELM data.

35 The Company does not operate any onsite recovery operations; all wastes are seperated onsite to be collected by third-parties for recovery offsite.

36 Recycling includes some composting of nonhazardous, organic wastes.

37 All hazardous waste diverted for recovery was diverted for recycling.

38 The Company does not operate any onsite disposal operations; all wastes are seperated onsite to be collected by third-parties for disposal offsite.

39 Lenovo's Product End-of-Life Management (PELM) and Product Take Back (PTB) includes materials from customers and Lenovo-owned country returns, manufacturing and R&D scrap, and employee equipment from real estate sites. These metrics represent all data received from PELM suppliers as of the time of publication of this report. Not all data was available at the time of publication, so actual volumes may be higher.

40 These metrics represent all data received from recycled plastics suppliers at the time of publication.

41 The CY2021 decrease in percent of notebooks can be attributed to an expanded line of gaming system notebooks that either could not meet the Energy Star requirements or Lenovo decided not to register.

42 The CY2021 decrease in percent of monitors was associated with an expanded line of low cost, entry-level consumer displays.

43 Estimated using the average packaging weight per unit and total shipping volumes for the following categories of products: notebooks, desktops, servers, workstations, monitors, smartphones, tablets, and accessories.

44 The value for FY 2020/21 is being restated to reflect improved shipping volumes for accessories.

8.0 EMS Performance, Objectives and Targets

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8.0 EMS Performance, Objectives and Targets

FY 2021/22 EMS PERFORMANCE

Target Type	Objectives	Metric/KPI	Target Code	Target(s)	Status
Product Aspects					
Packaging	Minimize packaging material consumption while driving the use of environmentally sustainable materials.	Availability of bulk packaging	PP1	Support bulk packaging for ISG products and/or options.	Target met
		Weight or volume reduction	PP2	Achieve 5% reduction in weight or volume for at least one product.	Target partially met
		Plastic elimination	PP3	Eliminate 100,000 km of single use plastic packaging tape by 2025* (starting from FY 2018/19).	Long term target: on track
	Increase more eco-friendly content of packaging.	% Recycled or biodegradable content	PP4	Increase use of 100% PCC cushion by 10% based on shipping volumes relative to previous year.	Target met
			PP5	Use recycled content corrugated box material in at least 50% of our manufacturing sites.	Target partially met
			PP6	Introducing HRC (high recycled content) PE 1.7 PCF material for at least one new or existing product and option WW.	Target met
			PP7	Identify one new Lenovo product for which to implement use of 100% biodegradable/compostable packaging.	Target met
			PP8	Packaging box material recycled content must be at least 60% or greater for all new phone products released in FY 2021/22.	Target met
			PP9	By 2025*, 90% of plastic packaging by weight will be made from recycled materials.	Long term target: on track

Target Type	Objectives	Metric/KPI	Target Code	Target(s)	Status
Product energy	Drive reduction in product energy use.	Energy efficiency	PE1	New products must show improved energy efficiency relative to the previous generation of the product.[1] Notebooks: Improve energy efficiency on average for comparable notebooks by 30% by March 31, 2030, relative to FY 2018/19. Desktops: Improve energy efficiency on average for comparable desktops by 50% by March 31, 2030, relative to FY 2018/19. Servers: Improve energy efficiency on average for comparable servers by 50% by March 31, 2030, relative to FY 2018/19. MBG products: Improve energy efficiency on average for comparable MBG products by 30% by March 31, 2030, relative to FY 2020/21.	Long term target: on track
	Drive product emissions reductions from use of sold products.	GHG	PE2	Reduce scope 3 GHG emissions from use of sold products 25% on average for comparable products by FY 2029/30 from a FY 2018/19 base year.	Long term target: on track
	Quantify lifecycle CO_2e emissions associated with the use of Lenovo products.	PCF (kg CO_2e)	PCF1	Ensure product carbon footprint is published for all new Lenovo products.[2]	Target partially met
	Quantify lifecycle CO_2e emissions and environmental footprints associated with the use of Lenovo products.	PCF (kg CO_2e) and the other environmental footprints	PCF2	Develop and optimize Lenovo LCA (life-cycle assessment) platform with supply chain before March 31, 2022.[3]	Target partially met
		PCF (kg CO_2e) and the other environmental footprints	PCF3	Perform LCA for at least five Lenovo selected products and technologies by March 31, 2022.[4]	Target partially met

Target Type	Objectives	Metric/KPI	Target Code	Target(s)	Status
Product materials[5, 6, 7]	All products across all business units shall contain some recycled material.	% PCC in product/ external enclosure	PM1	By 2025*, 100% of PC products will contain materials made from post-consumer recycled content sources in support of reuse of 300 million lbs. of post-consumer recycled content.	Long term target: on track
			PM2	New DT, AIO, workstation, notebook, tablet, visual and accessory products shall contain a minimum of 2% PCC in product. At least one product needs to meet higher PCC levels: DT/Workstation 10%, AIO 15%, NB 5%, Tablet 3%, Visual 15%.	Target partially met
		Closed-loop PCC usage in products	PM3	New server products shall contain minimum of 10% PCC in external enclosure.[8] At least one product needs to contain CL-PCC.	Target met
		OBP and recycled metal opportunities	PM4	Explore opportunities for CL-PCC, OBP and recycled metal usage in all Lenovo products, especially MBG products.	Target partially met
	Sustain technological advances and maintain portfolio relative to low halogen products. Monitor and respond to market requirements in this area.	Low halogen parts	PM5	For products requiring IEEE 1680.1 or NSF/ANSI 426 registration, ensure each plastic part in the product exceeding 25g shall not contain greater than 1000 ppm chlorine or greater than 1000 ppm bromine at the homogeneous level per the requirements and exceptions allowed in the IEEE 1680.1 or NSF/ANSI 426 standard.	Target met

Target Type	Objectives	Metric/KPI	Target Code	Target(s)	Status
Location Aspects					
Site air emissions	Absolute reduction in CO_2e emissions from Lenovo operations worldwide.	Metric tons CO_2e	SAE1	Reduce absolute scope 1 and 2 GHG emissions 50% by FY 2029/30 from a FY 2018/19 base year.[9]	Long term target: on track
Site energy consumption	Maximize energy efficiency and minimize CO_2e emissions associated with the development, manufacture and delivery of Lenovo products.	% total electricity from RE sources	SEC1	Obtain 90% of global operations' electricity from renewable sources by 2025*.[10]	Long term target: on track
		Energy consumption in kWh per production volume	SEC2	Achieve YTY improved energy intensity[11] index at manufacturing sites globally, relative to the previous FY.	Target met[12]
		Electricity consumption in kWh per person	SEC3	Achieve YTY improved electricity intensity[13] at R&D and office sites globally, relative to the previous FY.	Target met
		Energy consumption reduction % (ISO 50001 certified locations)	SEC4	Reduce total energy consumption at ISO 50001 certified locations by at least 1.5% in next 3 years, relative to the FY 2019/20 energy baseline.[14]	Target not met due to technical difficulties; target under revision
Waste management	Minimize environmental impacts associated with solid waste generated from Lenovo operations and products.	% nonhazardous solid waste recycled	WM1	Maintain a global nonhazardous waste recycling rate > 90% (+/-5%).[15]	Target met
Water management	Minimize environmental impacts associated with water withdrawal and water discharge from Lenovo operations and products.	Water withdrawal in m^3 per person	WM2	Maintain per person water withdrawal at sites[16] globally, relative to the previous FY (no more than 5% increase).[17]	Target met
		Water risk analysis	WM3	Perform a water withdrawal and risk analysis of Lenovo's operations.	Target met

Target Type	Objectives	Metric/KPI	Target Code	Target(s)	Status
Supply Chain Aspects					
Product end-of-life management	Minimize the environmental impact of Lenovo products at end of life.	Minimization of environmental risk in end-of-life supply chain operations	PELM1	After July 1, 2021 all PELM suppliers will be audited to Lenovo's updated End of Life Standard and revised audit protocols and forms.	Target met
		Availability of environmentally sound take-back programs	PELM2	By 2025*, Lenovo will recycle/reuse 800 million pounds of end of life products (cumulative since CY 2005).	Long term target: on track
Supplier environmental performance	Monitor, drive and minimize environmental impact in the Lenovo supply chain.	GHG emissions reduction	SEP1	By 2025*, Lenovo will remove 1 million tons of greenhouse gas emissions from its supply chain (vs. FY 2018/19 measured emissions).	Long term target: off track
		Emissions (Scope 1 and 2) per million US$ procurement spend	SEP2	Reduce Scope 3 GHG emissions from purchased goods and services 25% per million US$ procurement spend by FY 2029/30 from a FY 2018/19 base year.	Long term target: on track
		Science-based emission reduction targets	SEP3	Achieve 25% (stretch 30%) of Lenovo direct suppliers based on procurement spend to have science-based emission reduction targets.	Target met
		Water risk analysis	SEP4	Perform a water withdrawal and risk analysis of direct suppliers.	Target met
Transportation	Drive collaborative environmental efforts in Lenovo's global logistics.	Varies	SEP5	Enhance demand management by optimizing shipped volumes.	Target met
			SEP6	Increase shift to more environmentally friendly modes of transport.	Target met
			SEP7	Improve fleet and asset utilization and efficiency.	Target met
			SEP8	Explore opportunities for low emissions fuels.	Long term target: off track
			SEP9	Reduce Scope 3 GHG emissions from upstream transportation and distribution 25% per tonne-km of transported product by FY 2029/30 from a FY 2018/19 base year.	Long term target: off-track

* 2025 = FY 2025/26 (by March 31, 2026)

FOOTNOTES:

Note 1: If new products don't fall in one of the sub-categories in the listed sub-targets, they default to the general energy efficiency improvement relative to the previous generation of the product. An exemption from targets in this area may be requested where the BU can clearly demonstrate achieving the target places the Lenovo product at a large price disadvantage against its competition or is not technically feasible.

Note 2: For products for which a PAIA tool exists. If requested by GEO sales or/and customers, provide a tailored PCF evaluation based on the specific product configuration.

Note 3: Collaboration with 30+ key suppliers.

Note 4: Accessories, visuals and technologies as appropriate.

Note 5: Availability of PCC plastics can be determined through consultation with environmental affairs and/or suppliers on the Lenovo Approved PCC Supplier list.

Note 6: To drive increased usage of PCC all BUs shall include a requirement for the identification of applications for the use of PCC in MRD and RFI/RFQ.

Note 7: PCC percentage is calculated using EPEAT methodology.

Note 8: If product is being registered to EPEAT, exemptions allowed per EPEAT requirements.

Note 9: This goal may be accomplished through energy efficiency, installation of onsite renewable generation, entry into power purchase agreements (PPA) with power providers, and/or the purchase of renewable energy commodities.

Note 10: This goal may be accomplished through installation of onsite renewable energy generation, entry into power purchase agreements (PPA) with power providers and/or the purchase of renewable energy credits.

Note 11: Energy intensity index is energy consumption in kWh per production volume.

Note 12: The Company's new manufacturing facility in Ullo, Hungary was not fully operational until September 2021. Data prior to full operation, when the facility had limited production, was not included in the energy intensity calculation.

Note 13: Electricity intensity is electricity consumption in kWh per person.

Note 14: Applicable to Lenovo's ISO 50001 certified locations as of March 31, 2020.

Note 15: Percent of nonhazardous solid waste directed to reuse or recycling.

Note 16: Includes all manufacturing, R&D, and large office sites that are able to report water withdrawal.

Note 17: An exemption might be granted to sites where pandemic-related behavioral changes and/or requirements makes this unattainable.

We are encouraged by our successes and progress and recognize that there is more to be done. As we look ahead, the Company aims to drive environmental improvements through the FY 2022/23 EMS targets identified here.

9.0 Long-Term KPI Progress

120 Long-Term ESG Key Performance Indicators (KPI)

9.0 Long-Term KPI Progress

LONG-TERM ESG KEY PERFORMANCE INDICATORS (KPI)

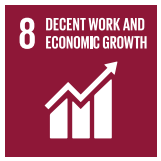
The Company is advancing its ESG program with long-term KPIs developed in FY 2021/22 to further its support of the UN Global Compact (UNGC) Sustainable Development Goals (SDG). The Company will measure and report on its progress each year.

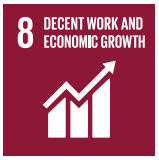
Environmental

KPI Type	Commitment	KPI	FY 2021/22	UNGC SDG
Climate Change Mitigation	Lenovo has set aggressive, science-based greenhouse gas emission reduction goals.[1]	By FY 2025/26, 90% of our global operations' electricity will be obtained from renewable sources.[2]	Long term target: on track	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
		By FY 2025/26, we will remove one million tons of greenhouse gas emissions from our supply chain.[3]	Long term target: off-track	
		By FY 2029/30, we will achieve 50% improvement in energy efficiency of Lenovo desktops[4] and servers.[4]	Long term target: on track	
		By FY 2029/30, we will achieve 30% improvement in energy efficiency of Lenovo notebooks[4] and Motorola products.[5]	Long term target: on track	
Circular Economy	Lenovo is transitioning to a circular economy through innovations in our supply chain, product design and services.	By FY 2025/26, 84% of repairs can be done at the customer site, without having to send their PC to a service center.[6]	Long term target: on track	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 15 LIFE ON LAND
		By FY 2025/26, 76% of repairable PC parts returned to our service center will be repaired for future use.[7]	Long term target: on track	
		By FY 2025/26, we will have enabled the recycling and reuse of 800 million pounds of end-of-life products.[8]	Long term target: on track	

Sustainable Materials	Lenovo is focused on integrating sustainable materials and minimizing waste through innovative product and packaging design.	By FY 2025/26, 100% of PC products will contain post-consumer recycled content materials.[9]	Long term target: on track	
		By FY 2025/26, we will use 300 million pounds of post-consumer recycled content plastics in our products.[10]	Long term target: on track	
		By FY 2025/26, 100% of smartphone products and accessories will be free of PVC and BFR.[11]	Long term target: on track	
		By FY 2025/26, 90% of PC products plastic packaging will be made from recycled materials.[12]	Long term target: on track	
		By FY 2025/26, Smartphone packaging will use 50% less single-use plastics and reduce in size/volume by 10% and 60% of smartphone packaging will be made from recycled materials.[13]	Long term target: on track	

Social

KPI Type	Commitment	KPI	FY 2021/22 Progress	
Diversity and Inclusion	Lenovo believes smarter technology for all means everyone. If we truly want to innovate for society, we must design with the diversity of the world in mind.	By FY 2025/26, we will grow the global representation of women in executive roles to 27% (from 21% in 2020).	Long term target: off track	
		By FY 2025/26, we will grow the representation of executives in the US from historically underrepresented ethnic and racial groups to 35% (from 29% in 2020).	Long term target: off track	
		By FY 2025/26, 75% of Lenovo's products will be vetted by inclusive design experts to ensure they work for everyone, regardless of physical attributes or abilities.	Long term target: on track	

Philanthropy	Lenovo philanthropy provides smarter technology for all by empowering underrepresented communities with access to technology and STEM education.	By FY 2025/26, Lenovo philanthropy will impact 15 million lives and transform one million lives through philanthropic programs and partnerships.	Long term target: on track	
		By FY 2025/26, Lenovo philanthropy will engage one in four employees in its charitable programs (volunteerism and matching gifts).	Long term target: on track	

Governance

KPI Type	Commitment	KPI	FY 2021/22 Progress	
Corporate Governance	Lenovo is focused on building a long-term, sustainable business that reflects our vision of smarter technology for all. Lenovo is focused on integrating ESG priorities into our day-to day operations.	Through FY 2025/26 and beyond, we will hold regular ESG Executive Oversight Committee meetings to include the interests of the business in ESG strategy discussions, assess the progress of our ESG initiatives, and evaluate the continued relevancy of our programs to Lenovo's long term business strategy.	Long term target: on track	
		Through FY 2025/26 and beyond, we will propose recommendations to senior leadership regarding effective management of ESG risks and programs.	Long term target: on track	
		Through FY 2025/26 and beyond, we will provide regular updates on ESG topics to the Board of Directors.	Long term target: on track	
Ethics	Lenovo fosters a culture that strives to attain the highest standards of ethical business conduct and compliance with all laws and regulations wherever it operates.	Through FY 2025/26 and beyond, we will continually advance our global ethics and compliance program through program and training enhancements.	Long term target: on track	
		Through FY 2025/26 and beyond, we will obtain recognition for leadership in this area.	Long term target: on track	

Privacy	Lenovo commits to continuously improve its privacy program.	Through FY 2025/26 and beyond, we will improve customer experience by making it easier for customers to request their personal information and by improving the speed in which Lenovo respond to these requests.	Long term target: on track	
		Through FY 2025/26 and beyond, we will improve the management and accountability of privacy impact assessments and pre-launch privacy compliance reviews.	Long term target: on track	
		Through FY 2025/26 and beyond, we will enhance existing training materials and continue to deliver privacy-focused training programs to Lenovo employees.	Long term target: on track	

1 Our goals support our emissions reduction targets, which were approved by the Science Based Targets initiative (SBTi).
2 May be accomplished through installation of onsite renewable energy generation, entry into power purchase agreements (PPA) with power providers and/or the purchase of renewable energy credits.
3 Relative to FY 2018/19 measured emissions.
4 Energy efficiency improvement on average for comparable products relative to FY 2018/19.
5 Energy efficiency improvement on average for comparable products relative to FY 2020/21.
6 Excludes Android tablets and visuals.
7 Measured by value.
8 Cumulative total since 2005.
9 Excludes tablets and accessories.
10 Cumulative total since 2005.
11 Controlled at 1000 ppm.
12 Measured by weight and excludes tablets, accessories and monitors.
13 Relative to FY 2020/21 and excludes RAZR and Lenovo smartphone packaging.

10.0 Appendix

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129 GRI Content Index

139 Hong Kong Stock Exchange's ESG Reporting Guide Content Index

10.0 Appendix

FY 2021/22 MEMBERSHIPS AND ASSOCIATIONS

Associations

- Bluetooth Special Interest Group (SIG)
- Consumer Technology Association (CTA)
- DIGITAL EUROPE
- Electronic Product Stewardship Canada
- Information Technology Industry Council (ITI)
- Mobile & Wireless Forum (MWF)
- PRBA-The Rechargeable Battery Association
- Responsible Business Alliance (RBA)

Programs, Workgroups, and Global Initiatives

- CDP • Climate Change and Water Security
- CHWMEG
- Circular Electronics Partnership
- ECMA•370 • The Eco Declaration Standard
- EcoVadis
- Global Logistics Emissions Council (GLEC)
- Global Recycling Programs, such as Call2Recycle (specific programs vary by jurisdiction and product)
- Global Reporting Initiative (GRI)
- Green Freight Asia (GFA)
- Hong Kong Stock Exchange ESG Reporting Requirements
- International Special Committee on Radio Interference (CISPR)
- Responsible Factory Initiative
- Responsible Labor Initiative
- Responsible Minerals Initiative
- Responsible Recycling (R2)
- Science Based Targets Network's Corporate Engagement Program
- United Nations CEO Water Mandate
- United Nations Global Compact (UNGC)
- U.S. EPA's Green Power Partnership
- U.S. EPA's SmartWay
- World Business Council for Sustainable Development (WBCSD)
- World Resources Institute (WRI)

International Standards

- IECEE/PSC
- IEC/TC 108
- IEC/TC 111
- IEC/TC 124
- IEEE 1680.1 Standard for Environmental and Social Responsibility Assessment of Computers and Displays
- IEEE SA
- ISO 14001, Environmental Management Systems
- ISO 50001, Energy Management
- ISO/IEC JTC 1/SC 39
- ISO/TC 176
- Leadership in Energy and Environmental Design (LEED)
- NSF/ANSI 426 Environmental Leadership and Corporate Social Responsibility Assessment of Servers
- Product Attribute to Impact Algorithm (PAIA) Project
- TCO Certified

The Company recognizes the importance of environmental leadership at the country level and is involved in additional national associations, programs, workgroups, and initiatives where relevant. Of particular note, the Company has participated in numerous environmental initiatives in China, including:

- Alliance for High Quality and Green Development of Information and Communication Technology Industry
- China Electronic Energy Saving Technology Association
- China Energy Conservation Program (CECP)
- China Environmental Labeling Product (CELP)
- China ePCF Project
- China Medium and Low Temperature Solder Association
- China MEE GEF POPs Project
- China MIIT Eco-Design Demonstration Enterprises Program
- China MIIT EPR (extended producer responsibility) Recycling Pilot Project
- China MIIT Green Manufacturing System Project
- China National Resources Recycling Association
- China RoHS Standard Working Group
- China WEEE Working Group
- Energy Saving Work Association of the Chinese Institute of Electronics
- Green Manufacturing Association of China
- PC+ China Energy Label (CEL)

SCOPE OF THE REPORT

The contents of this report apply to Lenovo Group Limited (Hong Kong Stock Exchange: 992) (the Company), together with its principal Lenovo-branded and Motorola-branded subsidiaries. Where certain topics also include other principal subsidiaries, it is explained below. The scope of the Company's material topics and their boundaries within its value chain are detailed in the table below.

	Product Development	Supply Chain	Manufacturing	Sales & Marketing	Distribution	Use/End of Life	ESG Report Scope of Coverage	Explanation of Scope Changes
Environment								
Emissions/Climate Change	●	●	●	●	●	●	Lenovo, Motorola Mobility, LCFC, Medion, NEC PC, FCCL	The Company's climate change program and EMS covers the entities listed.
Energy	●	●	●	●	●	●	Lenovo, Motorola Mobility, LCFC, Medion, NEC PC, FCCL	The Company's energy program and EMS covers the entities listed.
Product Packaging and Materials	●	●	●	●	●	●	Lenovo, Motorola Mobility, LCFC	The Company's product packaging and materials program also includes LCFC. Entities not listed have their own management system for these aspects.
Waste/Recycling	●	●	●	●		●	Lenovo, Motorola Mobility, LCFC, Medion, NEC PC, FCCL	The Company's waste management program and EMS covers the entities listed. Although there may be waste generation during distribution, it is not covered in the scope of the report.
Water	●	●	●	●			Lenovo, Motorola Mobility, LCFC, Medion, NEC PC, FCCL	The Company's water management program and EMS covers the entities listed. Sales and marketing functions often occur at large office sites and large office sites are now all reporting water data.
Social								
Community/Philanthropy	●		●	●			Lenovo, Motorola Mobility	Distribution was removed because the full value chain is not covered in this topic.
DEI	●	●	●	●	●		Lenovo, Motorola Mobility	Full integration of Stoneware no longer requires inclusion in scope.
Human Rights	●	●	●	●			Lenovo and Motorola Mobility are fully incorporated into the Company's corporate programs in this area.	No change
Safety	●	●	●	●	●	●	Lenovo, Motorola Mobility, LCFC and NEC PC	No change
Training & Development	●		●	●			Lenovo, Motorola Mobility	Added to the table this year
Employee Representation	●		●	●			Lenovo, Motorola Mobility, NEC PC for all metrics. Number of employees, Percentage of employees by region, and Percentage of employees by workforce representation metrics also include Sunny IT, FCCL, Medion, LCFC, and Net App	No change
Governance								
Economic Performance	●	●	●	●	●	●	See the FY 2021/22 Annual Report page 266	No change
Ethics/Integrity	●	●	●	●	●	●	Lenovo and Motorola Mobility are fully incorporated into the Company's corporate programs in this area.	No change
Data Privacy/Security	●	●	●	●		●	Lenovo, Motorola Mobility	No change
Product Quality	●	●	●	●		●	Lenovo, Motorola Mobility, LCFC	The Company's QMS covers the entities listed.
Regulatory/Compliance	●	●	●	●	●	●	Lenovo, Motorola Mobility, LCFC	The Company's Regulatory/Compliance program covers the entities listed.
Innovation	●	●	●	●	●	●	Lenovo, Motorola Mobility	Added to the table this year

THE U.N. GLOBAL COMPACT COMMUNICATION ON PROGRESS (COP)

The U.N. Global Compact is a public-private strategic policy initiative for businesses committed to aligning operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. Lenovo became a signatory to the U.N. Global Compact in 2009 and our Chairman and Chief Executive Officer, Yang Yuanqing, continues to fully endorse and support its principles. This report serves as Lenovo's 2021/22 Communication on Progress.

Principle	See page(s)
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;	42-49
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General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.		18-20, 22-26	
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KPI A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	24, 112, 114, 115-117	https://www.lenovo.com/environmental_targets

"Comply or explain" Provisions		Page Number(s)	Other reference material(s)
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KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	103-104	
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KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	25-26, 115, 117	https://www.lenovo.com/environmental_targets
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	107	
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KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	18-39, 112-117, 120-121	https://www.lenovo.com/environmental_targets
Aspect A4: Climate Change			
General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		18-39	
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"Comply or explain" Provisions		Page Number(s)	Other reference material(s)
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KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	88-90	

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KPI B6.2	Number of products and service related complaints received and how they are dealt with.	73	Due to confidential business constraints, the Company does not disclose the quantitative results of product or service-related complaints.
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