

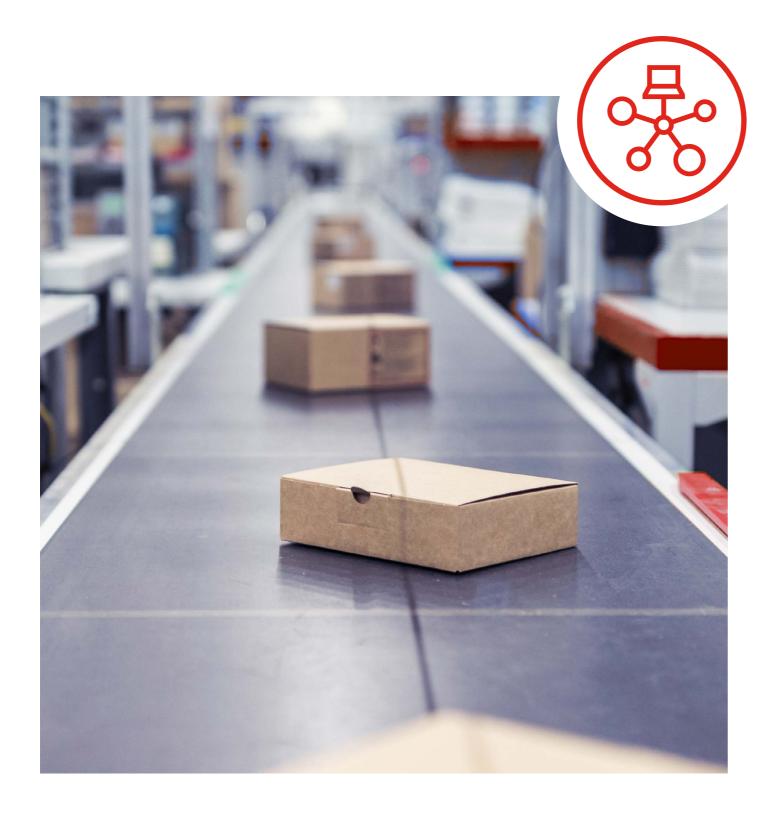
In January 2023, the European Union's new rules for financial reporting came into force. The Corporate Sustainability Reporting Directive has been formulated to "modernize and strengthen" the rules about the social and environmental information which companies must report on.

As part of Europe's Green Deal,2 the new requirements ask for documentation on the risks and opportunities arising from social and environmental issues by companies with 250 employees with a turnover of 40 million or assets worth 20 million. That means this directive applies to at least 50,000 organizations across the bloc.

This intensified route to reporting includes any impact that a company's activities, like their IT infrastructure, have on people and the environment, as the EU strives to make Europe the world's first climate neutral continent.

So, what does this mean for financial services businesses across Europe? What if you're on the smaller end of the scale, with a workforce barely over the threshold? This regulation makes one thing clear for companies of all sizes – there are no shortcuts on the road to net zero.

To find out more, I tuned into the recent Corporate Digital Responsibility (CDR) summit, which featured expert insight from government, academia, and industry leaders. Here's what I discovered.



Sustainability starts at the supply chain

The new EU directive requires companies to record and report every aspect of IT use, from the design and materials used in laptops and servers to the various stages of the supply chain.

This renewed focus on environmental, social and governance progress from the EU demands more from our technology, particularly where the environmental impact is concerned. It requires making sure that the right technology is in place to lower the overall impact of your organization.

At Lenovo, we're focusing on innovation so our customers can rest assured that the hardware they choose won't land them in regulatory hot water.

We're recycling more products and parts than ever before.

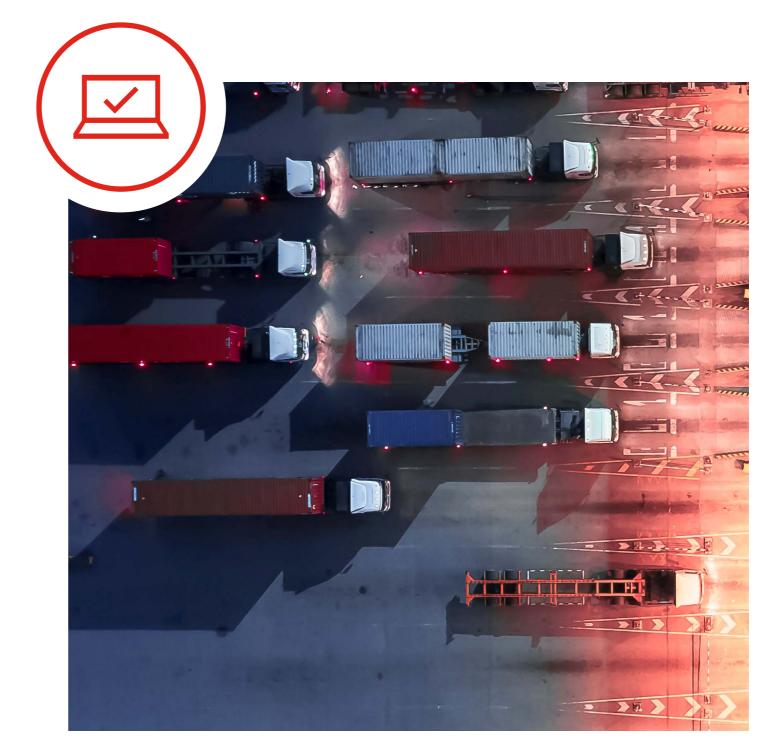
We use environmentally preferable materials whenever applicable. And in adhering to this precautionary, harm-reduction approach, we restrict the use of materials which could be concerning when economically and technically viable alternatives exist.

We also support the phasing out of brominated flame retardants (BFRs), PVC and halogens. And by FY 2025/26, every new Lenovo PC will contain post-consumer recycled materials.

These are just some of the commitments outlined in our sustainability report.

Reducing the impact of mobilizing product

We use reusable bulk packaging to transport our products, and we hold our suppliers and logistics partners to the highest standards, so that we can continually reduce the environmental impacts of their operations. Almost all of our suppliers are independently audited and publish regular sustainability reports.



And we have reduced our Scope 3 greenhouse gas (GHG) emissions from upstream transportation and distribution by 25%.

Our Supply Chain at a Glance

As an approximate percentage of production spend:



* Data as of July 2022 Key Supplier Base Report



Saving energy as we work

Data centers and data transmission networks are responsible for around 1 – 2% of energy-related GHG emissions worldwide, according to a 2022 report by the International Energy Agency.

Lenovo's energy efficient servers and laptops help organizations reduce consumption and offset CO2 emissions. For example, our ThinkSystem server portfolio allows customers to immediately mitigate the carbon impact of their data center gear.

While the new ThinkSystem SD665 V3, a high-density server powered by Intel[®] technology, uses Neptune Water Cooling to capture up to 98% of the heat it emits. And it reduces power consumption by up to 40%. Similarly, the new Lenovo Neptune[™] Liquid Assisted Cooling solution helps customers maximize data center efficiency with CPU cooling capabilities, ideal for legacy air-cooled data centers.

These are just some of the ways that Lenovo can support financial services organizations who are now in a race to net zero, with all eyes on their progress.

How environmentally aware is your organization? Are you making real progress, or could the tech you use be holding you back? Share your experiences, past and present, in the comments so we can swap ideas and help each other.

And if you attended the CDR summit in-person or online like me, let's connect. I would love to get involved in your next event.

¹ Corporate sustainability reporting (europa.eu)
² A European Green Deal (europa.eu)
³ CDR (cdr-summit.digital)

- ⁴ <u>FY2022-lenovo-sustainability-report.pdf</u>
- ⁵ Data Centres and Data Transmission Networks Analysis IEA

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