Lenovo Group Limited

2019/20 Environmental, Social and Governance Report

Stock Code 992

Smarter technology with a purpose

Contents

1.0 Executive letters

A Message from our Chairman and Chief Executive Officer

Looking back at the last 12 months the world has experienced one of the most significant periods of global change and transformation we have ever seen. As a leader of a business employing 63,000 people and serving customers in 180 markets around the world, I am acutely aware and focused on the wider role Lenovo plays in the world today. We have a responsibility to all our stakeholders to make progress on our climate change commitments, make a positive social impact in the communities where we do business, and strive to be a model corporate citizen in our ethical, customer service, and supply chain behaviors.

It's with the backdrop of awareness and responsibility that I'm proud of the accomplishments and determination of the Lenovo team in the last year, and our ambitions for the years ahead.

OUR GLOBAL RESPONSE TO COVID-19

COVID-19 has overshadowed 2020 for the whole world and Lenovo has responded to this global challenge in multiple ways to support not only customers, partners and employees but also the communities where we live and work. Our actions have included relentless team efforts to bring technology to emergency hospitals (Wuhan and New York), partnering with Intel on genome research to fight the virus, providing systems for governments to meet the unprecedented demand in processing unemployment services (Australia), and donating products to school children (China, Italy, US) to enable education during lockdowns. And much more. Lenovo's contribution has exceeded US$13 million — the result of a global collaboration between the Lenovo Foundation, business entities and executives. More importantly, our actions have been customized to the unique needs of the diverse communities where we do business, maximizing the value and impact of every contribution.

Alongside our philanthropic efforts, the global supply chain team worked night and day to harness the power of both our in-house and third-party manufacturing sites around the world to adjust capacity and rebalance production. Although our primary smartphone manufacturing site in Wuhan was required to close for several months, the team rallied to move parts and supply around the world to take advantage of other facilities. This incredible flexibility and resilience of our global footprint reinforces that our global sourcing, local delivery capabilities and operational excellence are Lenovo's core competencies and key factors in our ability to overcome complex challenges.

BUILDING A DIVERSE AND INCLUSIVE ORGANIZATION

Ensuring a diverse and equitable workplace and ecosystem where everyone can thrive has been part of who Lenovo is since our beginning. The FY 2019/20 marks the second year of our annual Diversity and Inclusion report, including progress in global representation of female executives (18.5%), expansion of our employee resource groups, and an employee engagement score of more than 90% as reported by employees in our annual Lenovo Listens survey. We also received the second consecutive recognition on the Bloomberg Gender Equality Index, earned 100 percent on the Human Rights Campaign (HRC) Foundation's Corporate Equality Index for the third consecutive year, and had two VPs of the company named to Forbes China's 2019 Women in Tech list. However, our commitment to diversity goes beyond just our own teams and to our suppliers and strategic sourcing process too.

INNOVATING A SMARTER FUTURE FOR ALL

A company of diverse innovators, we still believe, even after 35 years in business, that our job of creating inclusive technology is never done and that no one should be left behind in our shared digital future. This is the core belief behind our vision and purpose to provide "smarter technology for all". In 2019, we were proud to execute on our vision when we appointed the company's first Accessibility and Inclusion Advisor — Haben Girma — and signed both the Valuable 500 inclusivity initiative and GSMA Digital Declaration. While we focus on delivering our innovations for all, our purpose is also leading our 10,000 engineers, researchers and scientists around the world in creating smarter technologies such as the world's first 5G PC and first foldable laptop. At the same time using artificial intelligence in not only our own products, but also through our work with customers in industries such as healthcare and agriculture.

LOOKING AHEAD — FUTURE GOALS

Looking ahead our focus continues to be on how we build a long-term sustainable business for our employees, our customers and our communities for the decades ahead. Technology is breaking down barriers, democratizing access and empowering change — but as we look forward, we must ensure the legacy of COVID-19 does not divide our world further. For the next 10 years we are focused on new, ambitious targets including diversity and inclusion goals and climate change targets as part of the global Science Based Targets Initiative.

While I am proud of our own progress across all elements of ESG and the industry accolades, I know we must do more. More to drive change within Lenovo, the technology industry as a whole and the wider world. Ultimately, my focus is to ensure that we not only make an impact, but that our employees, leadership, behavior and innovations reflect our vision of smarter technology for all.

Yang Yuanqing
Chairman and Chief Executive Officer
Lenovo

A Message from our Chief Corporate Responsibility Officer

At Lenovo, we know that sustainability is an ongoing journey. Our obligation to our stakeholders does not end with our finished products or workplaces. Recent global events have helped us reflect on the measurable impact our activity has on our communities and our planet. I am hopeful that we can work together and be inspired by these lessons to address sustainability challenges in the future. As a global technology leader, Lenovo is committed to operate as a sustainable business with policies and procedures that benefit our environment and establish a culture of integrity. We plan for long-term success by integrating the Ten Principles of the U.N. Global Compact into strategies and operations.

Lenovo measures the Environmental, Social and Governance (ESG) activities that have an impact on our stakeholders and our business. We want to reassure our stakeholders that even during a time of crisis, we remain focused on these matters as we demonstrate resiliency. Beginning with the Fiscal Year 2019/20, we will address the report as the "**ESG Report**", which conveys a more precise assessment of our Company's actions and the broad scope of our commitment to identify opportunities which may improve our strategy and decision-making process, drive innovation and operational efficiencies, and reduce risks associated with climate change and economic growth.

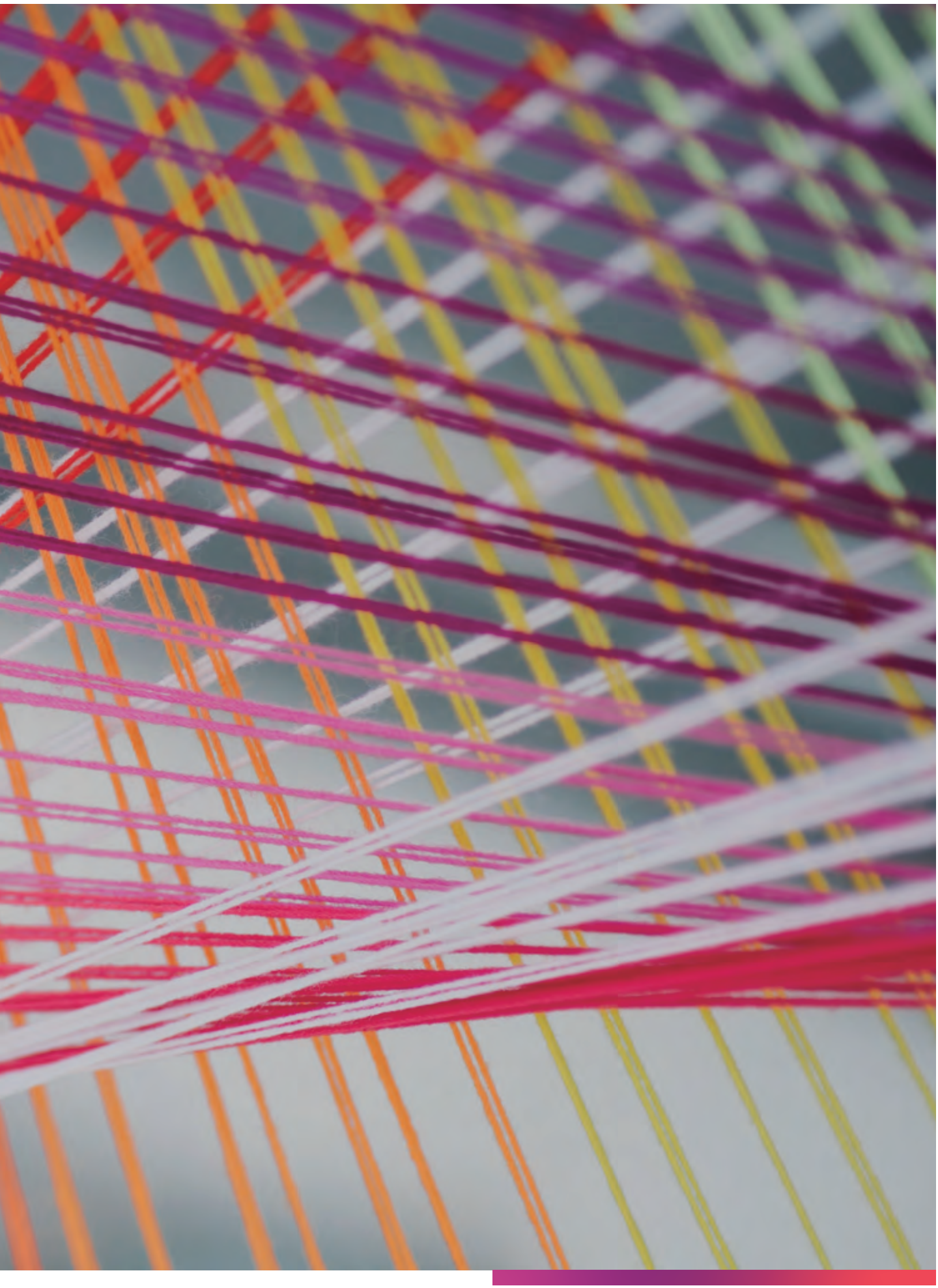
In FY 2019/20, we continued to make progress across a range of ESG activities. Key highlights include:

- **Renewable Energy** — We reduced our Scope 1 and 2 greenhouse gas by 92 percent relative to FY 2009/10. We also expanded our commitment to sustainable operations with on-site renewable energy installations like the 3.9 MW solar panel array recently installed at our North American facilities in North Carolina.
- **CDP** — Lenovo achieved a score of A- on the 2019 CDP Climate Change response and an A on the CDP Supplier Engagement response, both of which are rated at the Leadership level. These acknowledgements reflect our understanding of our contribution to climate change, coordinated action on climate issues, implementation of best practices relating to climate change, and ongoing transparency around climate change issues.
- **2020 Green Freight Asia** — Lenovo is the first shipper to ever qualify for 3-Leaf Certification from Green Freight Asia (GFA) for our performance in China, in addition to receiving 2-Leaf Certification by GFA for our efforts in India. These certifications recognize Lenovo's commitment to engage suppliers and key partners to continually enhance their sustainability practices, including reducing transport-related carbon emissions in the delivery of our products.
- **Closed Loop Post-Consumer Recycled Content (CL-PCR)** — In support of a more circular economy, Lenovo is proud of the progress we've made in expanding our CL-PCR plastics program to include these materials in 66 of our products — a significant increase from 21 products in the previous reporting year.
- **2020 Bloomberg Gender Equality Index, and the 2019 Human Rights Campaign Corporate Equality Index** — Lenovo was recognized for the outstanding performance of our diversity and inclusion initiatives across the organization. This recognition demonstrates our commitment to supporting a diverse workforce and creating an inclusive environment with the intended outcome of each employee feeling a sense of value, respect, and belonging.
- **Love on 31 Global Month of Service** — Lenovo engaged employees around the world in strategically aligned volunteerism through 'Love On 31', Lenovo's global month of service. Employees gave more than 13,000 hours in volunteer service focused on empowering underprivileged populations with access to technology and STEM education while meeting the unique needs of their communities. In 2019, Love On 31 grew to include 55 different offices in 37 countries across six continents, directly impacting nearly 56,000 people in the month of May 2019. Participation in Lenovo's annual global month of service has grown by 43 percent since it began in 2017.
- **2019 Hang Seng Corporate Sustainability Index** — Lenovo was rated AA by the Hong Kong Quality Assurance Agency, achieving the best overall score in the IT industry. This is the ninth consecutive year that Lenovo has been included in this ranking, showing Lenovo's ongoing commitment to sustainability.
- **2019 Platinum Awards in Best Corporate Governance and Sustainability and Social Responsibility Reporting Award** — This is the seventh consecutive year that Lenovo was presented with the Corporate Governance award and the second consecutive year receiving the Sustainability and Social Responsibility reporting award from the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Lenovo recognizes that our opportunities to make the world more sustainable are not just operational but can be seen through the many innovative applications of our technology that continue to benefit our environment and the health of communities around the world. As we continue shaping technology to create a better world — we are inspired by the use of Lenovo technology to measure and adapt to climate change, conserve the environment, and provide access to STEM education. We are proud to share our recent achievements which underscore Lenovo's higher purpose — to be a global citizen contributing to solutions that support a more sustainable planet by providing smarter technology for all.

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

2.0 Integrating sustainability



Integrating sustainability

REPORT PARAMETERS

ABOUT THIS REPORT

This is Lenovo Group Limited's 14th annual Environmental, Social, and Governance (ESG/ Sustainability) Report. It covers the Fiscal Year 2019/20 (April 1, 2019 through March 31, 2020). The most recent Sustainability Report prior to this was published in August 2019 for the Fiscal Year 2018/19. This and previous reports are available at: https://investor.lenovo.com/en/publications/reports.php.

This report is considered a companion document to Lenovo's annual and interim reports. The Fiscal Year 2019/20 Annual Report contains an ESG/ Sustainability Overview on pages 125–140.

SCOPE OF THE REPORT

This report covers Lenovo's global operations, except where noted. Please see the Material Topic Boundaries chart on page 153 for details and the scope of coverage. All references, unless otherwise noted, are to Lenovo's fiscal year, which ends March 31.

Our operations:

- Corporate headquarters in Hong Kong
- Primary operational hubs in Beijing, China; and Morrisville, N.C., USA
- Major development and manufacturing facilities are described in the Manufacturing and Supply Chain Operations section
- In-house call centers in various markets

Lenovo's Sustainability Program measures the Environmental, Social and Governance (ESG) activities that have an impact on our stakeholders and our business. Beginning with FY 2019/20, we will address this report as the 'ESG Report', which conveys a more precise assessment of our Company's actions and the broad scope of our commitments.

REPORT CONTENT

The content of this report is informed by the Environmental, Social and Governance (ESG) Reporting Guide set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), the Global Reporting Initiative (GRI) Standards, and the needs of Lenovo's stakeholders. Lenovo has complied with all "comply or explain" provisions as set out in the Hong Kong Stock Exchange's ESG Guide. This report has been prepared in accordance with the GRI Standards: Core option.

NOTES

Notes in the Consolidated Metrics, FY 2019/20 Performance and FY 2020/21 Objectives and Targets sections apply to all places throughout the document where that data is used.

EXTERNAL ASSURANCE

Accredited third parties have provided verification services for certain energy, greenhouse gas (GHG) emissions, waste and water data in this report. Due to the COVID-19 pandemic, some third-party external verification was completed virtually.

BASIS OF CALCULATIONS

All financial data is denoted in U.S. dollars.

Lenovo 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.

Lenovo continues to strive for excellence in measuring and improving its performance by adding new indicators. When new indicators are added, it may take time to deliver trending information. Therefore, we may not always provide information publicly until we are certain that this data can be delivered in a high-quality and consistent manner.

CONTACT INFORMATION FOR THIS REPORT AND FEEDBACK

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

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

MATERIALITY AND STAKEHOLDER ENGAGEMENT

Lenovo's integration of ESG impacts into its strategy, planning, implementation and reporting activities begins with an assessment of material topics. We believe identification of material concerns related to ESG is integral to achieving our business goals of minimizing risk and maximizing growth and returns on capital while fulfilling our commitment to outstanding corporate citizenship.

The Board of Directors and management across all major functions of the Company regularly conduct assessments to identify and categorize material concerns through its Enterprise Risk Management (ERM) framework, including ESG related issues. Material concerns are further clarified and addressed through company management systems. Lenovo's environmental management system (EMS), for example, provides a framework for assessment of significant environmental aspects (SEA), regularly scheduled audits, measurement of key performance indicators and continuous improvement. This SEA evaluation process and the ERM process provide valuable input into Lenovo's overall ESG materiality assessment process. Other benefits of the EMS include monitoring our progress on previously identified material concerns and more quickly spotting emerging issues. In addition to these corporate level risk management programs, individual business units such as the Global Supply Chain (GSC) organization manage their own risk management processes that feed into the corporate level programs and disclosure.

Lenovo's annual ESG Report, (formerly titled "Sustainability Report"), provides an accounting of the Company's environmental and social responsibility performance for the previous fiscal year. We determine the scope of the report by an ESG Materiality Assessment, a process where Lenovo evaluates and determines the significant, or material, economic, environmental, social and governance topics. The results of the Materiality Assessment also guide us with evaluating and prioritizing stakeholder inputs. This assessment was carried out in early 2020.

Lenovo acknowledges that a variety of external perspectives are relevant to identifying material issues. We regularly engage with a variety of stakeholders and consider their feedback as we affirm what is material to our business, develop our ESG strategy, set our goals and report on our progress.

ESG MATERIALITY ASSESSMENT: MATERIAL TOPICS

Environmental	Social	Governance
· Emissions	· Community/Philanthropy	· Economic Performance
· Energy	· Diversity and Inclusion	· Ethics/Integrity
· Product Packaging and Materials	· Human Rights	· Data Privacy and Security
· Waste/Recycling	· Safety	· Product Quality
· Water		· Regulatory/Compliance
		· Technology and Innovation

STAKEHOLDER ENGAGEMENT

Lenovo actively manages its relationships with customers, employees, suppliers, investors, regulators, members of the communities in which it operates, and other stakeholders whose actions can affect the Company's performance and value. We engage our stakeholders in several ways, including:

- Surveys and direct customer interaction
- Employee surveys
- Supplier audits, conferences, and quarterly business reviews
- Phone conferences, webinars and meetings with industry trade groups on regulatory issues
- Ongoing interactions with local communities and Lenovo-organized community service events
- Responding to investor, analyst, and non-governmental organization (NGO) surveys and inquiries

In addition to these and other formal stakeholder interactions, we collaborate with individual stakeholder groups on an ad-hoc basis as needed. Each section of this report contains examples of Lenovo's engagement with stakeholders.

Our environmental, quality and other management systems have defined processes for obtaining and analyzing stakeholder input to help improve our performance as well as manage risk. Lenovo's network of Geographic Environmental Affairs Focal Points engage with local sales teams and customers on a regular basis. This is done through detailed responses to customer questions and meetings at customer locations or at Lenovo's briefing centers. These meetings allow Lenovo to get direct feedback on our environmental and other programs. Examples of feedback include information on ecolabel preferences, requests for packaging optimization, and requests for further information which may contribute to customers' internal education.

LENOVO'S STAKEHOLDERS

Key ESG issues addressed through Lenovo's engagement with stakeholders in the past fiscal year include concerns about conflict minerals, protecting human rights in the supply chain, climate change mitigation and impact, recycling, and product certifications. Lenovo's responses to these concerns included:

- Following the close of FY 2019/20, Lenovo finalized our third generation of Climate Change goals and submitted them for approval by the Science Based Targets Initiative (SBTi).
- We completed solar projects at our facilities in Morrisville and Whitsett, NC, USA and in Hefei, and Wuhan, China. By the end of the fiscal year, the current solar capacity of all these projects was approximately 16 megawatts (MW).
- Employed the RBA Conflict Minerals Reporting Template (CMRT) for Reasonable Country of Origin Inquiry (RCOI) efforts across 95 percent of our procurement spend and our supply chain, and the Responsible Minerals Assurance Process (RMAP) for auditing/certifying of identified smelters.
- Reported carbon emissions data and strategies to the 2019 CDP (formerly Carbon Disclosure Project). Lenovo achieved a score of A- on the 2019 CDP Climate Change response and an A on the CDP Supplier Engagement response, both of which are rated at the Leadership level (see the Environmental Impact of Lenovo Operations section for more details).
- We expanded the use of innovative forms of post-consumer recycled content (PCC). Lenovo expanded our use of closed-loop post-consumer recycled plastic materials (CL-PCR) sourced from end-of-life information technology and electronics equipment (ITE) — from 21 products in FY 2018/19 to 66 products in FY 2019/20. This 214 percent increase demonstrates Lenovo's commitment to supporting a circular economy.
- Provided free consumer recycling options in many geographies (see the Recovery and Recycling Trends in the Planet section).

LENOVO AND THE U.N. GLOBAL COMPACT

Since 2009, Lenovo has been a signatory of the United Nations Global Compact (UNGC), a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support the United Nations Sustainable Development Goals (SDG), which clearly define the world we want — applying to all nations and leaving no one behind.

Launched in 2000 as a special initiative of the UN Secretary-General, the UNGC provides a framework for developing a more sustainable and responsible business. Today, the UNGC is the largest corporate sustainability initiative in the world, with more than 9,500 companies and 3,000 non-business signatories based in over 160 countries. It is a call to companies everywhere to align their operations and strategies to ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. The UNGC's mission is to mobilize a global movement of sustainable companies and stakeholders to create the world we want. The UNGC provides organizations with easy access to authoritative guidance, training, tools and support, along with global reach and multi-stakeholder connections, while enabling businesses to achieve their sustainability objectives.

Lenovo's objectives and targets consist of ESG activities that have an impact on our stakeholders and our business. We measure these activities within our business, projects, programs and activities so that we can assess our direct and indirect contributions toward the UN SDG.

LENOVO'S ESG MATERIAL TOPICS AND THE UN SDGS:

Emissions
Energy
Product Packaging and Materials
Waste/Recycling
Water

Community/Philanthropy
Diversity and Inclusion
Human Rights
Safety

Economic Performance
Ethics/Integrity
Data Privacy and Security
Product Quality
Regulatory/Compliance
Technology and Innovation

3.0

Practicing ethical business

Practicing ethical business

ORGANIZATIONAL PROFILE

Lenovo Group Limited (HKSE: 992) (ADR: LNVGY) is a US$50 billion Fortune Global 500 company, with 63,000 employees and operating in 180 markets around the world. Focused on a bold vision to deliver smarter technology for all, we are developing world-changing technologies that create a more inclusive, trustworthy and sustainable digital society. By designing, engineering and building the world's most complete portfolio of smart devices and infrastructure, we are also leading an Intelligent Transformation — to create better experiences and opportunities for millions of customers around the world. To find out more visit https://www.lenovo.com, follow us on LinkedIn, Facebook, Twitter, YouTube, Instagram, Weibo and read about the latest news via our StoryHub.

Lenovo's Morrisville, North Carolina, USA location

Lenovo has the below core business groups:

- The Intelligent Devices Group (IDG) encompasses the PC and Smart Devices business, including PCs, tablets, augmented and virtual reality (AR/VR), smart devices, software and services, and the Mobile Business Group (MBG), including Motorola Mobility LLC (Motorola), for smartphones; and
- The Data Center Business Group (DCG), which includes servers, storage, networking, software and services.

Alongside these core business groups we have invested in new and burgeoning opportunities for the future — including the launch of three new business groups as a driving force behind the transformation aligned to our 3S strategy.

These groups are the Data Intelligence Business Group (DIBG), the Converged Network Business Unit (CNBU) and the Commercial Internet of Things (CIoT) group.

In parallel the Lenovo Capital and Incubator Group (LCIG) fortifies our intelligent transformation strategy by identifying and investing in some of today's most cutting-edge technologies that have the possibility to be the mainstream technologies of tomorrow.

Lenovo is incorporated and headquartered in Hong Kong, with key operations centers in Beijing, China and Morrisville, North Carolina, USA.

FY 2019/20 ECONOMIC PERFORMANCE

GROUP OVERVIEW

Full-year revenue exceeded **US$50 billion** for second consecutive year

Record pre-tax income of **US$1.02 billion**, up 19% year-on-year

Net income of **US$665 million**, up 12% year-on-year

PC & SMART DEVICE

Record revenue of almost **US$40** billion

Extended **#1** leadership of global PC market with share of 24.5% for the full year

MOBILE BUSINESS

Launched iconic razr smartphone

Improved PTI year-on-year by **US$96 million**

DATA CENTER

Non-hyperscale revenue grew 5.3% year-on-year

High Performance Computing **#1** supercomputer leadership extended, now 173 of top 500 systems worldwide

Detailed results about Lenovo's business performance and highlights are available in the FY 2019/20 Annual Report and at the Lenovo Investor Relations website.

CORPORATE GOVERNANCE

Trust and integrity form key cultural foundations for Lenovo. Lenovo promotes a culture that strives to attain the highest standards of ethical business conduct and compliance with all laws and regulations wherever it operates. Its policies and programs align with its objective to operate ethically in all Lenovo business activities.

The board of directors and the management of Lenovo Group Limited strive to attain and uphold a high standard of corporate governance and to maintain sound and well-established corporate governance practices for the interest of shareholders and other stakeholders including customers, suppliers, employees and the general public. The Company strictly abides by the governing laws and regulations of the jurisdictions where it operates and observes the applicable guidelines and rules issued by regulatory authorities, and regularly undertakes review of its corporate governance system to ensure it is in line with international and local best practices.

Throughout the Fiscal Year ended March 31, 2020, the Company has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") set out in Appendix 14 to the Listing Rules, and where appropriate, met the recommended best practices in the CG Code, with the exception that the roles of the chairman of the Board (the "Chairman") and the chief executive officer of the Company (the "CEO") have not been segregated as recommended by code provision A.2.1 of the CG Code.

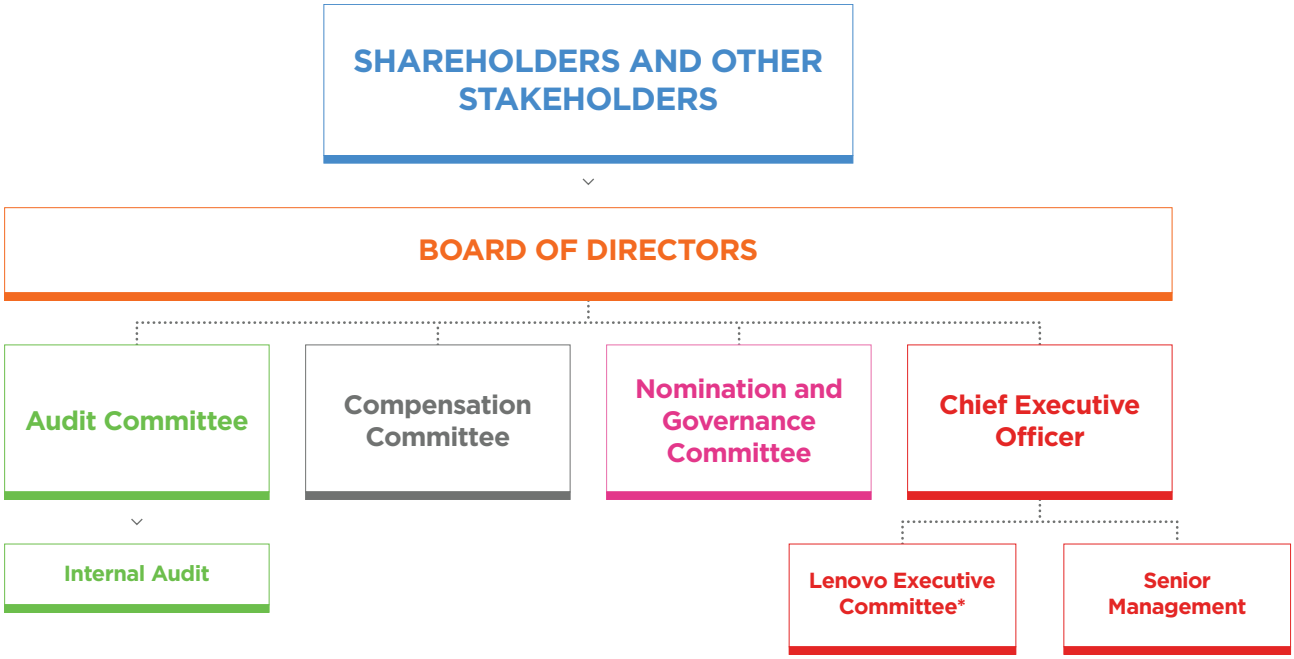
INTERNAL CONTROL

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. Within this framework, management is responsible for setting the appropriate tone from the top, performing risk assessments, and owning the design, implementation and maintenance of internal control. Other teams such as Finance, Legal, and Human Resources provide expertise to management to assist it in undertaking its responsibilities. The Board and the Audit Committee oversee the actions of management and monitor the effectiveness of the established controls, assisted by assurance provided by the external and internal auditors. More information about Lenovo's internal control framework begins on page 88 in the FY 2019/20 Annual Report.

The Board is the highest governing body in the organization and is responsible for overseeing the overall strategy of the Company and directing and supervising its affairs in a responsible and effective manner. The Board has established a clear governance structure and the overall approach has been designed to support and work within our organizational structure to meet the challenges of the future. Further details on Lenovo's corporate governance, the composition, responsibilities and main activities of the Board and Board Committees during FY 2019/20 are included the Corporate Governance Report on pages 56–106 of the FY 2019/20 Annual Report.

Governance Structure

The Board has established a clear governance structure and the overall approach has been designed to support and work within our organizational structure to meet the challenges of the future. Further details on Lenovo's corporate governance, the composition, responsibilities and main activities of the Board and Board Committees in FY 2019/20 are included in the Corporate Governance Report on pages 56–106 of the FY 2019/20 Annual Report.



** A management committee comprising the CEO and certain members of the senior management*

COMMUNICATION WITH INVESTORS AND OTHER STAKEHOLDERS

Lenovo is devoted to developing an effective two-way communication with shareholders, investors and equity analysts to enhance the transparency of the Company and has established a Continuous Disclosure Policy for disseminating information to our shareholders. The Investor Relations team is committed to maintaining interactive communications with the capital market to facilitate better understanding by the investment community of Lenovo's intelligent transformation strategy, business operations, and latest developments. The team also pro-actively responds to major issues of concern to the capital market to offer all necessary information in a timely and accurate manner.

During the fiscal year 2019/20, the Company continued to facilitate effective communications with its shareholders, investors, and analysts through multiple channels including investor conferences, roadshows, one-on-one and group meetings, teleconferences, Company visits, the Investor Relations (IR) website, social media, IR newsletters, and IR alerts.

Information about Lenovo's 2020 Annual General Meeting and other Investor Relations activities are available on pages 102–103 in the FY 2019/20 Annual Report and at the Lenovo Investor Relations website: http:/Lenovo.investor.com.

ESG MANAGEMENT

Lenovo's Corporate governance framework includes a Corporate Sustainability Policy, signed by the Chairman and CEO, Mr. Yang Yuanqing, which outlines the ESG principles that guide the Company's operations. Our governance structure, including the Board of Directors, provide a solid foundation for the ESG program framework and process to regularly evaluate and address ESG risks.

Lenovo's systemic approach to managing ESG programs creates a competitive advantage in a rapidly changing economy. The integration of a strong ESG program addresses the growing concerns of individual consumers and large enterprise customers around the globe. At Lenovo, the growth of our program is measured across the three pillars of our ESG strategy — Environmental, Social and Governance.

Our environmental programs extend beyond the ecolabels and the carbon footprint of the products that we manufacture to programs that also identify climate mitigation opportunities in our operations, our supply chain, product end-of-life management, and many other areas. We set strategic environmental goals and we regularly assess and manage climate-related risks and opportunities.

Our social programs are framed with a global mindset which champions diversity and inclusion. We are committed to advancing diversity across our workforce starting with our top executives, and advancing science, technology, engineering and math (STEM) education, increasing access to opportunities for diverse populations, and empowering employees to improve global communities. This is done through various programs, including the Lenovo Foundation and Lenovo Foundation Beijing.

Working closely with the Board, senior leadership oversees ESG related policies and programs that are executed by the business units. Lenovo's Board of Directors, Leadership Team, and all major functions of the Company utilize the Enterprise Risk Management framework and process to regularly evaluate and address ESG risks. Lenovo's Board of Directors reviewed updates on ESG in May and August 2020, which included a review and the approval of Lenovo's Annual Report's ESG content.

ETHICS AND COMPLIANCE

Lenovo is committed to conducting business legally, ethically and with integrity. Lenovo has an Ethics and Compliance Office (ECO) that oversees ethics and compliance across the Company and promotes an organizational culture committed to conducting business legally, ethically and with integrity. The ECO works in partnership with business units across the globe to ensure they operate within legal and ethical obligations. The ECO is committed to raising awareness about the importance of ethics and compliance in the workplace and plays a critical role in providing employees with the information, resources, and training they need to make informed decisions. The ECO oversees Lenovo's Code of Conduct ("Code"), which establishes clear expectations for employee compliance with policies related to lawful and ethical business conduct.

Lenovo's Code reflects an extension of our culture of trust and integrity and our continued commitment to ethical business practices and complying with the law. Our Code holds employees accountable for their behavior and helps employees determine when to seek advice and where to obtain it. Regular training on the Code and related policies is provided to reinforce the Company's commitment to compliance and conducting business with integrity. The Code, policies, and related awareness and training materials are provided on the Company's intranet and through periodic communications.

The Executive Ethics Committee provides executive-level oversight of Lenovo's Ethics and Compliance program. The Investigation Oversight Committee (IOC) works with the ECO and oversees the Company's internal investigation process. The Regional Ethics and Compliance Committee provides the ECO with global perspective and insight.

BUSINESS PRACTICES

Lenovo's Code and policies strongly support ethical and responsible business practices:

Anti-Bribery and Anti-Corruption

Lenovo has an anti-bribery and anti-corruption policy that reinforces provisions in the Code and provides additional guidance regarding compliance with global anti-bribery and anti-corruption rules and laws.

Anti-Competitive Practices and Fair Competition

Lenovo's Code and policy on anti-competitive practices and fair competition forbid employees from 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

Lenovo respects the intellectual property rights of others. It is the Company's policy to avoid any infringement of copyright or other intellectual property rights of other companies and individuals in the conduct of its business. Employees are expected to obtain and abide by licenses or other permissions as appropriate.

Audits

Lenovo conducts internal audits each year to provide assurance that its ethical business policies and practices are being followed. The Board and its Audit Committee oversee the actions of management and monitor the effectiveness of the established controls, assisted by assurance provided by the external and internal auditors. During the last year, Internal Audit issued multiple reports covering significant operational and financial units worldwide. More information can be found on pages 86–90 of the FY 2019/20 Annual Report.

RAISING QUESTIONS OR CONCERNS

Lenovo has established clear processes and reporting channels for questions or concerns. Employees are provided guidance on 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, Corporate Security or the Legal Department, about any potential issues including those pertaining to known or suspected:

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

In addition, Lenovo provides formal, confidential ways to report concerns, ask questions or request guidance by email or through the LenovoLine. The LenovoLine is a confidential reporting system that is accessible 24 hours a day, seven days a week by secure website or toll-free telephone with translators available. Where allowed by law, employees may report concerns about business practices anonymously.

Reports will, to the extent permitted by law and consistent with an effective investigation, be kept anonymous and confidential. Lenovo regards any suspected violation of law, policy or the Code as a serious matter and is committed to following up on all reported concerns, which are addressed and tracked to resolution.

Lenovo has a clear non-retaliation policy, which is a part of our Code of Conduct. Lenovo does not tolerate harassment, retaliation, discrimination or other adverse action against any employee who:

- Makes an internal report in good faith
- Provides information or assists in an investigation regarding such a report

Reports of alleged retaliation will be promptly addressed and investigated.

Internal investigations are conducted at Lenovo when situations that may violate our policies, the Code of Conduct or the law are reported or identified. All Lenovo internal investigations are overseen by the IOC. The IOC meets monthly to track reports of unethical or illegal conduct and to discuss internal investigations and mitigation of issues.

Lenovo also provides detailed information about its internal controls framework and enterprise risk management, including ethics and compliance, in its Corporate Governance Report, which begins on page 56 in the FY 2019/20 Annual Report. Questions regarding ethics and compliance may be sent by email to the ECO at ethics@lenovo.com.

PUBLIC POLICY

As a global business, Lenovo maintains good relationships with governments around the world and strives to be a good corporate citizen everywhere we operate.

Lenovo Government Relations is responsible for coordinating Lenovo's communications, lobbying and other interactions with government officials and policy makers. Lenovo employees should not lobby, communicate with public officials on policy matters, make political contributions, provide equipment or services or engage in political activities on Lenovo's behalf except in accordance with applicable law or policy and in coordination with Lenovo Government Relations. Employees may participate in political activities on an individual basis, with their own resources, and on their own time.

TAX APPROACH

Lenovo is committed to conducting business legally, ethically and with integrity, and this commitment extends to our approach on tax strategy, operations and compliance. Information about Lenovo's FY 2019/20 tax position can be found in our FY 2019/20 Annual Report, in the "Notes to the Financial Statements", on pages 232–234.

PRIVACY PROGRAM

Lenovo 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 Lenovo privacy policies, principles and processes, the Company maintains a global Privacy Program led by the Legal Department and a cross-functional Privacy Working Group comprised of key partners drawn from Information Security, Product Security, Product Development, Marketing, E-Commerce, Service and Repair, Human Resources, and other groups.

Key elements of Lenovo's approach to ensuring privacy compliance include:

- Monitoring privacy regulatory trends and improving Lenovo's privacy practices
- Harmonizing global data privacy requirements into a corporate-wide set of guiding privacy principles intended to drive how Lenovo handles personal information
- Developing and updating Lenovo privacy policies and procedures
- Providing contractual support to ensure that risks associated with any dataflows are covered by appropriate contractual terms; this includes assisting the Lenovo Legal Center of Excellence (COE) in its efforts to update contract templates and improving privacy-focused contract exhibits. In FY 2019/20, the Privacy Program provided input into more than 200 contracts
- Providing early input to product development teams by incorporating privacy checkpoints into formal product development plans
- Preparing privacy impact assessments and conducting pre-launch privacy compliance reviews of products, software, websites, marketing programs, internal systems, and vendor relationships. In FY 2019/20, the Privacy Program conducted more than 650 pre-launch reviews of consumer products
- Responding to requests from individuals about their personal information
- Coordinating Lenovo's response to law enforcement and other government requests for personally identifiable data
- Developing and delivering privacy-focused training programs; in FY 2019/20, the Privacy Program conducted more than 20 tailored privacy trainings to over 1,700 employees
- Working closely with the Corporate Information Security Office to timely identify and respond to information incidents involving personal information
- Maintaining a Privacy Program intranet website for employees that serves as a resource containing guidance documents, contract templates, compliance checklists, and insights for communicating with the privacy team

The Lenovo Privacy Program can be reached at privacy@lenovo.com.

4.0
Product responsibility

Product responsibility

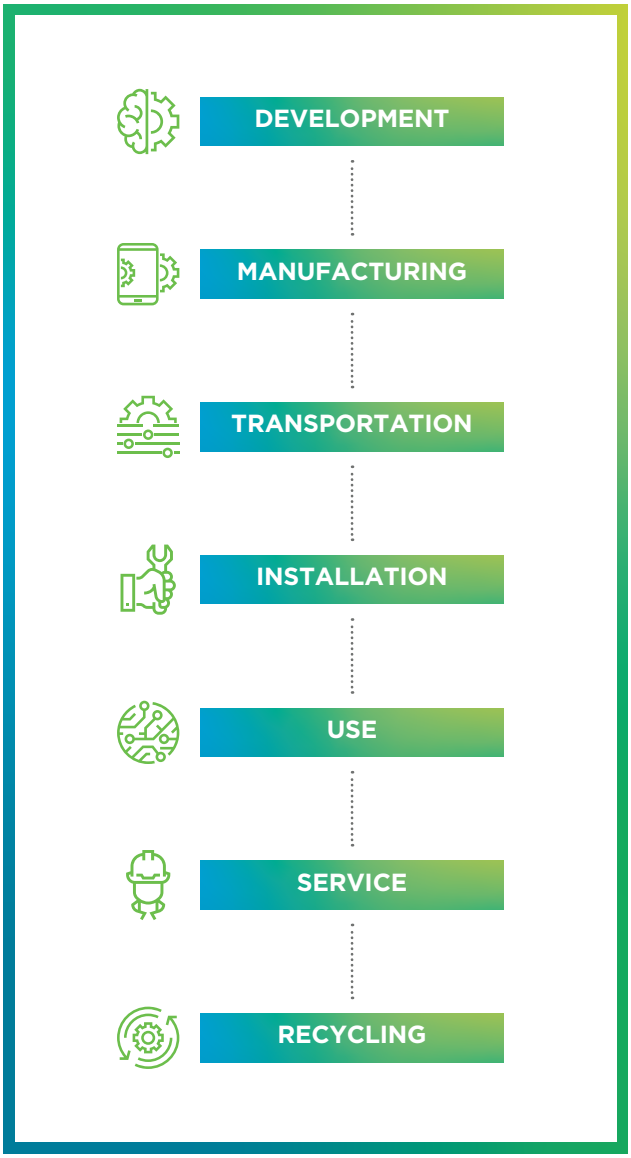
SUSTAINABLE QUALITY MANAGEMENT

Lenovo delivers superior quality products and is committed to ensuring that its products are safe throughout their life cycle. Product Life Cycle Assessment (LCA) principles guide Lenovo in ensuring that every stage of the product's life is taken into consideration, including development, manufacturing, transportation, installation, use, service and recycling. This enables Lenovo to gain deep insight into opportunities for risk and cost minimization as well as uncover new opportunities for enhancing and increasing product quality to meet the needs of an informed public.

Corporate strategies, policies and guidelines have been designed to support Lenovo's commitment to product safety. Lenovo strives to ensure that our products meet all applicable legal requirements as well as voluntary safety and ergonomics practices to which Lenovo subscribes, wherever our products are sold.

Lenovo's global Quality Management System (QMS), which has earned ISO 9001 (International Organization for Standardization) certification, ensures the continual delivery of design improvements into current and future products. Lenovo strongly embraces the ISO 9001 commitment to an effective quality management system and is dedicated to exceeding industry standards for product quality and reliability.

To maintain this quality level, Lenovo employs an active closed-loop process with various feedback mechanisms. These feedback mechanisms provide



CROSS-ORGANIZATIONAL QUALITY ASSURANCE

quick resolution of customer issues. When product issues are discovered, we perform root cause analysis and feed the results back into manufacturing, development and test organizations ensuring that similar issues do not arise with current or future products.

Because Lenovo products fail less often and have a longer lifespan, fewer resources are required for their upkeep and end-of-life management. Lenovo's comprehensive product development process includes prototype development, product testing and focus groups to ensure the Company meets the diverse needs of global customers.

For example, Lenovo 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.

Lenovo's Technical Evaluation Center provides information and recommendations to Lenovo engineering, and Lenovo's Lessons Learned feedback loop contributes to the refinement and maturation of our processes and elimination of recurring problems. As a result, Lenovo's product repair action rates are among the lowest in the industry.

Lenovo leaders are responsible for establishing objectives and measuring results to drive continual improvement in quality and customer satisfaction. All Lenovo employees are expected to contribute to this continual improvement as an integral part of our quality management system. Lenovo's corporate Quality Policy is available at: www.lenovo.com/quality.

CUSTOMER-FOCUSED TESTING

Once the product development phase is completed, Lenovo products undergo a series of customer-driven tests prior to production. Testing includes ongoing customer simulation evaluations and customer simulation audits to evaluate product quality by removing systems from the box and setting them up in typical customer configurations. Additionally, extended customer simulation tests are conducted on a sample basis with various configurations of product options and software. The last evaluation simulates the performance of the product through various standard customer applications.

Lenovo has continued to enhance our customer-focused program by sending technical teams to support on-site installations for customers. During and after the installation, there is ongoing dialogue between the customer and Lenovo to ensure timely feedback on installation progress. This allows corrections to be quickly put in place, and for the team to preempt potential issues.

This has proven to be highly advantageous during new product releases, as potential issues can be promptly addressed to minimize the impact on all customers.

SAFETY AND ERGONOMICS

Lenovo is committed to ensuring that our products are safe throughout their life cycle, including development, manufacturing, transportation, installation, use, service and recycling. Corporate strategies, policies and guidelines have been designed to support this commitment to product safety. Each employee bears a personal responsibility to advance the following objectives:

With a focused emphasis on product safety and quality, Lenovo is achieving high customer satisfaction and delivering quality products, solutions and services. Lenovo promptly investigates and responds to any potential safety or quality issue associated with our products. When needed, Lenovo works with governmental safety agencies to respond to customer allegations of a safety related incident. In the rare event a product recall is required, Lenovo will work with the appropriate safety authorities to communicate the issue and remedy to the public. In FY 2019/20 there were no product recalls for any Lenovo product. Lenovo's Product Safety and Ergonomics Policy is available at: https://www.lenovo.com/us/en/social_responsibility/Lenovo-Policy-Product-Safety-and-Ergonomics.pdf

ACCESSIBILITY

Lenovo is committed to providing technology for all, including the aging and people with disabilities. We are widely recognized for our focus on human factors and ergonomics and have a long-standing commitment to deliver world-class products and services that can be used by everyone. Smart design and intuitive functionality benefit everyone who uses technology, including those with disabilities. Lenovo products are developed to ensure compliance with best practices and are tested with a variety of Assistive Technologies (AT), including screen readers, screen magnifiers and speech recognition software spanning different price ranges.

Lenovo has established and maintains an accessibility policy for our products and services that includes a closed-loop process to ensure compliance. Lenovo considers accessibility throughout the design cycle and consults with persons with disabilities for further input on our products.

Lenovo has teamed up with Level Access, an industry-leading accessibility services vendor, to ensure our products conform with U.S. Section 508 of the Rehabilitation Act and with the Communications and Video Accessibility Act (CVAA) of 2010. For more detailed information on how Lenovo provides assistance to users who have hearing, vision and mobility limitations and helps them get the most out of their computer experience, please click here.

COMPLIANCE

Lenovo has established compliance systems to ensure our products comply with the laws and regulations in each country to which we ship. Lenovo products are designed, tested and approved to meet worldwide standards for product safety, electromagnetic compatibility, wireless homologation, environmental, ergonomics and other regulatory requirements when used for their intended purpose. More information on compliance as well as product compliance documents can be found at www.lenovo.com/compliance.

QUALITY RECOGNITIONS

In FY 2019/20, Lenovo received an all-time high number of product awards and honors from world leading technology trade associations, with recognition in numerous categories, including innovation, speed, quality and design. From smartphones to servers and everything in between, Lenovo creates technology capable of transforming the way we live, work, and play. Lenovo recognizes how much potential the future holds for technology, and we are motivated to build smarter solutions for the things that matter the most to our customers. Our customer-led innovation is continuously transforming because we never stop listening to and learning from customer feedback.

Quality Innovation Award

Lenovo's PCSD Quality team, in association with the AI Lab, was recognized in the 2019 China Association for Quality Innovation Contest, achieving the highest level, QIC-V, for the research project 'Quality Big Data Analysis Based on Product Sentiment Index (PSI)'. The China Association for Quality is viewed as the authority on quality in China. Many global companies strive for this recognition and only a few are selected. The success of this project is attributed to the customer insight that drives quality improvements for our products. Lenovo's customer centric focus — combined with the innovation and commitment that our customers expect, enabled us to achieve this prestigious recognition.

Industrial Product Eco-Design Demonstration Enterprise

Lenovo was recognized for participation in the first pilot enterprise of the 2019 Ministry of Industry and Information Technology of China (MIIT) Eco-Design Pilot Project. After three years of exploration and practice, Lenovo's team successfully demonstrated a green product development concept guided by Life Cycle Assessment (LCA) principles for microcomputer products, which included design, manufacturing, and recycling.

Excellent Enterprise Award of China Environmental Labeling

In October 2019, Lenovo was recognized as a key contributor to the China Environmental Labeling Product (CELP), which is overseen by the Environment Development Center in the Ministry of Ecology and Environment of the PRC. Lenovo was acknowledged for earning the largest number of CELP certificates in China's ITC industry in addition to its long-term (2008–2019) contribution to the development of CELP standards and certification.

Lenovo's 100 Millionth Smart device successfully launched in Wuhan

In July 2019, Lenovo launched its 100 millionth smart device — the Lenovo Z6 Pro mobile phone — in the Wuhan manufacturing site. Lenovo's Chairman and CEO, Mr. Yang Yuanqing, and the head of Lenovo Global Supply Chain, Mr. Guan Wei, joined employees as they witnessed this historical moment together. The Wuhan site is one of Lenovo's largest and most advanced integrated facility and since 2013, has been supporting R&D, production and sales of smartphones, tablets and other mobile devices for the Chinese and global markets.

Lenovo Named #1 PC Company

In July 2019, Lenovo achieved its highest PC market share ever and returned to the top spot in the world. According to preliminary data released by the International Data Corporation (IDC), Lenovo's worldwide market share hit 25.1% for fiscal quarter one, up almost 3 points year-on-year, and a solid 1.4 points ahead of the nearest rival. This is the first time Lenovo has ever crossed the 25% market share level.

The strong share numbers came from rapid growth, as Lenovo's PC volume was up 18.2% year-on-year, more than 13 points faster than the overall market.

It takes hard work and dedication to achieve the #1 PC ranking. We all play a role in bringing to life our vision of smarter technology for all and our mission to be the leader in Intelligent Transformation. Our renewed focus on serving our customers, innovation, entrepreneurship, and teamwork with integrity and trust is the driving force for Lenovo's success.

SMARTER INNOVATION

Smarter Eye Care Mode

Blue light is part of the visible light spectrum and is considered HEV, or high-energy visible light. Although blue-turquoise light is important for helping influence the body's internal clock for being awake and sleeping, continued exposure to blue light is thought to contribute to damaged retinal cells.

Understanding the potential dangers of blue light, Lenovo's All-in-One (AIO) desktop was designed with technology that helps to reduce the blue light emitted from LEDs in Windows "night-light mode" by displaying warmer colors that help reduce eye strain.

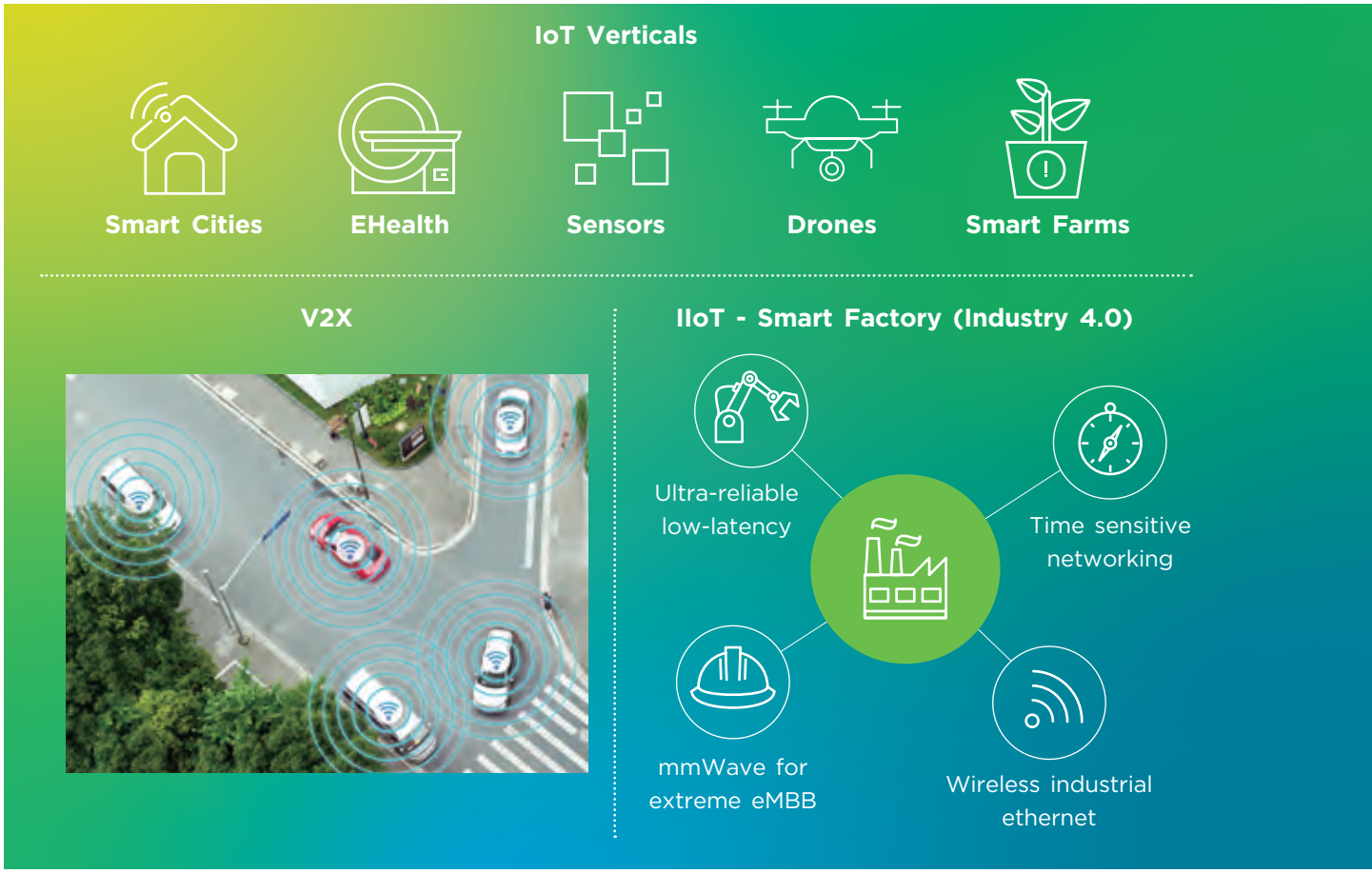
This innovative feature was recognized during FY 2019/20, as several Lenovo AIO desktop computers systems received the world's first low blue light certification from TÜV Rheinland, an independent provider of technical testing services for product safety and quality. More information is available on our website at: www.lenovo.com/us/en/blue-light.

Source: American Academy of Ophthalmology, https://www.aao.org/eye-health/diseases/amd-macular-degeneration.

Smarter unlocks new experiences

We are living in the midst of a technology revolution as the world migrates from 4G to 5G. The early adopters have confirmed that 5G is a game changer as the market potential for 5G applications continues to expand right before our eyes. Motorola, part of our Mobile Business Group (MBG), has long been at the forefront of 5G, having been a part of the research, standardization and testing for this technology from an early phase. And in 2019, Motorola made history as the manufacturer who launched the world's first 5G ready smartphone using groundbreaking millimeter wave technology enabling multi-Gbps data rates. Lenovo unveiled the first 5G laptop in early 2020 and later released the 5G Yoga laptop in June 2020, supporting both up to 100MHz channels in sub-6GHz bands and 800MHz channels in high frequency millimeter wave bands and achieving multi-Giga bit per second data rates.

What may seem like an overnight explosion for some, 5G is no longer being applied just to cell phones. This technology enables long battery life, low latency, ultra-reliability, high device density, and (Gbps) data rate design components. The flexibility of this technology is now being applied to immersive high-definition AR/VR, 4K/8K video, entertainment, gaming, robotics, connected vehicles (including V2X), Internet of Things (IoT) devices and verticals like smart cities, eHealth, sensors, drones, smart farms as well as Industrial Internet of Things (IIoT) — smart factories (Industry 4.0). Rather than require multiple networks, 5G is optimised for a single software driven virtualised-sliceable network that simultaneously serves the numerous use cases mentioned above and traditional smartphone delivery, thus reducing operators' operating and capital expenses (OPEX) and (CAPEX), and time to market. 5G also enables Edge networking and computing which is an integral part of an end-to-end (E2E) network along with the cloud.



There are still some regions around the globe where 5G infrastructure is in its early stages and network standards are still emerging. The global outbreak of COVID-19 has reinforced the importance of using the power of technology to fight the pandemic and protect the well-being of society. As many businesses look for ways to manage the uncertainty and disruption caused by the recent events, technology will become empowered to lead organic growth trends in work-from-home (WFH) and study-at-home (SAH) including the need for high-definition immersive AR/VR. Inevitably, this creates a demand for upgraded networks that can support the number of connected devices, thus requiring more bandwidth to function effectively.

When 5G is fully deployed around the globe, it will play a key role in the way we communicate, and the way business is conducted around the world with more advanced connectivity, superior capacity, lower latency and greater speed in transmissions. It may also extend networks to remote locations for people that are currently without internet access.

In Asia, after roughly nine months of launching 5G, networks are carrying 21 percent of all traffic. Currently in China, there are approximately 50 cities with 5G capabilities, over 130,000 base stations — serving approximately 10 million subscribers and 13.8 million handsets. However, for these benefits to be realized more broadly, it is essential that we have the devices that are capable of enabling 5G and the information that it processes.

Many regions around the world continue developing the infrastructure necessary for its mainstream adoption, such as 5G antennas and their elements as well as network edge computing platforms. For now, the importance lies in raising awareness of its future potential. The businesses that take the lead now and bring 5G into their digital transformation strategies will stay ahead of the evolution. In the meantime, Lenovo is listening to customer feedback and collaborating with technology on new product development, building smarter solutions that will support the much anticipated 5G transition.

Building upon our deep history in innovation, our intent is to put meaningful technology in consumers hands as soon as it's ready and never stop looking for new ways to deliver smarter technology for all.

Sources:
https://news.lenovo.com/pressroom/press-releases/lenovo-transforms-traditional-form-factors-that-embrace-a-foldable-future-and-launches-worlds-first-5g-pc/
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https://news.lenovo.com/5g-and-cyber-security-what-businesses-need-to-know/

5.0 Manufacturing and supply chain operations

Manufacturing and supply chain operations

IN-HOUSE MANUFACTURING OPERATIONS

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

All Lenovo global manufacturing locations are ISO 9001 (Quality), ISO 14001 (Environmental) and ISO 45001 (Occupational Health and Safety) (OHS) certified. As required by these internationally accepted standards, we implement management systems which incorporate objectives and targets at each certified facility, with the goal to continually improve a safe and healthy work environment for our employees. In addition, Lenovo encourages its suppliers to achieve these certifications.

Health and Safety Framework and Performance

Lenovo adheres to world-class standards for employee workplace safety through our OHS Management System. We integrate and measure new facilities into our system to meet our strict health and safety standards. All Lenovo global manufacturing locations, including JV locations, are ISO 45001 certified by an accredited third-party auditor.

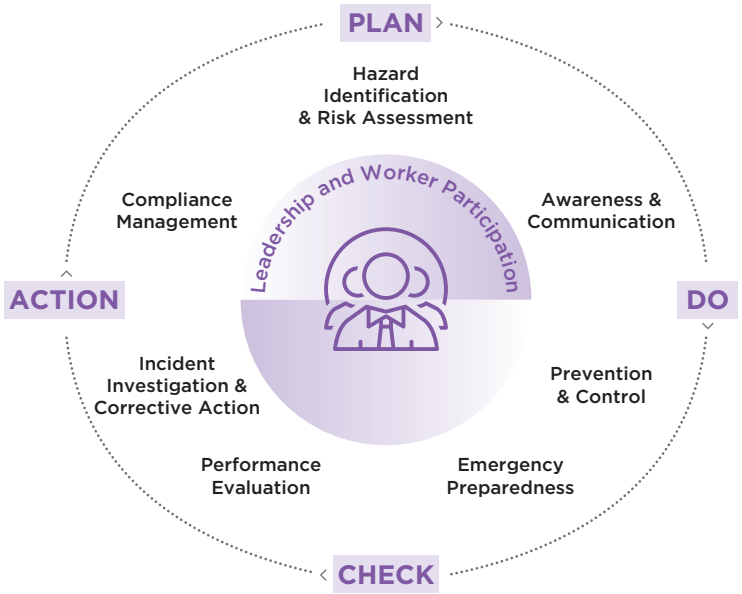
HEALTH AND SAFETY KEY PROGRAMS

MANAGEMENT SYSTEM

OHS-MS ISO 45001

RBA Code of Conduct

Work Safety Standardization (China sites)



INTENDED OUTCOMES

Enhancement of Performance

Fulfillment of Compliance Obligations

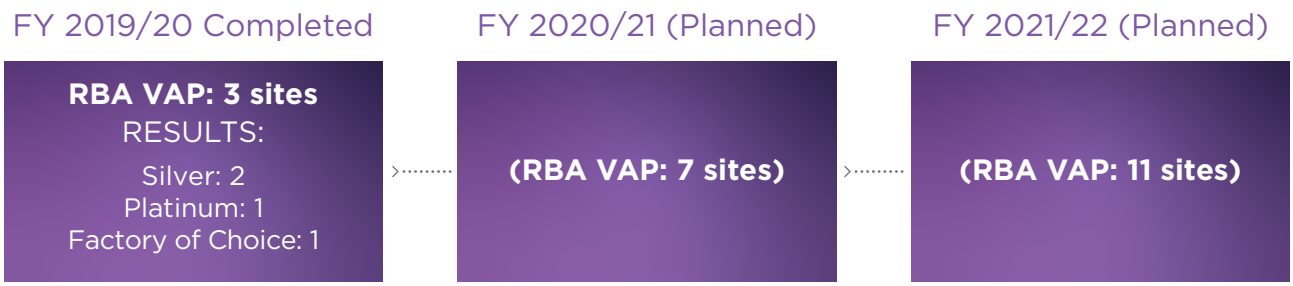
Achievement of Objectives

We implement this system into our organization's strategy and operations, which integrates health and safety programs throughout our global manufacturing footprint. This is through a process of planning, education, prevention, controls, performance evaluation and continuous improvement which are vital to achieving the Company's objectives. Lenovo maintains one of the lowest injury rates in the industry. In FY 2019/20, there were no fatalities or major incidents. We had a recordable injury rate of 0.03 and a case rate of 0.03 days away from work. More information is available in the Consolidated Metrics section of this report.

Certification and Audits

Lenovo is committed to ensuring that working conditions at all our manufacturing locations and supply chains are safe; workers are treated with respect and dignity; operations are environmentally sound; and business operations are conducted responsibly and ethically. We have implemented programs to ensure compliance to the Responsible Business Alliance (RBA) Code of Conduct.

Our manufacturing locations continually undergo health, safety or environmental audits. Some examples include Corporate internal audits, ISO Certification audits, customer requested audits, and industry standard audits such as RBA audits. During FY 2019/20, Lenovo had three internal manufacturing locations that have undergone RBA Validated Audit Program (VAP) audits, and two sites were awarded Silver Level, one Platinum Level, and one of these also received a Factory of Choice award. Plans are in motion to ensure all of our manufacturing locations receive independent third-party RBA audits. The plan includes four additional locations that will undergo RBA VAP audits in FY 2020/21, with a goal of receiving Factory of Choice awards at two locations. The remaining locations will undergo RBA VAP audits in FY 2021/22, with a goal of receiving Factory of Choice at three locations. When we complete this plan and achieve this goal, our in-house manufacturing network will achieve 100% RBA VAP compliance.



Lenovo and our industry continue to be challenged by the issue of working hours. During this fiscal year, the electronics industry faced substantial supply shortages which drove record skews, creating significant challenges in terms of managing overtime and consecutive days worked. Lenovo is working to put better technology tools and information in place to allow employees and managers to make informed decisions about overtime work. RBA VAP audits of our Shenzhen, China and Monterrey, Mexico plants showed significant progress in this area and we are rolling out developments at these locations to other sites to drive improvements. Other areas of improvement include labour practices for interns, establishing more communications channels for employee/management discussions, decreasing the amount of time employees who leave Lenovo have to wait before they receive their final paychecks, and rolling out tools to all original design and manufacturing (ODM) partners to move to a monthly data reporting cadence. In addition to regular RBA and other audits, Lenovo monitors Non-Governmental Organization (NGO) reports regarding Lenovo operations. Where credible issues are flagged, Lenovo will conduct an immediate investigation and implement corrective actions as appropriate.

Hazard Identification and Risk Assessment

We use a hazard and risk identification-based approach to assess potential hazards and risks in our daily operations and projects. When there is a change in the workplace, such as to a production line layout, equipment, applicable legal requirements, we conduct hazard identification and risk assessments to prevent new hazards and reduce risks. Annually, each manufacturing location conducts hazard and risk assessments using Lenovo's risk management process to determine if additional precautions are needed for health and safety management. Lenovo's Hazard Identification award program is one of the many ways which we engage employees and encourage participation in the health and safety management. This program enables employees to understand how to identify potential risks and hazards in their daily work environment. Through this and other programs, we are able to increase awareness and implement a sense of ownership in maintaining a safe workplace for everyone.

Incident Investigation and Corrective Action

When a work-related injury, illness or near-miss incident occurs, managers and the OHS Team quickly initiate an investigation of the incident, develop corrective action plans, and track the actions to closure. As part of the 'Lessons Learned' process, a Safety Bulletin Alert is distributed to all manufacturing locations to ensure corrective actions are in place. This enables other locations to benefit from information sharing and data statistics and analysis, which contribute to continuous improvement and reduces repeated incidents.

Prevention and Control

The OHS team has adopted a proactive prevention strategy approach to manage identified hazards with the objective to prevent work-related injuries, illness and fatalities. We integrate occupational health and safety requirements at the earliest stage in the life cycle of the facility; the equipment; the planning process; or non-routine activities and projects. We recently developed a detailed guidebook entitled 'Prevention Through Design', to support each location with the design requirements of safety prevention at the earliest stages of new equipment installations. We have also implemented controls related to purchased goods, equipment and services, and the controls related to contractors and visitors to the workplace.

Health and Safety Culture or Training

Lenovo believes in the principle of "People First" and places high importance on promoting a strong health and safety culture. Employee participation is essential to the success of OHS management as we develop processes and online tools to expand the awareness of all employees with training as well as site-specific safety information. Safety Committees at our manufacturing and selected field locations meet regularly and cover a range of safety topics, giving all participants the opportunity to engage and be a part of the company's corrective action process. In addition to the education designed to meet regulatory requirements, each year Lenovo manufacturing sites promote Health and Safety Month or Health and Safety Week which include various activities to reinforce awareness.

Lenovo's Executive Management demonstrates leadership and commitment in a 'Safety Accountabilities Commitment Meeting' at the Hefei plant in China.

Employees participate in chemicals management training at the Wuhan plant in China.

Employees participate in ESG/Social Responsibility training at the Shenzhen plant in China.

Employees at the Chengdu plant completed First Aid Training and Certification by the Red Cross Society of China.

Employees at the Pondicherry plant in India celebrate National Safety Week in March 2020.

Employees at the Monterrey plant in Mexico support the 'All Cancers Awareness Campaign'.

The Crisis Management Team, Emergency Response Team, and the Recovery Team from the Huiyang, Chengdu, and Shenzhen plants in China participate in a 'Business Continuity Plan' desk-top drill.

Employees at the Hefei plant in China participate in a first aid drill.

Employees at the NEC plant in Japan participate in a fire control training and drill.

Employees at the Huiyang plant in China participate in a production line machine safety drill.

Employees at the Pondicherry, India plant participate in OHS and Security training.

Emergency Preparedness

Our employees are our most valuable asset. Lenovo's emergency plan specifies procedures and processes to handle sudden or unexpected situations. Our priority is to ensure that employees become familiar with emergency planning and organizational structures, and that we provide skills such as first aid/CPR training to respond to emergencies which they may encounter. The goal is to always be prepared.

COVID-19 RESPONSE

Recently, Lenovo responded swiftly to the COVID-19 pandemic at all Lenovo facilities. A number of field locations and office facilities remained closed until such time that local authorities deemed it safe to resume operations. Employee awareness was vital to the containment of the pandemic's impact on Lenovo and our employees. Lenovo immediately implemented numerous response actions at many facilities, including:

- Communicated the importance of proper hand washing and disinfecting surfaces.
- Encouraged no-contact interactions amongst colleagues and customers by encouraging employees to avoid handshakes and physical contact while greeting.
- Increased social distancing awareness with the six feet (two meters) rule when possible — including installation of alternative workstations and/or shields or barriers, enforced spaced out dining room seating, and implemented distancing markers at all employee congregation areas.
- Limited in-person meetings by providing tools to conduct virtual meetings whenever possible.
- Incorporated body temperature screening and thermal imaging equipment at essential manufacturing locations to protect employees by monitoring health status prior to entering the facility.
- Implemented face mask policies to protect employees while on the premises.
- Installed disinfecting stations and provided hand protection and disinfecting supplies for employees while continuing to identify best practice to protect employees.
- Instituted flexible work schedules to reduce the number of employees on location at any given time and provide time to disinfect work areas between each shift.

Due to COVID-19, daily disinfection was implemented for the safety of all employees at the Wuhan plant in China.

Employees at the Wuhan plant in China received door-to-door bus service during the COVID-19 epidemic.

Employees at the Wuhan plant in China practiced social distancing in the cafeteria.

Daily disinfection of the bus for transporting employees at the Indaiatuba Plant in Brazil.

Health and safety precautions were implemented with temperature monitoring and hand sanitizing stations for all employees at the entry of the Pondicherry plant in India.

A temporary medical clinic was provided for employees at the Huiyang Plant in China during COVID-19 pandemic.

Social distancing markers were used to keep employees safe at the Unites States Fulfillment Center (USFC) in Whitsett, North Carolina, USA.

MANUFACTURING RECOGNITIONS

The Lenovo Monterrey, Mexico, plant received the 'RBA Platinum Recognition' and 'Factory of Choice' Award in May 2019.

The Lenovo Shenzhen, China, plant received the 'RBA Silver Recognition' in July 2019.

The Lenovo Chengdu, China, plant received the '2019 Work Safety Standardization 2nd Level Enterprise' recognition from Sichuan Province Government.

The Lenovo Huiyang, China, plant received the '2019 Work Safety Standardization' recognition from Huizhou City Government.

- The United States Fulfillment Center (USFC) in Whitsett, North Carolina, USA was recognized with the 12th consecutive annual 'Gold Award for Outstanding Health and Safety' in 2019.
- Lenovo Think Place in Morrisville, North Carolina, USA was recognized with the 15th consecutive annual 'Gold Award for Outstanding Health and Safety' in 2019.
- Lenovo Development Drive in Morrisville, North Carolina, USA was recognized with the 6th consecutive annual 'Gold Award for Outstanding Health and Safety' in 2019.

Lenovo was awarded the "2019 Influence Award on Climate Action" from CDP China for performing in the top rank of the 1,027 Chinese companies responding to CDP. CDP collects information on climate risks and low carbon opportunities from the worldwide companies to compile a global disclosure system that enables companies to measure and manage their environmental impacts.

CDP
DISCLOSURE INSIGHT ACTION

In July 2019, Lenovo's Global Supply Chain organization was awarded the 'National Green Supply Chain' from the Ministry of Industry and Information Technology of China — a prestigious recognition for a green supply chain enterprise which demonstrates innovation and promotes the sustainable development of green manufacturing. On top of meeting strict qualifying conditions, Lenovo was required to conduct a rigorous self-assessment, followed by field evaluations by a third-party agency.

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 August 2019, the China Ministry of Industry and Information Technology awarded Lenovo's Chengdu and the Hefei (JV) sites with the 'National Green Factory' award for successfully applying a green supply chain system. The award is based on the successful application of five criteria: Green Production, Supplier Management, Green Logistics, Green Recycling and Green Information Disclosure. Also, a total of 75 models of desktop and notebook products were recognized with 'Green Design Product' awards. The Ministry praised Lenovo for successfully achieving the 'Grand Slam of China Green Manufacturing'.

Lenovo continues to invest in green manufacturing through energy-saving and environmentally friendly products; exploring innovative technology and solutions, including recycling electronic wastes; and reducing emissions through innovations that produce lighter product packaging. For more information about this recognition, please click here.

Lenovo's employees at the joint venture LCFC plant in Hefei, China, celebrate the 2019 National Green Manufacturing recognition.

Lenovo Slovakia is Fitwel Certified

The Slovakia office earned the first Fitwel Certification in Lenovo's 'Real Estate and Workplace Solutions' (REWS) portfolio and the first Fitwel certification in Eastern Europe. The Fitwel Building Standard serves as a way to measure how healthy a workspace has been designed and operated. Lenovo's Fitwel journey began during the Slovakia site selection and continued across a range of approaches. Elements such as walkability, amenities, accessibility, and safety were considered for the new location. Throughout design and construction of the space, the team focused on including healthy materials, active design strategies, and smart workplace elements.

In February 2019, Lenovo's GSC Pondicherry manufacturing team in India was recognized with two National Awards:

The "**Best In Class — Manufacturing ICON Award**" was presented to Lenovo for demonstrating the iconic pillars of India manufacturing, which include Best Practices, IT Automations, CX Drive, Innovative Culture and Production, Quality, Cost, Delivery, Safety, and Morale performance.

Lenovo was also awarded "**Best In Class — Enterprise Quality Management Award**" for demonstrating outstanding quality management performance in supplier, process, product quality, field, systems and employee commitments.

SUPPLY CHAIN OPERATIONS

Lenovo is committed to promoting strong ESG practices with our direct suppliers and their supply chains. Our policy is to go beyond basic compliance with many applicable environmental, social, and governance standards. Our practice is to improve results continually and to exceed marketplace expectations. We recognize there is no end to this journey, and we must continue to strive for broader programs and increased transparency.

In support of these goals, Lenovo has strong supplier contractual requirements, a comprehensive supplier code of conduct, and extensive supplier validation programs. This includes formal efforts for the RBA Code of Conduct implementation, respect for human rights, environmental impact reduction, responsible sourcing of materials, and ensuring stable suppliers in communities in which we operate. For most of our procurement spend, we require direct and independent validation of supplier compliance. Overall supplier stability and sustainability performance is tracked and reported to senior management. Finally, education and capability building practices are in place.

To help eliminate ESG-related risk in our supply chain, Lenovo has implemented the following programs and key metrics for performance (expressed as a percentage of overall spending unless otherwise indicated). Our longer-term goal is to achieve 95 percent or more for each of these metrics.

Key Supplier Programs and Attainment

- Overall Performance
- Contractual Requirements
- Responsible Business Alliance/Human Rights
- Responsible Sourcing of Materials
- Environmental Impact /Waste
- Supplier Stability
- Supplier Management
- Training and Capability Building

Overall Sustainability Indicators (By Procurement Spend)

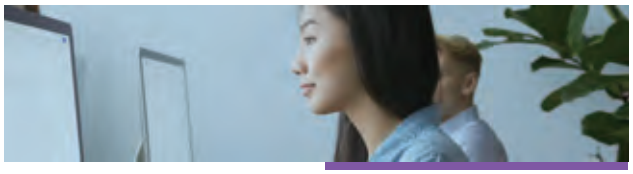
98%		• Ninety-eight percent of our procurement spend is with less than 100 large companies with a strong focus on ESG management, which allows us to mitigate sustainability risk more easily.
95%		• Ninety-five percent of our suppliers are independently audited and covered in our direct validation efforts. • All are tracked across 25 key sustainability indicators. • This includes critical Tier 2 and Tier 3 suppliers with substantial volume.
98%		• Ninety-eight percent of our suppliers are tracked with real-time business stability tools, as we recognize that strong companies are typically more sustainable companies.
95%		• Ninety-five percent of our suppliers are certified to ISO 9001/ISO 14001/ISO 45001 (Quality, Environmental, and OHS), an improvement from ninety percent in FY 2018/19.
90%		• Ninety percent issue public sustainability reports using the Global Reporting Initiative (GRI) reporting standards and addressing human trafficking, an improvement from eighty-one percent in FY 2018/19.
75%		• Seventy-five percent are formal members of the Responsible Business Alliance (RBA), an improvement from sixty-seven percent in FY 2018/19.
95%		• Lenovo publicly discloses ninety-five percent of our suppliers with their full name and address. • This listing also includes all Lenovo manufacturing sites.

CONTRACTUAL STIPULATIONS

Lenovo's standard purchase contract and purchase order terms and conditions stipulate supplier's compliance with environmental specifications, hazardous material avoidance, ozone-depleting substance elimination, product safety, personal data privacy, liability insurance, and full compliance with all applicable laws, including export and import and product safety. Suppliers must also implement and certify the documented quality and environmental management systems. Additionally, suppliers must comply with Supplier Code of Conduct which may be found at: https://www3.lenovo.com/us/en/social_responsibility/Supplier_Code_of_Conduct.pdf.

There are multiple code elements under Supplier Code of Conduct and the element of Non-Discrimination and Non-Retaliation require that suppliers cannot discriminate against employees based on race, color, gender, religion, age, nationality, social or ethnic origin, or any other legally protected class. Any deviation to the terms requires approval from our Legal Department, and specific high-risk terms require additional senior procurement and business unit management approvals.

Finally, compliance with our comprehensive Supplier Code of Conduct could be executed either in separate and unique Supplier Code of Conduct Agreement, standard purchase agreements or standard purchase orders.



RBA COMPLIANCE

We contractually require suppliers to support Responsible Business Alliance (RBA) requirements. Lenovo is an official RBA member, and we exceed the membership requirements of assessments and audits.

Following are our key program elements:

- Ninety-five percent coverage of suppliers by spend is in our program. We take a conservative approach and validate most of our supplier business volume.
- All of the above must conduct formal risk-assessments annually using RBA templates and online reporting tools.
- All of the above must conduct formal independent, third-party audits with RBA approved auditors every 24 months regardless of their risk-assessment results.
- We drive for the most rigorous RBA Validated Audit Program (VAP) audits — seventy-five percent of our supplier audits are VAP audits.
- Program status, including open assessments, audits, action plans, and closure of action items are comprehensively reported monthly to senior management.
- Overall summary and details of audit scores are reported quarterly.
- Suppliers are measured across 15 RBA specific key indicators such as timeliness, scores, certifications for supplier report cards.
- All outsourced manufacturers are ISO 9001, ISO 14001, and OHSAS 18001 (or ISO 45001) certified.
- Approximately thirty percent of suppliers have formal RBA Recognition certification, where closure audits have independently validated audit findings to a high degree.

One of Lenovo's initiatives for FY 2020/2021 is to increase suppliers with VAP Recognition to 50 percent of spend and drive increased rates of RBA Factory of Choice certification with our suppliers.

Working Hours or Time Off and Other Labour Standards

Lenovo recognizes the need to monitor the practices suppliers use to protect the health, safety, and human rights of their employees. When there are audit findings, we ensure closure of supplier action plans, and we track suppliers for two subsequent quarters to verify sustained improvement and compliance. Like many companies doing business in China, our most common supplier audit findings are related to working hours and time off for employees. In addition to audit findings, Lenovo also monitors NGO reporting on issues that potentially involve Lenovo's supply chain. If credible issues are raised, Lenovo will immediately launch an investigation and take corrective action as appropriate with the supplier. Lenovo continues to believe that the best way to eliminate potential human rights abuse in the supply chain is through collective action, and we continue to support the RBA's efforts to address these challenges as an industry coalition.

For issues related to working hours, we request that suppliers use the formal RBA working hours template to demonstrate their compliance. Furthermore, we conduct quarterly assessments to report on these issues. Ninety percent of supplier audits did not have priority findings on working hours in FY 2019/20. We also required our outsourced manufacturers to report their employee working hours and time off performance monthly via an online tool so that we can take action to resolve any issues that are identified.

Concerning other labour standards, Lenovo implements the RBA program over the SA8000 certification because the latter only focuses on labour, and the former encompasses the same labour concerns along with Environmental and OHS concerns. Lenovo recognizes the issue of living wages with our suppliers is a growing topic of concern; policies, programs, and baselines are tools that can be used to drive improvements in this area.

FY 2019/20 RBA Audit Compliance Results

Our overall median audit performance is noted below. Each year represents approximately 50 percent coverage of our total procurement spend. Scores are based on a weighted 200-point system where priority and major findings have significant weighting. Our quantitative targets are to achieve audit scores higher than 170 and zero priority findings in every audit.

	All Suppliers						Outsourced Manufacturing	
Section	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2018**	**2019**
Total	116	147	177	156	170	167	153	174
Labour	137	149.5	173	164	167	166	157	169
Health & Safety	150	160	186	172	186	187	174	189
Environment	179	183	200	185	200	200	182	200
Ethics	183	200	200	200	200	200	198	200
Management System	185	188	200	200	200	200	189	200
Priority Findings	1	0	0	0	0	0	0	0
Major Findings	8	6	3	4	3	3	6	3

HUMAN RIGHTS IN LENOVO'S SUPPLY CHAIN

United Nations

Peace, dignity and equality on a healthy planet

Lenovo respects human rights in all its activities, including those involving its supply chain. We manage all operations consistent with the spirit and intent of the United Nations (U.N.). Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. As a signatory to the U.N. Global Compact since 2009, we support and respect the protection of internationally proclaimed human rights and ensure that our business practices are not complicit in human rights abuses.

We strive to uphold these standards and to demonstrate our commitment to them with our supply chain social responsibility programs. As previously noted, we conduct a full RBA Code of Conduct implementation within our supply chain, where the code covers extensive human rights and labour concerns. Furthermore, our comprehensive Lenovo Supplier Code of Conduct upholds our values and includes provisions prohibiting corruption, bribery, human trafficking, discrimination, and retaliation to worker complaints. Lenovo requires our suppliers to have formal grievance mechanisms.

RESPONSIBLE SOURCING OF MATERIALS

RESPONSIBLE MINERALS INITIATIVE

Lenovo recognizes the importance regarding the 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. We accept responsibility even though we do not source materials directly from the area, and they come from sources that may be over ten supply chain tiers away where we have little to no control. Therefore, Lenovo has adhered to the following efforts since 2012 and expects our suppliers to do the same:

- U.S. Securities and Exchange Commission (SEC) 'Dodd-Frank 1502 Rule'
- 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) programs

In particular, the RMI is the world's leading organization for risk identification, risk assessment, and risk mitigation efforts for responsible sourcing by companies. Its membership consists of over 380 of the world's largest companies, all using the same programs.

Lenovo believes in responsible sourcing and not participating in boycotts in the DRC or other areas as the RMI, and other entities drive new efforts. Boycotts do not improve the situation in the local communities. Some organizations look only at product level certifications and actively tailor their efforts to address only materials in their products. Lenovo looks at suppliers' company-level reporting, and we strive for 100 percent conformant smelters whether their materials are used in our products or not.

Lenovo fully supports efforts of the RMI to address materials beyond 3TG. In FY 2019/20, we formally conducted a full cobalt supply chain due diligence effort. We will coordinate with the RMI as they perform risk profiles on other materials, assess their content in our products, and develop due diligence efforts to mitigate supply chain risk. These efforts have already started with RMI's coordination with the 'Drive Sustainability' organization as they have already developed risk profiles on over 30 materials in technology and automotive products.

Program Components

- A comprehensive public conflict minerals policy
- Defined management owners, systems and autonomous working groups
- Contractual requirements for supplier participation and compliance with our Supplier Code of Conduct
- Ensure suppliers have responsible sourcing of materials policies and due diligence programs via the RBA Code of Conduct audits
- Utilize the following RMI programs for 95 percent of our procurement spend:
    - Conflict Minerals Reporting Template (CMRT) for Reasonable Country of Origin (RCOI) to conduct risk identification on 3TG smelters in our supply chain
    - Smelter Information Exchange (SIE) to conduct a risk assessment to determine which smelters have been audited and certified as being conflict-free conformant
    - Responsible Minerals Assurance Process (RMAP) to audit smelters
    - Participating in the RMI Smelter Engagement Team (SET) and Cobalt teams to identify and to engage smelters
    - Acting as a Single Point of Contact (SPOC) for assigned smelters
- Reporting the program status to Lenovo's Chief Corporate Responsibility Officer
- Publicly reporting a formal Conflict Minerals Report (CMR) and a list of the smelters in our supply chain

2019/20 Program Performance (By Procurement Spend)

97%		• Overall conflict-free status improved to 97 percent from 89 percent
100%	**Ta**	• Tantalum maintained a 100 percent conflict-free status
98%	**Sn**	• Tin improved to 98 percent from 95 percent
96%	**W**	• Tungsten improved to 96 percent from 92 percent
95%	**Au**	• Gold improved to 95 percent from 82 percent
100%	FUJITSU	• Our due diligence covers all business units, including the recent Fujitsu Client Computing Ltd. joint venture
90%		• Suppliers with public conflict minerals policies improved to 90 percent from 80 percent
70%		• Suppliers with public conflict minerals reports improved to 70 percent from 50 percent
78%	RESPONSIBLE MINERALS INITIATIVE	• Suppliers who are formal RMI members improved to 78 percent from 67 percent

Cobalt also is a material of concern in that mining operations may be at risk of using child labour. The RMI and its members are very early in this journey to institutionalize cobalt due diligence and to achieve the same level of conformance as Conflict Minerals. As noted above, Lenovo conducted its first full due diligence survey and validation of conformance this year for cobalt, and the results are as follows:

- Eighty-six percent response rate from suppliers
- Forty-five percent of cobalt smelters are audited and certified and conformant
- Sixty-nine percent of smelters are formally active to become conformant, where they have signed agreements with the RMI and independent auditors to prepare for and to receive an audit

We continuously aim to improve our efforts on all responsible sourcing of materials. We have made significant progress on conflict minerals and are working to do so on cobalt and other materials. Full details and statistics on our programs, efforts, and results, as well as our Conflict Minerals Report are available at Lenovo's sustainability resources webpage at: https://www.lenovo.com/us/en/sustainability-resources

Top 25

Gartner®

Lenovo was included in Gartner 2020 Supply Chain Top 25, ranking at #15 – a significant climb from the previous #34 ranking. This annual recognition identifies leading supply chain organizations that exhibit adaptability and resiliency, especially during times of disruption. Lenovo is honored to be highlighted as one of the Top 25 companies that possess these and other capabilities. For more details about this announcement, please click here.

GREENHOUSE GAS EMISSIONS, WATER USAGE, AND WASTE GENERATION

Lenovo continues to drive for accurate reporting and reduction of greenhouse gas emissions (GHG), water usage, and waste generation across our supply chain. We ask our suppliers every year to formally report their environmental impact data via the RBA online reporting tool or the CDP (formerly Carbon Disclosure Project) reporting platform.

Our greatest challenge with the reduction of absolute supplier emissions and environmental impacts is not individual supplier performance, but the growth in our business and procurement spend, which has increased 200 percent since 2010, while emissions have grown approximately 100 percent.

FY 2019/20 GSC Program Highlights

CDP™
DISCLOSURE INSIGHT ACTION

Lenovo received the top score from CDP for the Supplier Leadership Engagement Board. The CDP recognizes that an organization's average upstream emissions are around 5.5 times greater than its direct operations. The top score demonstrates Lenovo's effectiveness in engaging our suppliers on climate change. CDP assesses performance on supplier engagement using a company's response to selected questions on governance, targets, Scope 3 emissions, and value chain engagement in the CDP climate change questionnaire.

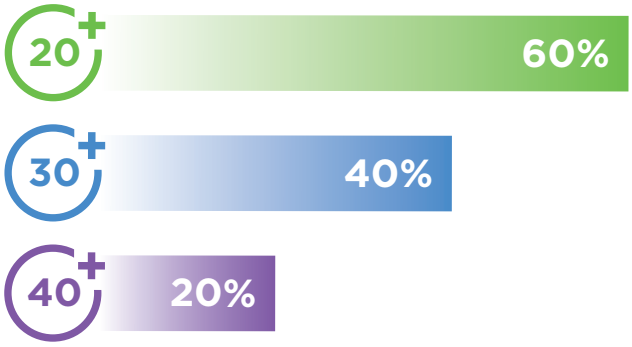
Following are program highlights:

- Ninety-five of our procurement spend is surveyed/tracked annually
- Eighty-five percent of our suppliers have public GHG reduction goals and third-party verification
- Eighty-three percent formally report to CDP, an improvement from seventy-two percent
- Eighty-five percent have public water and waste reduction goals, an increase from seventy percent
- Sixty-one percent have ISO 50001 Energy Management certifications, an improvement from fifty percent
- Forty-four percent have publicly committed to one-hundred percent renewable energy, an improvement from thirteen percent

- Suppliers are measured across six related environmental key indicators (i.e. public goals, actual reductions, CDP Scores, third-party verification) for supplier report cards
- We received maximum points for suppliers related to IEEE 1680.1 criteria covering:
    - ISO 14001 Environmental Management Systems certification
    - ISO 50001 Energy Management Systems certification
    - Public environmental reporting of greenhouse gas emissions
    - Fluorinated Greenhouse Gas (F-GHG) reductions

SUPPLIER STABILITY RISK MANAGEMENT

Lenovo recognizes that strong and stable companies have better sustainability programs, have a greater positive impact in the communities in which they operate, and are lower risks to the supply chain. We also know long-term supplier relationships support stable communities in which our supply chain operates and provides the foundation for compliance with social, ethical, and environmental requirements. We strive to develop and maintain these relationships. Most of our supplier relationships have been in place for decades, and Lenovo has long-term relationships with suppliers, which enables stability in the communities in which we operate. In FY 2019/20, the percentage of our spending has been among businesses with 20 — 40+ years in business.



dun & bradstreet

The Global Supply Chain (GSC) team utilizes the Dun & Bradstreet's Supplier Risk Manager Tool to provide risk management services in the evaluation of new and current suppliers. The application allows Lenovo to track multiple risk indicators, receive real-time alerts and to take action before impacts occur.

SUPPLIER PERFORMANCE EVALUATION AND BUSINESS REVIEWS

Lenovo's supplier performance programs are to measure performance to business and ESG criteria, provide regular scorecard feedback, and engage suppliers in business reviews and conferences. Typically, we cover 95 percent of our procurement spend in much of these efforts. These activities serve as the foundation for mutual discussions on improving business relationships, standards compliance, and future business volume increases or decreases to the best performing suppliers.

95%

Supplier Performance Evaluation (Report Cards)

Following are Lenovo practices for supplier reports cards:

- Core performance is measured and quantified across quality, delivery, technology, cost, and service with numerous sub-criteria for a total of 25 components of the evaluation.
- ESG performance with our top 100 suppliers is quantified with about 25 key indicators across RBA, environmental impact, conflict minerals, and sustainability reporting factors.

- ESG is then applied as an overall penalty/credit multiplier across the approximately 200 supplier report cards issued each quarter.

Supplier Business Reviews and Engagements

Lenovo conducts four key efforts on supplier performance, expectations, and initiatives.

- Quarterly top and core suppliers typically receive face-to-face reviews on their performance.
- Semi-annually, Lenovo's Supplier Advisory Council brings together executives from the top 40 suppliers covering about 80 percent of procurement spend. Lenovo's executive participation includes our Chief Executive Officer, business unit executives, and senior vice presidents from the supply chain, research and technology, and development organizations. These suppliers are considered critical suppliers.
- Semi-Annually we send a communications letter to suppliers on our Supplier Code of Conduct, ethical sourcing, RBA compliance, environmental and responsible materials expectations, and compliance.
- We organize an annual supplier conference where top executives from suppliers and Lenovo meet to build relationships and discuss overall performance and key initiatives for the next year.

TRAINING AND CAPABILITY BUILDING

Internal Training

We conduct numerous communication and education activities throughout the year with global supply chain personnel, as noted below. Typically, there is an event every month as wells as education packages, subject matter experts, and targeted training are available on-demand.

- CSR Newsletters
- Supplier Code of Conduct Training
- Overall CSR/RBA/Environmental Specific/Conflict Minerals Training
- Master Supplier Sustainability Score Card 25 Key Indicators
- Supplier Report Card penalties and credits
- Employee communications on ethical, anti-bribery, anti-corruption expectations

Also, the RBA provides the E-Learning Academy, which provides numerous courses on the environment, social, and governance topics. During FY 2019/20, 360 Lenovo employees participated in approximately 190 classes.

External Capability Training

As noted above, a substantial portion of our suppliers and our procurement spend are with large national and international suppliers. They manage their corporate ESG programs and also engage directly with our programs. Therefore, the need for direct capability training for these suppliers is greatly minimized. Additionally, since a large percentage of our procurement spend is RBA members, they have access to the comprehensive RBA E-Learning Academy with various program modules, guidance, and tools. We do, however, provide:

- Semi-annual communications on the RBA, environmental impact, conflict minerals, and Supplier Code of Conduct expectations

- Ad-hoc education as necessary where we directly engage with approximately 25 percent of our suppliers (of our top 95 percent procurement spend)

SUPPLIER DIVERSITY

Lenovo recognizes the importance of supplier diversity and is committed to ensuring that it is an integral part of our strategic sourcing and procurement processes. We believe that the success of the organization and society depends on enabling Diverse Business Enterprises (DBE) to share in economic growth. Our commitment is to maximize DBE participation through the development of mutually beneficial business relationships with these firms.

At Lenovo, we are aware that our Supplier Diversity Program is not only beneficial to our business by influencing and increasing our customer base, promoting innovation, and protecting sales. We also recognize that it supports diverse suppliers by creating inclusive and decent employment for all, which enables sustainable economic growth and produces leaders within our communities.

In the U.S., Lenovo partners with a variety of national and regional organizations such as the National Minority Supplier Development Council (NMSDC), the Women's Business Enterprise National Council (WBENC), United States Hispanic Chamber of Commerce (UHSCC), as well as other local Chambers of Commerce. Though these organizations, Lenovo also participates in national, regional, and local events aimed at promoting and creating opportunities for diverse suppliers.

"Supplier Diversity has evolved from the thought process that it is a feel-good program or the right thing to do. Today Supplier Diversity provides substantial cost savings to procurement and gives Lenovo a stronger position when we compete for new sales opportunities."

— Jonathan Wilkins, Program Manager, Supplier Diversity, Lenovo

FY 2019/20* Supplier Diversity Spend Results

17.5%
of our sourceable spend is with diverse and small businesses

$382.3M
Spending with small and diverse suppliers

We continue to grow our spend with diverse suppliers

23.8% Small
20.8% Women
15.3% MBE

YOY increase in spend in each category

$251.9M
Small Business Spend

$139.8M
Women Owned Business Spend

$132.2M
Minority Owned Business Spend

$1.8M
Veteran Owned Business Spend

* For U.S. only

In FY 2019/20*, Lenovo achieved:

- Spend with small businesses exceed **US$250M** total — increased 23.8% vs. previous year and 11.5% of total spend
- Spend with diverse businesses exceed **US$380M** total — increased 24.9% vs. last year and 17.5% of total spend
- Lenovo was nominated for Corporation of The Year through the National Minority Supplier Development Council (NMSDC)
- Lenovo was awarded the Carolinas/Virginia Supplier Development Council (CVMSDC) Total Impact Award

* For U.S. only

Lenovo's Supplier Diversity Program Manager, Jonathan Wilkins, accepting 'CVMSDC Total Impact' Award January 2019.

For more information, please visit our Supplier Diversity webpage.

Lenovo and Schneider Electric Announce Strategic Partnership to Work on Smart Green Manufacturing in China

In November 2019, Lenovo announced a strategic partnership with Schneider Electric to develop smart green manufacturing solutions for the Chinese manufacturing sector. The partnership will promote digital innovation with Lenovo's Industrial Internet of Things (IIOT) LeapIOT solution and Schneider Electric's smart green manufacturing solution based on EcoStruxure. The combination will build a blueprint that can provide smart manufacturing solutions to discrete and hybrid manufacturing operations in various industries. In particular, the focus will include A.I. algorithms and big data as it relates to efficiency management, predictive maintenance, production quality, and other industrial applications to enable smart green manufacturing further.

For more information about this announcement, please click here.

6.0
People

Our culture and our people

OUR CULTURE AND OUR PEOPLE

At Lenovo, we strongly believe that technology is our great equalizer. It holds the power to make our world, our communities, and our company more diverse and inclusive. When we combine it with what makes Lenovo unique, it enables transformation and we are driven to respond to the challenges of such a dynamic world.

Our global nature is our greatest strength. It also is our greatest challenge because designing vital systems, structures, and processes is not one-size-fits-all at Lenovo. By creating global frameworks that are often operationalized locally, we achieve business objectives while also allowing for local customization and flexibility.

The "We Are Lenovo" cultural principles of Serving our Customers, Innovation, Entrepreneurship, and Teamwork with Integrity and Trust are the heart of Lenovo's management practices. Our leaders throughout the world are committed to these principles and are driven by a sense of long-term responsibility.

LABOUR PRACTICES AND HUMAN RIGHTS

Lenovo's Human Rights policy communicates our respect for human rights in all that we do and how we extend those rights to our employees and business partners. Lenovo's Human Rights policy upholds and supports the universal human rights identified in the U.N. Declaration on Human Rights and the U.N. Global Compact. Lenovo does not permit the use of child labour, forced labour or coercion, including physical punishment, in any Lenovo operation, and in those of our supply chain.

Since 2009, Lenovo has been a signatory and active participant in the U.N. Global Compact, a public-private strategic policy initiative for businesses committed to aligning operations and strategies with ten universally accepted principles of human rights, labour, the environment and anti-corruption. As a signatory, we support and respect the protection of internationally proclaimed human rights, including the right to freedom of association and collective bargaining. For more information, please see Lenovo's Human Rights Policy.

To confirm that Lenovo manages all operations consistent with the spirit and intent of the U.N. Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, we perform due diligence across the value chain to identify risks and avoid complicity in human rights violations. We provide access to grievance mechanisms, investigate allegations and escalate known cases of human rights abuse to senior leadership. We also incorporate training and accountability for respecting human rights across the business and the supply chain. Lenovo manufacturing sites undergo regular audits for compliance with RBA, ISO 45001, and other standards and requirements.

For more information on audit results and how Lenovo protects human rights in its supply chain, please see Section 5 — Manufacturing and Supply Chain Operations, and the Lenovo Anti-Slavery and Human Trafficking Statement.

DIVERSITY AND INCLUSION

As a uniquely global business, Diversity and Inclusion (D&I) are among Lenovo's greatest strengths. Our leaders throughout the world hold a deep commitment to innovation and a far-reaching mindset fueled by a sense of our long-term responsibility. A diverse business model starts at the top. We believe 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 our internal talent.

Lenovo is committed to advancing and growing our inclusive culture with an ongoing focus on diversity. We are placing a growing emphasis on inclusion to leverage our diverse talent. Research consistently shows that diversity improves business outcomes and results when inclusion lies at the core of the culture. We believe that as a truly global technology company, we have an even greater responsibility in advancing diversity and inclusion globally. We're bringing awareness about inclusion to all our leaders and all our employees in a variety of ways. To convey our commitment in these areas, Lenovo recently published its second Global Diversity and Inclusion Report. To learn more, please see the 2019 Diversity and Inclusion Report.

Recognizing Diversity at All Levels

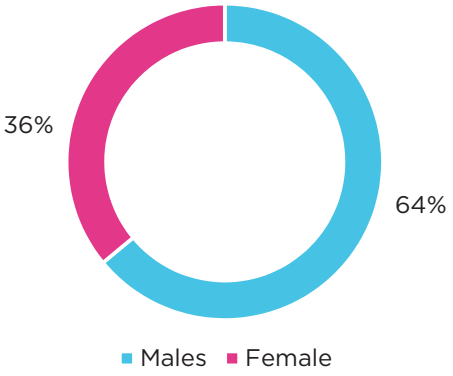
We recognize the value of diverse leadership at all levels. Lenovo recognized the importance of diversity and established the role of Chief Diversity Officer after it expanded outside of China in 2005. In our more than 15 years as a global company, we have structured ourselves to support diversity and inclusion. As at the date of FY19/20 Annual Report (May 20, 2020), Lenovo's 11-member Board of Directors was the highest governing body in the organization, and was comprised of globally diverse directors hailing from China, Japan, the United Kingdom and the United States of America. The Board of Directors is responsible for overseeing the company's strategy and supervising its actions. The Lenovo Executive Committee (LEC) is Lenovo's top management committee that governs our business across functions, geographies, and business units. Our top 14 leaders include three women and represent five different nationalities. To learn more, please see the 2019 Diversity and Inclusion Report.

In 2018, we outlined several key goals across executive representation and global impact for which we are on track to achieve during the calendar year 2020:

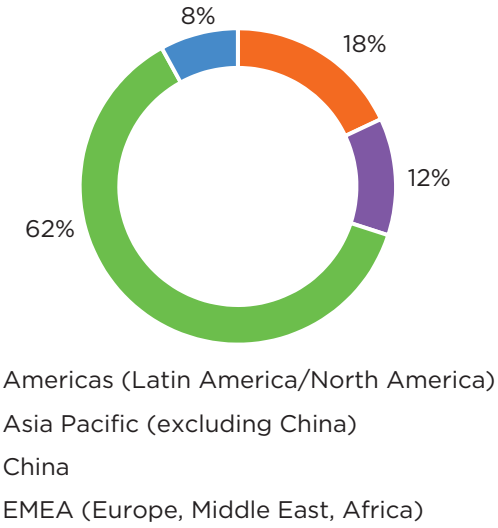
- Achieve 20 percent female executive representation worldwide.
- Achieve 28 percent traditionally under-represented racial or ethnic executive representation in the U.S.

Additional FY 2019/20 D&I metrics can be found in the 8.0 Consolidated Metrics section and in the 2019 Diversity and Inclusion Report.

FY 2019/20 Percentage of Employees by Gender



FY 2019/20 Number of Employees by Region



EMBEDDING DIVERSITY AND INCLUSION IN EMPLOYEE DEVELOPMENT

Our approach to growing employees' D&I capabilities is to embed it within each of our employee development programs. While the concepts of D&I look different across the various programs, they're all anchored by our corporate principles of customer focus, entrepreneurship, innovation, and teamwork with integrity and trust. Some examples of these programs include:

Management Development — Diversity of thought is celebrated by encouraging managers to seek out diverse candidates when hiring and through the use of the DiSC assessment to better learn about people's behavioral styles within manager training. Participants in director training learn to expand their global awareness by becoming anthropologists, and not tourists, when learning about other cultures.

Anti-Harassment — Globally, employees and managers are required to take part in anti-harassment training titled "Global Inclusion Training" upon onboarding and are entered into the company-wide biennial cycle to promote positive behaviors that foster an inclusive workplace. This is a requirement for employees in non-manufacturing roles.

New Employee Orientation — In New Employee Orientation in the U.S. and China, a portion of the onboarding training is dedicated to an overview of Employee Resource Groups, our D&I Commitment, and our Code of Conduct.

Global Awareness Tool — With customer representation in more than 180 markets, we've invested in a tool for global awareness. It allows employees and managers to better understand themselves, their teams, and other cultures across elements like communication and status. All employees are invited to create their free culture profile in the system and explore self-guided training. This tool also contains information about every country, including cultural customs and pronunciations of common greetings.

GROWING OUR TALENT

Equality is more than a visual representation of diversity — it also means ensuring equal opportunities for growth and development. Through numerous internal programs, Lenovo is committed to growing our diversity of talent and fostering leaders of the future. Some of our most successful programs include:

Leadership Development Programs

Both the global Women's Leadership Development Program (WLDP) and U.S. Mosaic Leadership Development Program (MLDP) develop high potential talent for the executive ranks.

Women's Leadership Development Program (WLDP) — Founded in 2014, the Women's Leadership Development Program (WLDP) serves as a global corporate initiative for advancing high-potential female directors into executive roles. Partnering with Linkage Inc., a premier professional development company specializing in developing future leaders, the program serves an annual cohort of between 20–25 participants from around the world.

Each cohort undertakes a nine-month development series of assessments, workshops, coaching, and skill-building activities that enhance critical leadership competencies and amplify visibility to senior executives. Since its inception, the WLDP program has promoted 33 percent of participants into executive roles.

Mosaic Leadership Development Program (MLDP) — Modeled after the success of the WLDP program, the Mosaic Leadership Development Program (MLDP) was launched in 2017, to advance high-potential directors who have been identified as ready for the next step in their careers. The program represents men and women across various dimensions of diversity, including traditionally underrepresented U.S. race and ethnic groups, LGBTQ, Individuals with Disabilities, and Veterans. Since its inception, the MLDP program has promoted seven percent of its participants into executive roles.

Early Career Development — Lenovo's University Recruiting Program is part of a global strategic initiative to drive business transformation by fostering early career talent growth across the organization. These programs are designed to engage talented students and recent graduates to jump-start their careers, with a special focus on diversity and inclusion. We hire more than 500 Early Career Hires across all geographies and business units as either regular entry-level, full-time roles, or as a part of specific rotational programs. To learn more about our early career development programs, please click here.

EMPLOYEE RESOURCE GROUPS

Our global Employee Resource Groups (ERG), guided by our Diversity and Inclusion Office, play an instrumental role in advancing the employee experience. We strive to make sure that one or two local executive sponsors support each ERG. Our current ERGs consist of:

Women in Lenovo Leadership (WILL) — More than a decade ago, Lenovo recognized the need to support women in the workplace, and a small group of female executives created Women in Lenovo Leadership (WILL) as its first ERG.

WILL has physical chapters located in all five of our geographies: China, Asia-Pacific (AP), Europe, Middle East & Africa (EMEA), Latin America (LATAM), and North America (NA). Countries with chapters include Mexico, Brazil, Argentina, the U.S., Canada, the UK, France, Norway, Sweden, Germany, Australia, and China, among others. WILL focuses on supporting and cultivating women's careers at Lenovo.

Diversitas — This ERG was launched in Bratislava by employees who are passionate about making Lenovo more inclusive. At the 2017 European Diversity Awards hosted in London, Diversitas won Outstanding Employee Network, beating out thousands of other nominations. Its members raise awareness about cutting-edge topics in the Slovak workplace. Diversitas hosts 15 events annually, including celebrating Diversity Month with an in-office Pride Parade and Diversity Fair, collecting charitable donations, and delivering Human Resources training.

New and Expectant Mothers Outreach (NEMO) — Lenovo recognizes the need for a work environment that flexes to fit employees. To support working moms, we're piloting the New and Expectant Mothers Outreach (NEMO) ERG in North America to help new and expectant mothers through community support and mentorship. This group focuses on creating a supportive network of moms who help foster a smooth transition into the world of balancing work and motherhood. Additionally, the team helps improve workplace conditions in collaboration with local facilities teams, by securing additional parking space for new and expectant mothers, as well as dedicated space for private nursing rooms.

Black Leaders Achieving Success in Technology (BLAST) — BLAST was launched in 2014 and serves more than 300 African American employees across North America. The group strives to inspire, support, and empower its leaders through enlightenment, exposure, mentorship, and outreach. It provides regular career development opportunities, including its six-month "Empower" mentor program, where all participating employees across all band-levels can take part in a 1:1 mentor session on presentation skills, branding, and leadership training. BLAST also regularly hosts internal executives and external guest speaker panels for best practice insights, features a monthly recognition program for significant member achievements and promotions, and partners with other ERGs to give back to the community through the Lenovo Foundation.

Hispanics of Lenovo Association (HOLA) — Launched in October 2017, HOLA focuses on empowering, developing, and advancing the next generation of Lenovo leaders of Hispanic/Latino descent. It facilitates roundtable discussions led by executive sponsors, giving employees an opportunity to share their experiences around networking, professional development and work/

life integration. HOLA also hosts an annual diaspora multicultural event celebrating Hispanic Heritage Month in September.

PRIDE — With the acquisition of Motorola in 2014, Lenovo became more involved in the LGBTQ community. Our Motorola Chicago office supported the LGBTQ ERG and participated in Pride Month in Chicago and San Francisco. In recent years through the financial support of the Lenovo Foundation, funds supported StartOut in Chicago, a non-profit that promotes LGBTQ equality and combat discrimination in the business world. Lenovo launched its LGBTQ group for North America (NA) with a panel discussion in June 2018. The conversation brought together allies and LGBTQ leaders in the organization to talk about their experience as D&I, Sales, and Talent Acquisition Leaders, and their role in attracting top talent.

Lenovo Employees of Asian Descent (LEAD) — Established in 2019, LEAD celebrates and promotes the heritage of each and every Asian ethnicity within Lenovo, assisting in developing the full potential of Asian Lenovo employees professionally while engaging and giving back to the local Asian communities. LEAD also serves as a resource in assisting Lenovo to achieve its goal of a diverse and inclusive working environment.

Rising Employees At Lenovo (REAL) — Established in 2020, REAL is dedicated to building a community of tomorrow's leaders by accelerating the growth of early career professionals and connecting them with the leaders of today.

A Better Lenovo for Everyone (ABLE) — Lenovo's newest ERG was launched in April 2020. ABLE's mission is to offer a community of support for Lenovo employees with disabilities, or colleagues who support family or friends with disabilities at home or are passionate about being allies for the disability community. That support comes in the form of guidance for resources, navigating benefits, and supporting community organizations with shared values.

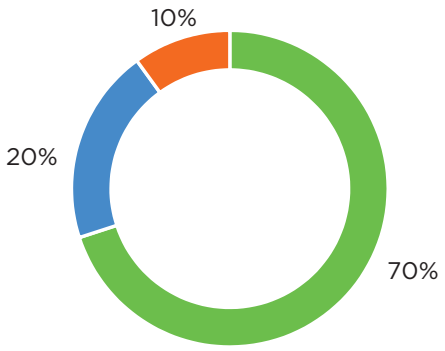
TRAINING AND DEVELOPMENT

Lenovo invests in talent development, taking a robust and systematic approach to employee management and executive development. Our approach targets building the capabilities of our people and our organization in three ways:

Experiences on the Job — learning while doing. We design 70 percent of career development to happen on the job.

Colleague Relationships — mentors, guides, coaches and managers. We design 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. We design 10 percent of our learning opportunities to be formal education.



LEARNING DETAILS AND METRICS

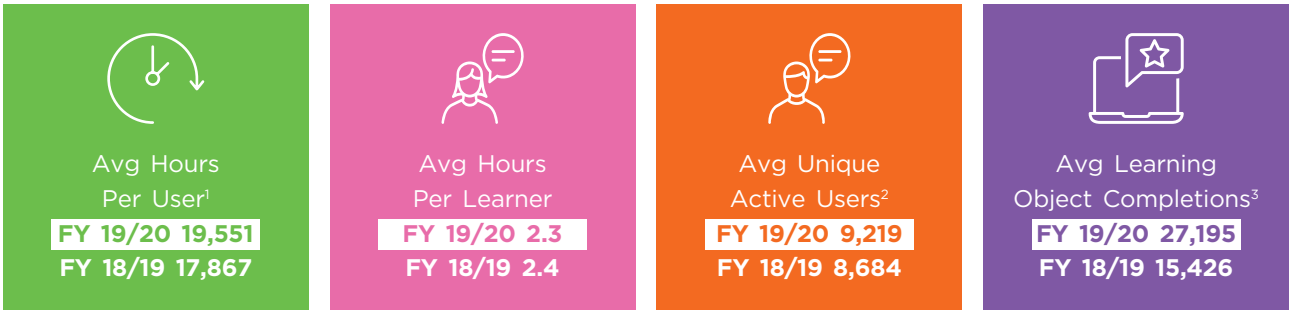
We combine these three training and development methods to maximize learning in a systematic approach, including formal employee and leadership education programs, targeted people planning and global rotations, employee network group forums, executive coaching, structured feedback, and a variety of additional assessments and development tools.

Lenovo's onboarding training includes a combination of instructor-led and online courses on the Code of Conduct, Information Security, and Privacy Basics. On top of these core-required courses, Lenovo equips new hires with history on the Lenovo Way, anti-harassment, and cultural behaviors training in order to gain a strong understanding of the company's operations and values. The Global Learning and Development team has crafted a stair-step training approach that encompasses all levels of training from personal development, preparation for management, to manager and executive development. These courses are delivered globally both in-person and virtually and are carefully designed around leadership priorities and behavior skills that support Lenovo's mission and vision.

Grow@Lenovo, Lenovo's learning management system, hosts almost 10,000 different online training courses, in eight different languages. In March 2020, the platform was being used by nearly 9,000 employees and maintaining a monthly average of 2.4 hours per user. The training platform also provides resources like free business books and GlobeSmart, a tool that can improve cross culture collaboration. Lenovo develops its own training content for sales, product, and process training, but also looks externally for other needed content-like professional or technical skills training. Lenovo is always looking for new ways to match business and employee development needs through licensing content from reputable external vendors.

In FY 2019/20, our data suggests that U.S. employees typically receive 14.5 hours of training per year (1.2 hours per month) in digital learning through Grow@Lenovo.

The FY 2019/20 Grow@Lenovo monthly averages include:



1 Totals represent the average of *all* combined hours recorded for all unique active users.

2 Avg Unique Active Users — individual contributors who used Grow@Lenovo, includes full-time employees and contractors.

3 Learning objects refer to any course, curriculum, video, or quiz that is assigned or completed by a user.

EMPLOYEE COMMUNICATIONS

Lenovo actively fosters open communication among employees, as well as communication between employees and the company. We leverage various avenues to communicate about strategic and business updates, program activities, and news about Lenovo around the world, including:

- Regular email communications between employees and senior leadership.
- Our employee intranet, Lenovo Central, which houses the latest Lenovo news as well as employee tools and resources to access Lenovo policies, program activities, and processes they need to know.
- Short, informal videos with members of our senior leadership team to dive deeper into strategic milestones such as quarterly earnings announcements, major business breakthroughs, or strategic customer events throughout the year.
- Our weekly newsletter, This Week at Lenovo Central, where employees can get a quick snapshot into the biggest Lenovo news of the week.

To ensure our employees are effective and informed "brand ambassadors," Lenovo holds regular employee (All Hands) meetings in each of its business units and functions, typically on a quarterly basis. Employees attend in person when possible, with remote participation enabled through a combination of web stream and conference calls. These meetings feature ample opportunities for employees to ask questions, interact with each other and their senior leaders, and hear the latest on Lenovo's strategy and mission. Guest speakers help employees deepen their knowledge about other areas of the company. Meetings may be recorded for later playback to ensure employees can review anything they may have missed. Lenovo's goal is to ensure that our employees are fully informed on the strategic direction of the company and that they have firsthand access to our senior leaders.

In light of the COVID-19 pandemic, Lenovo leadership has been dedicated to regularly communicate with employees on regulatory updates, workplace changes, and ways to stay emotionally, physically, and financially supported, including our Employee Assistance Programs around the globe. To house these communications and resources, we have created an internal COVID-19 updates page housed on our employee intranet so that employees can always find the latest updates, news, and quick resource links in one place.

Lenovo Listens Employee Engagement Survey

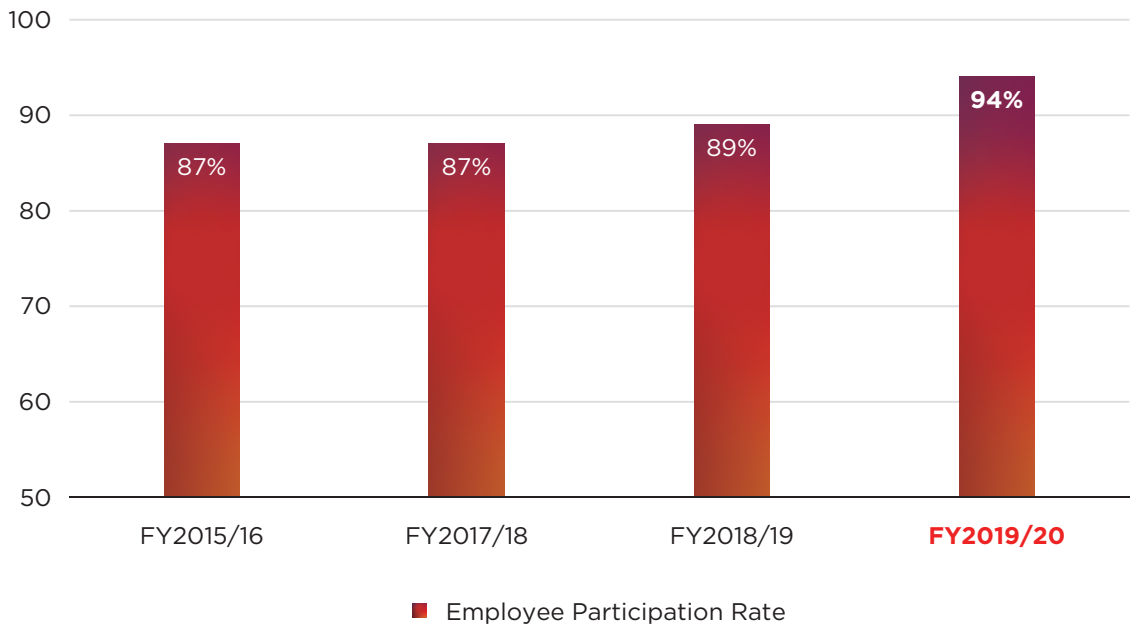
Lenovo seeks the insights of its employees worldwide through its Lenovo Listens employee engagement survey. This survey is designed to gain insights on how Lenovo employees view their jobs, their management, their teams, their rewards and the company as a whole. Lenovo Listens is an important measure of employees' pride, motivation and commitment to staying at Lenovo. Research shows that measures of employee engagement can be used to predict the amount of effort that employees are willing to invest in their jobs as well as employee retention. In addition, employee engagement can be tied to important measures of organizational performance, including financial results, customer satisfaction and operational efficiency.

Survey responses are analyzed by a third-party survey vendor and reported back to Lenovo in aggregate format, ensuring no individual responses can be identified. Managers of all levels are encouraged to use their results to identify areas where they can improve and create meaningful action plans.

Post-survey focus groups are also conducted to better understand employee input and drive action planning at the management and corporate level for continuous improvement. Lenovo Listens is conducted annually to enable an agile, continual listen-respond mechanism.

In our FY 2019/20 annual 'Lenovo Listens' employee engagement survey, 94 percent of employees around the globe responded — an increase of five percentage points from the previous year. The astounding number of responses from every business and geography is a clear indication of our collective commitment to continued growth and improvement within Lenovo.

Lenovo Listens Survey Employee Participation

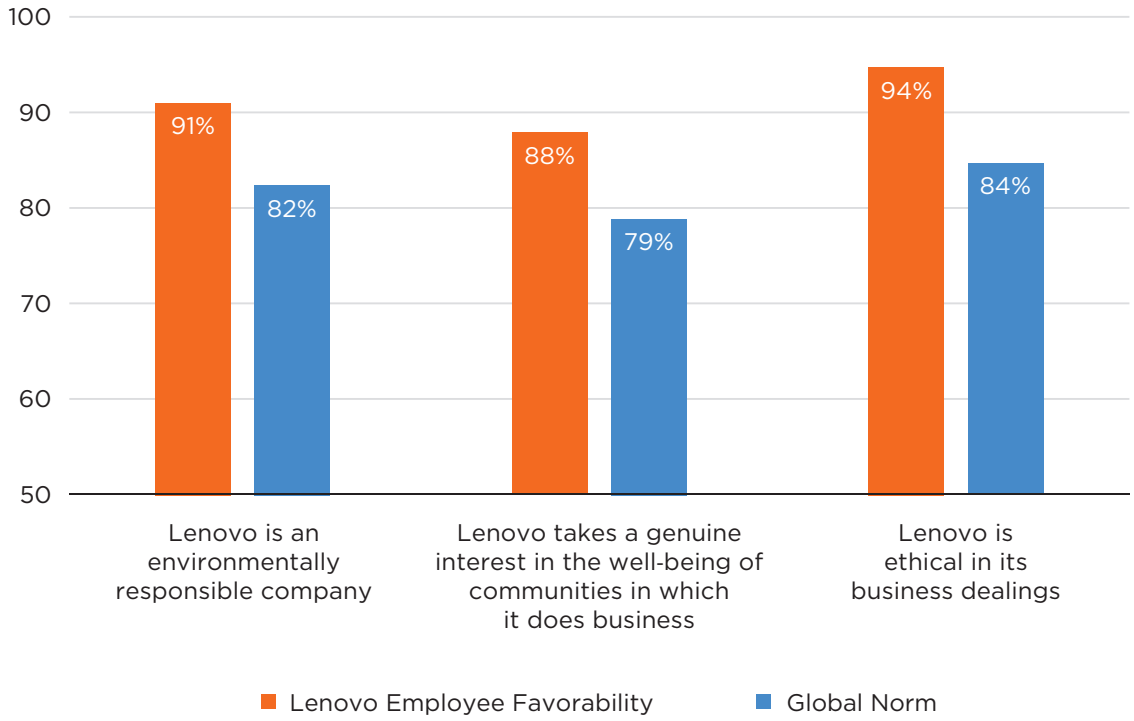


In FY 2019/20 we introduced new questions about Lenovo's environmental, social and governance performance. Results show that 91 percent of our participating employees believe that Lenovo is an environmentally responsible company; 88 percent of our employees believe that Lenovo is genuinely interested in the well-being of surrounding communities; and 94 percent of our employees believe that Lenovo is ethical in its business dealings.

Lenovo remains committed to taking clear actions based on this feedback, which is critical to Lenovo's success.

We will continue to drive improvements to make working at Lenovo engaging, productive, and a reflection of the 'We Are Lenovo' culture anchored by our corporate principles of serving our customers, innovation, entrepreneurship, and teamwork with integrity and trust.

Lenovo Listens Survey — Sample of Results

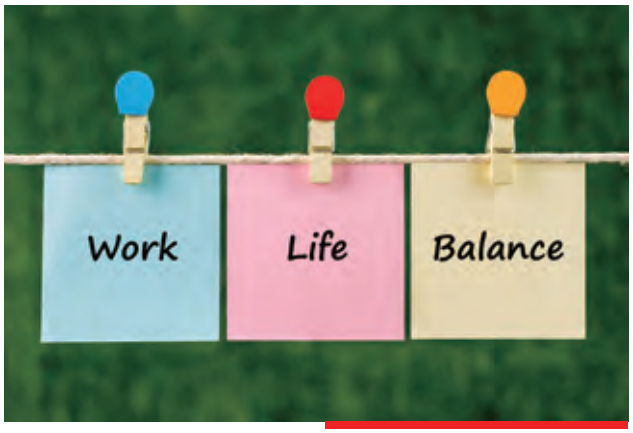


COMPENSATION, BENEFITS AND PERFORMANCE

We strive to create a personalized and supportive working environment for our 63,000 employees around the world by giving them the flexibility to manage their unique life needs and their work. To ensure we can attract and retain high-quality talent in the competitive technology marketplace, we offer a variety of benefits for employees and their families.

Benefits packages follow these strategic guidelines:

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



To achieve these goals, Lenovo must be flexible and consider varying customs, practices, legal requirements, and employee expectations around the world to design impactful benefits programs. Our employees are our most valuable strategic resource, and we focus on creating benefit plans that recognize their talents and contributions.

Our 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 our ability to attract, motivate, and retain our most valuable strategic resource — our people.

We pay for performance because exceptional performance drives business performance. Each employee's Key Performance Indicators (KPIs) support the overall business strategy. We continually monitor and evaluate market trends and industry practices in our workplace locations to ensure our salaries are competitive, and we react quickly to changes.

Our performance management program allows all Lenovo employees worldwide to set their goals for the year, receive feedback on their performance and development needs, be evaluated on their performance, and, if eligible, receive a performance bonus. Formal assessments occur once or twice a year for all employees, and managers are expected to provide ongoing feedback throughout the year. We track completion of employee performance reviews at the end of the performance review cycle to make sure every employee receives feedback.

We design competitive compensation programs to attract, motivate, and retain talent, including a mix of base pay and short-term and long-term incentive plans. Given our global business demands, our global policy allows employees to work remotely when it makes sense.

Globally we offer flexible benefits in multiple markets (China, Mexico, Hong Kong, and the UK) to provide 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 some "lifestyle" type benefits like pet insurance, home, or auto insurance at discounted rates.

Operational Changes

Lenovo provides advance notice of significant operational changes in accordance with local requirements and collective bargaining agreements in the locations in which we operate. We meet regularly with employees and provide information on business changes. In cases where operational changes are required, we take steps to mitigate negative impacts.

Lenovo has regular employees, supplemental employees and contract workers. From time to time, the company decides to move work from one country or region to another in support of the business strategy and objectives. We take great care when these decisions are made to notify affected employees and non-employees as required by local and/or country laws and provide severance and career and training assistance as required by local/country laws.

AWARDS AND RECOGNITIONS

2020 Bloomberg Gender-Equality Index

BEST PLACES TO WORK for LGBTQ Equality 2020 — HUMAN RIGHTS CAMPAIGN FOUNDATION — 100% CORPORATE EQUALITY INDEX

FORTUNE WORLD'S MOST ADMIRED COMPANIES® 2020

DIVERSITY BEST PRACTICES INCLUSION INDEX COMPANY 2019

SOCIAL INVESTMENTS

Lenovo's social investments are focused on STEM education and empowering diverse and under resourced populations, themes that are integral to the success of our business. Lenovo has a goal of committing a minimum of half a percent of its pretax income to global social investment programs and initiatives. Lenovo's investments are executed through corporate and Foundation giving done through the Lenovo Foundation (U.S. 501(c)(3)) and Lenovo Foundation Beijing (non-profit registered in China). Business and Foundation assets are managed by a central team that is focused on collaborating across business units and geographies to maximize the impact of Lenovo's giving.

Highlights from Lenovo's FY 2019/20 philanthropy include:

- Lenovo achieved its goal of impacting one million people through Lenovo global philanthropy efforts, ahead of our calendar year 2020 goal.
- In May 2019, the Lenovo Foundation led Lenovo's third annual global service event, "**Love on 31.**" Since the inaugural 2017 event, the project grew by 70 percent in the number of individuals directly benefited.
- Lenovo began a new partnership with Jangala, an organization that provides network connectivity in remote, hard to reach areas, and areas impacted by natural disasters. This partnership recognizes the coupled needs of technology, quality connectivity, and education. In their first year of partnership, Jangala and Lenovo provided connectivity and hardware donations through collaborations with Amala Education and Skateistan, who provide education to refugees and underserved populations in Kenya, Eswatini, Afghanistan and Cambodia.
- In November 2019, the Lenovo Foundation held its second annual grant round in celebration of Lenovo's 35th Birthday giving US$210,000 to charitable organizations around the world to support projects aligned to Lenovo Foundation's mission.
- Since February 2020, Lenovo has given more than US$13 million in response to the global COVID-19 pandemic. At the close of the fiscal year, Lenovo had provided US$7 million in response to urgent technology needs for hospitals and students, with donations continuing into FY 2020/21. Details on Lenovo's response to COVID-19 are included on pages 86-87.

By focusing on the social investment objectives below, Lenovo meets the diverse needs of the communities where Lenovo employees and consumers live and work.

GLOBAL DISASTER ASSISTANCE

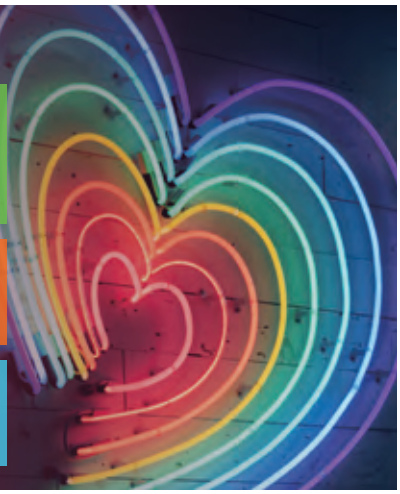
Natural disasters are projected to increase in frequency and severity as a result of climate change, and communities around the world

LENOVO'S SOCIAL INVESTMENT OBJECTIVES

Partner with charitable organizations, educational institutions and civic organizations to amplify the impact of Lenovo's social investments around empowering diverse and under-resourced populations with access to technology and science, technology, engineering, and math (STEM) education.

Engage employees in volunteerism, sharing the value of their expertise and talent with community members.

Connect with civic and community leaders to strategically enhance Lenovo's charitable giving mission, while providing disaster response and recovery on a global scale.



need to prepare and adapt at times of natural disaster and crises. To address this increased need, Lenovo developed a matrixed process in order to consistently respond to natural disasters based on impact and local alignment. The new process was deployed to help manage Lenovo's disaster response through the combined contributions from employees, the Lenovo Foundation, and our corporate disaster response partnerships. See the Consolidated Metrics section for the Lenovo Foundation FY 2019/20 contribution report.

August-September 2019 — Hurricane Dorian (Bahamas and U.S.)

Lenovo responded to the needs of Hurricane Dorian with US$20,000 allocated across the Bahamas and the United States (U.S.). The Hurricane struck Ocracoke Island, a community near Lenovo's Morrisville, North Carolina, North America Headquarters. Employees volunteered and collaborated with the U.S. Veteran's Corps and the state of North Carolina to respond strategically to community members' needs.

December 2019 — Flash Flooding in Jakarta, Indonesia

Lenovo responded with US$20,000 directed to the Food Bank of Indonesia to provide immediate support to overwhelmed shelters and response agencies as they worked to shelter and feed hundreds of thousands of residents in the wake of Jakarta's flash flooding.

January 2020 — Australian Wildfires

Lenovo donated US$50,000 to the Australian Red Cross to help with response efforts to the January wildfires. Due to the impact of the wildfires, more than 30 million acres of communities and wildlife refuge burned, acutely affecting the states of New South Wales and Victoria.

February-March 2020 — COVID-19 Pandemic

As a global company, Lenovo began responding to the outbreak of COVID-19 as early as February 2020. As the virus spread around the world, Lenovo's commitment and response strengthened. See the Consolidated Metrics section for more details about Lenovo's nearly US$13 million response to COVID-19.

EMPLOYEE ENGAGEMENT AND VOLUNTEERISM

Employee Volunteerism

In addition to philanthropic initiatives, Lenovo empowers employees to give back to their communities through volunteerism. In May 2019,

Employees gathered to facilitate the 8,000 tablets donation in Wuhan, China, in the wake of COVID-19.

A student who received a tablet through the Wuhan donation to enable distance learning proudly displays his internet-enabled tech.

In addition to technology donations for distance learning, Lenovo also supplied donations of food to local food banks during the COVID-19 pandemic.

nearly 3,000 employees around the world were able to take a day to volunteer through Love on 31, Lenovo's Global Month of Service. Employees gave more than 13,000 hours in volunteer service focused on empowering underprivileged populations with STEM education and technology based on the unique needs of their communities. The company provides time off for volunteerism and offers employees in North America a 100 percent match for their eligible charitable donations, up to US$10,000 per employee each year.

Lenovo global employee engagement is led by employee champions at the office level, directed by a leader in each geography, and centralized across business units and geographies to maximize impact and provide continuity at the global level. Employee volunteerism at Lenovo is anchored by Love on 31, an employee-driven Global Month of Service that has grown by 43 percent in employee participation since it began in 2017. The impact of this benefit and its positive message to employees can be seen in the growth metrics for Lenovo's Global Month of Service below.

FY 2019/20 Love on 31 Global Month of Service Metrics

	Growth	FY 2019/20	FY 2018/19	FY 2017/18
Dollars given to community through Love on 31	*US$250,000 increased investment since project began*	US$550,000	US$352,000	US$300,000
Individuals directly impacted through projects	*70 percent growth since 2017*	55,942 Individuals	32,526 Individuals	33,000 Individuals
Participating offices	*69 percent growth since 2017*	54 offices	38 offices	32 offices
Unique projects (offices host multiple)	*127 percent growth since 2017*	86 projects	45 projects	37 projects
Employee volunteers	*43 percent growth since 2017*	2,855 volunteers	2,100 volunteers	2,000 volunteers
Hours spent in direct, hands-on service (transportation and time away from work not included)	*16 percent growth since 2017*	13,355 hours	9,700 hours	11,500 hours

Employee Giving

In addition to its volunteer initiatives, Lenovo grants employees in North America a match for their eligible charitable donations. In FY 2019/20, Lenovo increased its match from 50 to 100 percent for employee contributions made through payroll deductions. The collective value of Lenovo's matching in North America alone amounted to US$963,435. Lenovo is pleased to expand the employee matching gift program to other geographies through matched donations of US$380,650. See the Consolidated Metrics section for the estimated value of employee giving.

Through partnerships with various non-profit organizations, Lenovo also makes contributions which strengthen the impact of employee donations to organizations in other regions. As an example, for the third year in a row, Lenovo employees in the Belgium/Netherlands/Luxembourg region did an internal product auction to fundraise for Save the Children. The team raised a record-breaking US$70,000. The Lenovo Foundation matched their donation in order to make an even greater impact. More examples of Lenovo's global charity activities are included in the Charitable Giving by Geography section.

In addition to the employee matching program above, the Lenovo extends the North America matching gift benefit to the Lenovo Board of Directors. This matching gift program is available to all Directors who support organizations that meet Lenovo's giving guidelines.

CHARITABLE GIVING BY GEOGRAPHY

Lenovo makes localized, strategically aligned investments across its geographies. Major partnerships in each geography are highlighted below as the largest investments in each region.

NORTH AMERICA

Lenovo donated more than US$2 million in North America (United States and Canada) in FY 2019/20. Major partnerships are outlined below.

NAF and the Lenovo Scholars Network

Now in its sixth year, the Lenovo Scholars Network has provided more than 12,000 students from 133 public high schools across the United States the opportunity to learn how to develop mobile applications. Lenovo and NAF created the annual Mobile App Development Competition in 2014 to engage underserved high school students in STEM, while also providing entrepreneurial and technology skills needed to pursue careers in computer science, programming and engineering. In the summer of 2019, Lenovo also hired more than 25 high school students as interns at the Morrisville headquarters.

American Red Cross

Lenovo has a strong partnership with the American Red Cross, supporting its expertise in disaster response at times of crisis and investing in its ability to respond at all times. In FY 2019/20, Lenovo invested in "RC View" technology. The special software enables the Red Cross to manage its response resources in real time, through live geographical positioning of trucks and supplies. Lenovo's support will help communities across the United States be better prepared with up-to-date RC View technology. In addition to its ongoing investment, Lenovo partners with the Red Cross for bi-monthly blood drives at Lenovo's Morrisville, North Carolina office, and engages employees in support for the Red Cross during natural disasters.

Wake Technical Community College

Lenovo supports diversity in STEM in every part of the talent pipeline, including Wake Technical Community College. Lenovo Foundation and Lenovo supports Wake Technical Community College with an endowed scholarship for four students each year. Equipment donations and paid work-based learning opportunities are also provided. Lenovo has maintained a track record of

hiring 1 in 4 students that participate in its programs into full time jobs in Lenovo's Data Center Group. In addition to support for students, Lenovo has provided building sponsorship for the school's new campus in Research Triangle Park.

North Carolina Business Committee for Education

The Ready, Set, App! mobile app development competition was developed in partnership with the North Carolina Business Committee for Education and Lenovo. Ready, Set, App! challenges 9–12 grade students in public schools to develop a mobile app to address or solve a problem in their school or community. The students' apps tackled issues such as poverty, immigration, food insecurity, and mental health awareness. In addition to expanding computer science skills, Ready, Set, App! honed teamwork skills, problem-solving, and encouraged students to be entrepreneurs.

Illinois Science and Technology Institute and the STEM Challenge

Over the past seven years, Lenovo's Motorola Mobility headquarters in Chicago has participated in the Illinois Science and Technology Institute's STEM Challenge. The Challenge matches Illinois high schools with industry partners, challenging high school students to solve a real-life industry problem. Students are mentored by industry professionals over a five-month period, learning important 21st century skills and gaining a better understanding of the modern workplace.

As part of North America's Love on 31 events and partnership with NAF, Lenovo held a panel with early career employees and NAF students.

Employees in Chicago made a huge impact during their Global Month of Service Project Sunshine kit pack, providing STEM activities to children in hospitals across the country.

CHINA

Lenovo China focuses on helping those living in poverty through cash contributions and employee engagement.

Lenovo participated in the China Foundation for Poverty Alleviation's Shanxingzhe, "Great Walker" 2019 event. With the help of Lenovo employees, customers, partners, and media, 35 teams were created to accomplish 50 kilometers in hiking. Participation was bolstered by the presence of our Chairman and Chief Executive Officer, Mr. Yang Yuanqing, who completed the journey in 12 hours and 12 minutes. The event's fundraising benefitted 3,500 children in need with nearly US$130,000 in supplies to keep them warm for the winter.

Dream Starter

Lenovo has partnered with Dream Starter in Hong Kong. Dream Starter is an education innovation initiative that has connected more than 5,000 teachers and students with corporations, institutions and public communities to turn dreams into sustainable projects. Lenovo has supported three schools with a donation of Lenovo machines that are used in the schools for online learning. Through Dream Starter, employees from the Lenovo Hong Kong office have participated in workshops held for children as part of the Love on 31 Global Month of Service.

In Hong Kong, employees shared augmented and virtual reality experiences with school children for their Love on 31 project.

Love on STEM

Lenovo China committed significant resources to engage students and teachers in impoverished areas with greater access to science, technology, engineering and math.

- Smarter Technology for All through Lenovo Smart Education
  - Lenovo China provided US$1.7 million retail value of product donations and smart devices to impoverished areas in Tibet, Chuxiong, and Ningnan to engage students in education.
- Donated STEM Resources for Students
  - Engaged employees through Firefly classes, providing 286 Lenovo volunteers to teach STEM classes to students in rural areas. Employees provided a collective 3,624 hours of volunteerism for this project.
  - Provided a Firefly Science Summer Camp for 20 children in inner Mongolia.
  - Donated 16,572 Science Education Books to 23 remote primary schools and benefitted 1,358 children.
  - Donated project-based learning and STEM lessons to 16 under-resourced schools.
  - Provided scholarships for students at four universities in China, developing a pipeline of fresh talent while supporting students in their education.
- Provided teacher training and development
  - Provided teacher development for 12 science teachers in western China to engage them with advanced teaching methods.

Unique Employee Engagement Through Love on Running

- Employees in China leverage their passion for running to do good and spread Lenovo's mission to Love on through the Love on Running Club. Employees created the Lenovo Running Association, and logged miles to raise funds at a rate of one RMB for each kilometer. Employees raised more than US$17,000 through the effort, benefitting children living in poverty, with disabilities, or suffering from serious illness.

Grant funding in China has empowered STEM education, including Lenovo 35 Grant funding.

Lenovo Chairman and Chief Executive Officer, Mr. Yang Yuanqing crosses the finish line during a Love on Running event.

ASIA PACIFIC

Indigenous Reading Project

Lenovo recognizes that technology has the power to catalyze learning, especially at an individual's unique pace. To aid in students' learning, Lenovo provides tablets to the Indigenous Reading Project. Their mission is to enhance and strengthen students' joy of reading by unleashing their curiosity and build on their natural motivation to learn. Indigenous Reading Project focuses its work with Aboriginal and Torres Strait Islander kids. They are working to close the achievement gap between the indigenous population and their peers by providing resources and change for their underserved communities.

Lenovo or Motorola Skills Academy

In order to address the rising demand for field technicians and skilled labour in the smart phone and computer repair market, Lenovo and Motorola developed a Skills Academy for individuals across India in Tier I, II, and III cities. The program provides access to training and improves opportunities for better income for unemployed youth and women in India. Lenovo India philanthropy has invested US$100,000 in the program, which offers counseling, training, skill assessments, and placement for candidates who complete the program. The program trained 2,988 students in the field, positively impacting communities and the technology industry with a special focus on female candidates. Over the last two years, 1,525 graduate students from the Lenovo Motorola Skills Academy have been placed in jobs across multiple companies and industries.

Children's LoveCastles Trust (CLT India)

As a recipient of the 2019 grant round celebrating Lenovo's 35th Birthday, CLT India addresses the challenges of teacher shortages and lack of subject matter expertise in rural India by designing digital STEM tools for students and teachers. Their resources include a repository of 15,000 videos in English and three regional languages, and an additional 2000 digital resources for teachers. Through these accessible resources, 61,000 teachers have been trained and upskilled to impact 1.8 million students in 12,000 classrooms. When COVID-19 struck, CLT India repurposed their service offering by redeveloping the Jigi Teacher App and Jigi-Jigi Student App for mobile phones. These special software offerings were provided for free to enable greater studying from home, an initiative supported by Lenovo. From March to May 2020, CLT India reached more than 4,000 students and parents to initiate home based learning.

One of the Lenovo 35 grant recipient in India was Doorstep School, providing education to impoverished children.

Meghshala Trust

Meghshala Trust believes that teachers shape the future of their students every day. Their focus on teachers creates the desired multiplier effect to address the problem of education in India. Lenovo's support for Meghshala has helped their journey in transforming the educational ecosystem in India through supporting government schoolteachers to provide excellent education to thousands of children. With Lenovo's support (investment of US$80k), Meghshala implemented e-learning classrooms in Karnataka and Manipur. Today, Meghshala has reached 2,300 schools in Manipur and Karnataka and boasts of 18,000 downloads on their free Meghshala app.

EUROPE, MIDDLE EAST AND AFRICA (EMEA)

In FY 2019/20, Lenovo invested more than US$400,000 in its Europe, Middle East and Africa (EMEA) geography. Lenovo's major EMEA-based partnerships are highlighted below.

Jangala

Jangala is a UK-based not for profit organization which enables Internet access for people in need. Lenovo started a new partnership with Jangala in FY 2019/20 by providing WiFi access to disconnected students and educators in remote areas through Jangala's innovative Big Box technology. While funding deployments of WiFi connectivity in refugee camps and educational centers in Kenya, South Africa, Eswatini, Cambodia and Afghanistan, Lenovo coupled the connectivity with Lenovo hardware to ensure students had the technology they needed to make the most of their WiFi connection.

United Way Europe and Middle East Region

FY 2019/20 was the fifth year of Lenovo's regional partnership with the United Way, enabling strategic charitable partnerships in France, Israel, Romania, Poland, Spain and Russia. Lenovo's partnership with the United Way targets disadvantaged children and young people to provide technology and education which they would otherwise not have had access to. It provides computer equipment and volunteer resources to these vulnerable populations for digital skill development. In 2019, the partnership increased access for 7,000 people across the region through 5,000 workshops/classes, 184 Lenovo devices, and 74 Lenovo employees who facilitated programming.

Women's Forum for the Economy and Society

Since 2006, Lenovo has been the technology sponsor for Women's Forum for the Economy and Society, a leading platform that highlights women's voices and perspectives on pressing global issues ranging from sustainable development and economy to culture and media. Through this partnership, Lenovo supports the Forum's annual series of global events and meetings whose purpose is to elevate the voices and perspectives of women. In FY 2019/20, Lenovo continued its global partnership through support for events in Mexico City, Singapore, and Paris as well as participation in the Forum's Rising Talent, Darin Circles and CEO Champions initiatives. Partnering with the Forum brings important opportunities for thought leadership around gender equality, which are leveraged as talent development opportunities for women in Lenovo. The annual global meeting in Paris in November 2019 drew Lenovo's largest ever delegation of 46 Lenovo attendees.

Volunteers across Europe, Middle East, and Africa joined into activities that strengthened education during Love on 31, including this activity with school children in South Africa.

Lenovo's Women's Forum 2019 Delegation at the Global Event in Paris was the largest in Lenovo's partnership history, with 46 Lenovo attendees.

LATIN AMERICA

Lenovo entities invested more than US$2.5 million in Latin America in FY 2019/20, including Lenovo's first commercial co-branding partnership with Instituto Ayrton Senna.

Laboratoria

Lenovo is proud to partner with Laboratoria's Peru, Chile, and Mexico offices to support technology donations and digital skills training for women in order to diversify the workforce. In FY 2019/20, Lenovo philanthropy provided US$35,000 in support for Laboratoria's programming, specifically in support of career fairs with job placement opportunities for Laboratoria graduates. Laboratoria's curriculum has been proven, as 80 percent of their 1,000 graduates have gone on to careers in technology.

Instituto Ayrton Senna

In 2019, Lenovo began a partnership with Instituto Ayrton Senna to support education for students in Brazil. Through a commercial co-branding effort, Lenovo championed the goodwill and spirit of the legendary Formula One race car driver, Ayrton Senna, while donating US$1,010,744 to support education for students in Brazil's public schools. Lenovo engaged its Brazilian employees in the effort by providing a matching gift campaign with Instituto Ayrton Senna, and has continued its commitment despite COVID-19.

Yolanda Conyers, President of Lenovo Foundation, enjoys inspiring and supporting volunteer projects during her global travel. During FY 2019/20, she traveled to Buenos Aires, Argentina and volunteered with employees at a local center for underprivileged children.

Laboratoria, a long-time recipient of Lenovo support, was also the recipient of a Lenovo 35 Birthday grant, providing digital skills training and job placement for women in Chile.

A Note on the Lenovo Foundation

The Lenovo Foundation is committed to uniting Lenovo's global workforce around the focus areas of access to STEM education and empowering diverse and under resourced populations. By uniting teams around the world through these common themes, the Lenovo Foundation provides tangible evidence of Lenovo's commitment to the "Different is Better" culture. The Lenovo Foundation is based in Chicago, Illinois, USA and is governed by a board of directors comprised of global Lenovo executives. For more information about the Lenovo Foundation, visit www.lenovofoundation.com.

The Lenovo Foundation Board of Directors as of March 31, 2020:

Yolanda Lee Conyers, President
Lenovo Chief Diversity Officer, President Lenovo Foundation & VP HR Partner

Barry Au, Treasurer
Lenovo SVP and Chief Digital Transformation Officer

John Cerretani, Secretary
Lenovo VP, Deputy General Counsel, and Chief Corporate Responsibility Officer

Torod Neptune, Director
Lenovo VP Global Corporate Communications

Xiaolin Liu, Director
Lenovo VP, Foundation, ICAC

Catherine Ladousse, Director
Lenovo Executive Director, EMEA Communications

A SMARTER RESPONSE TO COVID-19

As a diverse, global company, Lenovo is uniquely placed to respond to complex, global crises. When COVID-19 was identified as a novel virus in Winter 2020, devastating China and eventually spreading to become a global pandemic, Lenovo rose to the occasion with its strengths: smarter technology and a global footprint that enabled a focused response in each market.

A Lenovo employee volunteers to ensure hospitals in Wuhan, China have IT capabilities at the epicenter of the COVID-19 outbreak.

Healthcare workers in France thank Lenovo for a product donation that enables better patient care with social distancing.

As Lenovo's Chairman and CEO, Mr. Yang Yuanqing, put it: "At challenging times such as these, it helps to remember that we all want the same thing: for the people we care about to stay healthy, the virus' impact to diminish, for treatments to be developed and for life to return to normal".

By April 2020, Lenovo's philanthropic response to the COVID-19 crisis had risen to more than US$13 million. Using smarter technology and our global footprint, our response focused on three crucial areas: supporting distance education, providing technology and personal protective equipment to hospitals, and providing general community support in the areas where our employees live and work.

The majority of Lenovo's response (60 percent) focused on giving students and educators the hardware they need to connect and continue learning while schools are closed. Major examples include:

- **US$1.3 million** in software and services donations to enable distance education and security for those learning and working from home. Click here to see if you are eligible for a free LanSchool Air license.
- **US$2.4 million** in hardware donations to support distance learning education in North America
- **US$1.4 million** in distance learning support focused on China's Hubei province, in partnership with China Foundation for Poverty Alleviation

Lenovo technology has also made an impact in the urgent needs of frontline workers. Lenovo has provided IT equipment to optimize hospital operations and connect patients with loved ones, easing the stress of isolation during hospitalization. In fact, at the outbreak of the virus, Lenovo fully outfitted the newly built hospitals at the center of the outbreak in Wuhan. In addition to technology, Lenovo donated personal protective equipment to hospitals and front-line workers. Lenovo's contributions to healthcare efforts represent approximately 30 percent of our global response. Major efforts include:

- **US$2.4 million** in equipment and IT infrastructure to support hospitals in Wuhan, including more than 1200 computers, 280 tablets, 660 printers, software and support
- **US$400,000** in personal protective equipment donations in the U.S., Italy, Spain, India, and Brazil
- **US$1 million** in donated product and funds to support healthcare systems in Europe and Latin America

Lenovo is uniquely capable of meeting the urgent education and healthcare needs communities have experienced during the COVID-19 pandemic, but also contributed significant resources to research around the novel coronavirus, providing US$2 million in technology to BGI Genomics in partnership with Intel to learn more about the virus, and US$145,000 to the China Foundation for Health Promotion to study early survivors of COVID-19 in Wuhan.

The effects of COVID-19 will continue to be felt in communities around the world, and Lenovo is working to address those needs outside of our core strategy. The response provided nearly US$1 million in support for basic community needs and matching for employee giving as COVID-19 disrupted markets and economies around the world.

In addition to our business response, Lenovo's Chairman and CEO, Mr. Yang Yuanqing, also made a personal donation of nearly US$1.5 million to the Chinese University of Science and Technology to support their ongoing research on the novel coronavirus.

To better support customers, Lenovo offered a free global warranty extension for up to 75 days through May 31, 2020 for all Lenovo/Motorola smartphones and Lenovo consumer PCs, tablets, smart home devices, consumer augmented/virtual reality devices, monitors and accessories with warranties that ended between March 15 and April 30, 2020.

7.0 Planet

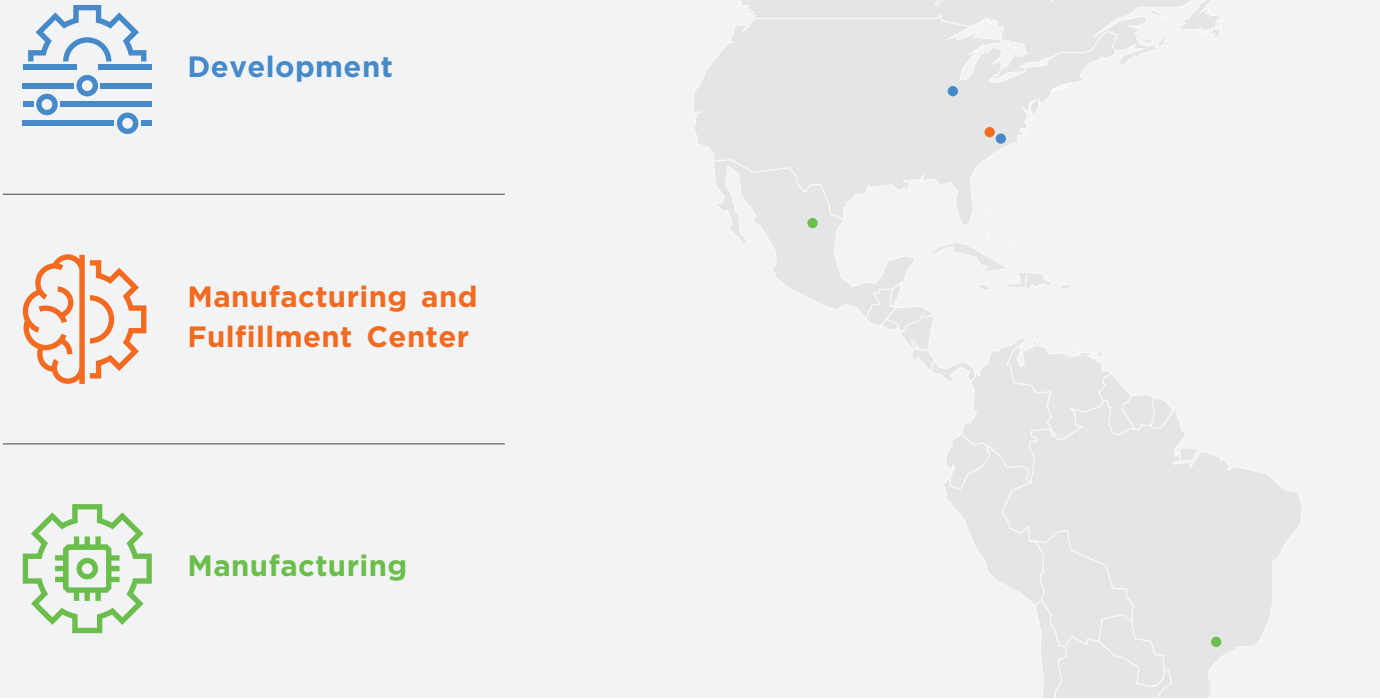
Environmental commitment

LENOVO'S ENVIRONMENTAL COMMITMENT

LENOVO'S ENVIRONMENTAL MANAGEMENT SYSTEM

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

All Lenovo sites in the EMS scope are ISO 14001:2015 certified. Click here to view Lenovo's Global ISO 14001 registration certificates.



ISO 14001 Registered Manufacturing and Development Facilities

The below sites might have multiple functions but are listed by the primary function.

Development

- Building No. 1&2, No. Court Yard, Xibeiwang East Road, Beijing, China
- No. 2 Building, No. 8 Chuangye Road, Beijing, China[1]
- No. 696 Songtao Road, Pudong New District, Shanghai, China
- 7A, 9A, 10A, 11A, Zhangjiang Building, No. 289 Chuanxiao Road, Zhangjiang Technology Zone, Shanghai, China
- 4–11F, No. 16 Nanyi Road, Nanshan District, Shenzhen, China
- No. 999 Qishan North 2nd Road, Xiamen, China
- 3-6-1 Minatomirai, Nishi-ku, Yokohama, Japan
- Shinkawasaki Mitsui Bldg., 1-1-2 Kashimada, Saiwai-ku, Kawasaki, Kanagawa, Japan
- Am Zehnthof 77, Essen, Germany, 45307
- 4F, 5F, 8F, No. 66, San Chong Road, Nangang District, Taipei City, Taiwan
- 222 W Merchandise Mart Plaza, Chicago, IL, U.S.
- 8001 Development Drive, Morrisville, N.C., U.S.

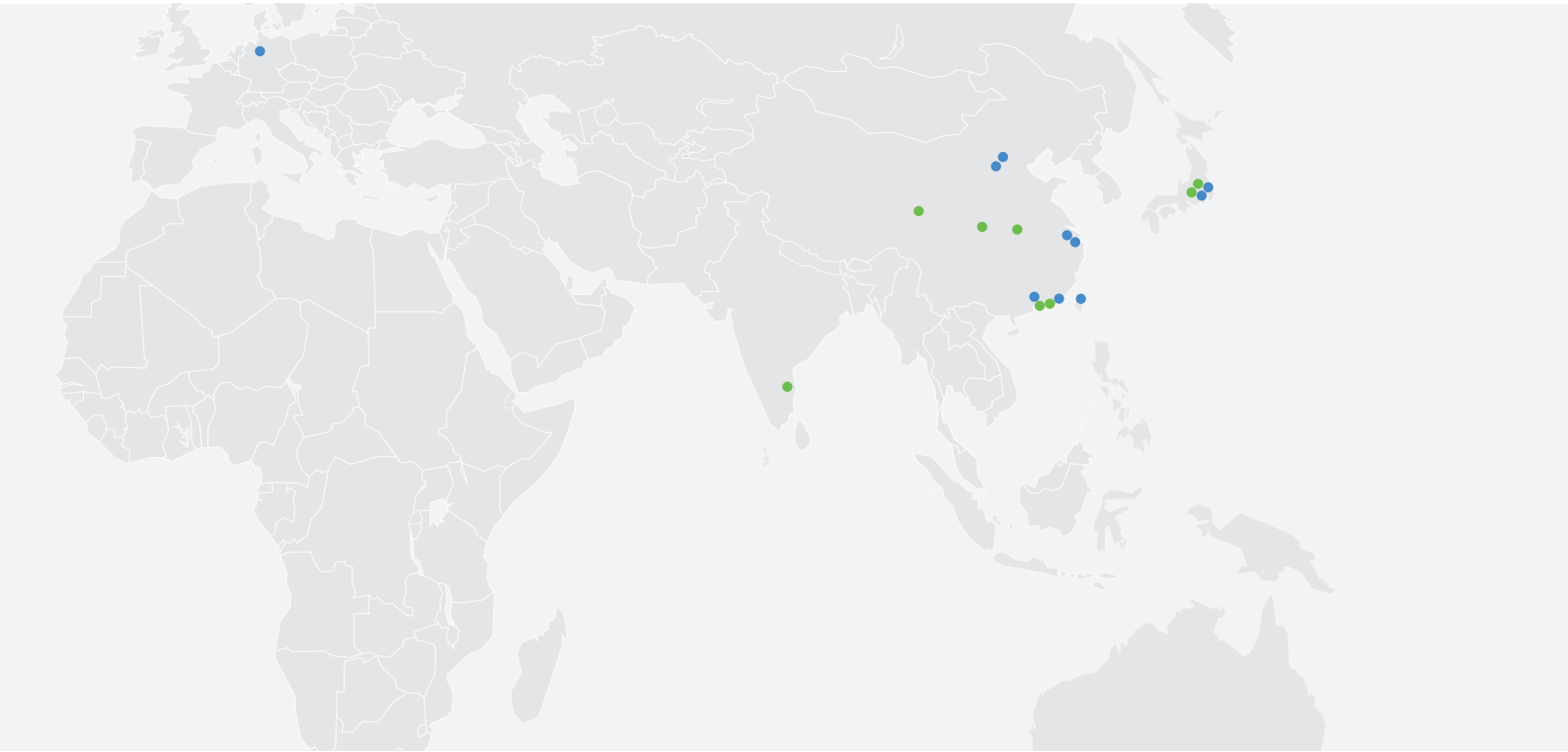
[1] Development — Administration

Manufacturing and Fulfillment Center

- 6540 Franz Warner Parkway, Whitsett, N.C., U.S.

Manufacturing

- Estrada Municipal Jose Costa de Mesquita, 200 — Chacara Alvorada — Indaiatuba/SP, Brazil
- B1, B2 and office building, No. 88 Tianjian Road, West Gaoxin District, Chengdu, China
- No. 3188-1 Yungu Road, Hefei, Anhui Province, China
- Lenovo Science & Technology Park, Huiyang, China
- No. 30 Tao Hua Road, Shenzhen, China
- No. 19 Gaoxin 4th Road, Wuhan, China
- No. 316 Boulevard Escobedo, Apodaca, NL, Mexico
- No. 19/1A & 2A Cuddalore Main Rd., Edayar Palayam Village, Pondicherry, India
- 32 Nishiyajima-cho, Ohta-shi, Gunma, Japan
- 6-80, Shimohanazawa 2-Chome, Yonezawa, Japan



Within the framework of our EMS, Lenovo annually identifies and evaluates the aspects of our operations that have actual or potential significant impacts on the environment. Metrics and controls are established for these significant environmental aspects. Performance relative to these metrics is tracked and reported on an ongoing basis. Performance improvement 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 2019/20, our significant global environmental aspects included:

- Product materials — including use of recycled plastics and environmentally preferable materials
- Product packaging
- Product energy use
- Product end-of-life management
- Site air emissions
- Site energy consumption
- Supplier environmental performance
- Product transportation
- Waste management
- Water management

Lenovo's FY 2019/20 global environmental performance against its objectives and targets are available in the Section 8.0 Consolidated Metrics.

Lenovo's energy, GHG emission (Scope 1 and 2), waste and water data is externally verified to a reasonable level of assurance. Lenovo's GHG emission (Scope 3) data is externally verified to a limited level of assurance.

Click here to see the FY 2019/20 GHG and Energy Verification Statements, the FY 2019/20 Waste Verification Statement and the FY 2019/20 Water Verification Statement.

ENGAGING WITH STAKEHOLDERS ON COMPLIANCE

Lenovo's commitment to environmental stewardship is based on a foundation of a commitment to compliance. This includes compliance with both regulatory requirements and voluntary standards established by associations and standards organizations to which Lenovo subscribes. Lenovo actively engages with a wide variety of stakeholders as part of its processes for managing environmental risk, driving improvements in environmental performance, ensuring compliance and meeting customer expectations. Examples include:

Associations

- DIGITALEUROPE
- Responsible Business Alliance (RBA, formerly Electronic Industry Citizenship Coalition (EICC))
- Information Technology Industry Council (ITI)
- Consumer Technology Association (CTA)
- PRBA-The Rechargeable Battery Association
- Mobile & Wireless Forum (MWF)

Green Programs (Eco-Labels)

- IEEE 1680.1 Standard for Environmental Assessment of Personal Computer Products
- NSF/ANSI 426 Environmental Leadership and Corporate Social Responsibility of Servers
- ENERGY STAR®
- TCO Certified
- TCO Certified Edge

Programs, Workgroups and Initiatives

- Call2Recycle
- CDP (formerly Carbon Disclosure Project)
- ECMA-370 — The Eco Declaration Standard
- EcoVadis
- Electronic Product Stewardship Canada
- Global Reporting Initiative (GRI)
- Green Freight Asia (GFA)

International Standards

- ISO 14001, Environmental Management Systems
- ISO 50001, Energy Management
- Leadership in Energy and Environmental Design (LEED)
- Product Attribute to Impact Algorithm (PAIA) Project
- R2
- United Nations Global Compact
- World Resources Institute (WRI)
- World Business Council for Sustainable Development (WBCSD)

Lenovo recognizes the importance of environmental leadership in China and has participated in numerous environmental initiatives in the country, including:

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

ENVIRONMENTAL IMPACT OF LENOVO OPERATIONS

ENERGY AND CLIMATE CHANGE

Lenovo 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). Lenovo 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 greenhouse gas levels and hold global average temperatures to acceptable increases.

We are working both internally and externally to minimize and mitigate climate risks. Lenovo is committed to continually reducing the global carbon footprint of all of its business activities. Lenovo 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
- Showing continual year-to-year progress in achieving the EMS objectives and targets

To drive climate actions external to Lenovo's operations, we monitor, support and in some cases participate in the development of voluntary carbon reduction programs, climate change regulations, renewable energy portfolio standards and product carbon footprint and labeling requirements both globally and regionally.

Reducing energy consumption and associated carbon emissions is the primary focus of our climate change programs and strategy. The management of energy and carbon emissions reduction activities and programs are carried out within the scope of Lenovo's global EMS and beyond. Lenovo is achieving its energy and carbon management objectives and targets through improvements in operational and logistical energy efficiency, reductions in energy consumption, switching to renewable energy sources where practicable, supporting an increase in renewable energy available via the grid, and purchasing renewable energy commodities and carbon offsets.

Over the past several years, Lenovo has experienced organic growth in conjunction with operational consolidation. In addition, significant structural changes and external market factors have presented unique challenges to staying on the course of achieving our climate change goals. We overcame these challenges by engaging internal teams and external partners to identify opportunities to reduce energy consumption and carbon emissions. The identified opportunities were then subjected to a project approval hierarchy that favors energy efficiency first, use of renewable energy second and finally, the purchase of renewable energy commodities or carbon offsets. This process continues to lead to the identification and implementation of projects that support Lenovo's goal of maintaining a sustainable balance among social, economic and environmental impacts.

Visit www.lenovo.com/climate for more information on Lenovo's Climate and Energy Policy, strategy, objectives and targets.

OPERATIONAL ENERGY EFFICIENCY

Given that one of Lenovo's most significant environmental aspects is emissions associated with energy consumption, Lenovo's goal is to continually improve the energy efficiency of its operations. Lenovo initiatives for energy reduction include activities such as installation of low-energy lighting and related electrical equipment, energy-efficiency improvements to HVAC systems, eliminating or improving usage of transformers and air compressors, manufacturing area optimization, manufacturing-line optimization, improving computer server room energy efficiency, consolidation of operations, and employee education.

For more information on our performance relative to energy efficiency, please see the Energy Reductions in Operations section.

RENEWABLE ENERGY

Photovoltaic Solar Panels

Lenovo is committed in reducing our global carbon footprint by meeting our targets for absolute reductions of GHG emissions from our operations and by driving similar reductions in Lenovo's supply chain and product usage. In support of this commitment, we continue to expand our use of solar energy. Lenovo's renewable energy installations include solar hot water generation facilities in Beijing and solar electric generation plants in Hefei and Wuhan, China as well as Whitsett and our headquarters in Morrisville, NC, USA. By the end of the fiscal year, the current solar capacity of all these projects was approximately 16 megawatts (MW).

To continue expansion in this area, we have begun the pre-engineering work to start solar installations at our facilities in Jaguariuna, Brazil and Monterrey, Mexico. These two projects will add approximately 14 MW of new solar electric generation capacity. Lenovo has a target of achieving 30 MW of owned or leased renewable energy generation capacity globally. At the time of this printing, the impact of COVID-19 may impact the construction of these projects on the schedule we had originally set. Upon completion of these two projects, we will have the ability to generate 30 MW of on-site renewable energy.

In 2019, Lenovo was again recognized by the U.S. Environmental Protection Agency (EPA) as a Top 30 Tech & Telecom Green Power Partner for its purchase of renewable energy. Please click here for more information.

RENEWABLE ENERGY COMMODITIES AND CARBON OFFSETS

Where actual direct energy reductions or use of renewable energy sources are not technically or economically feasible, Lenovo chooses to purchase Renewable Energy Credits (REC), International Renewable Energy Credits (I-REC), Guarantees of Origin (GO) and carbon offsets.

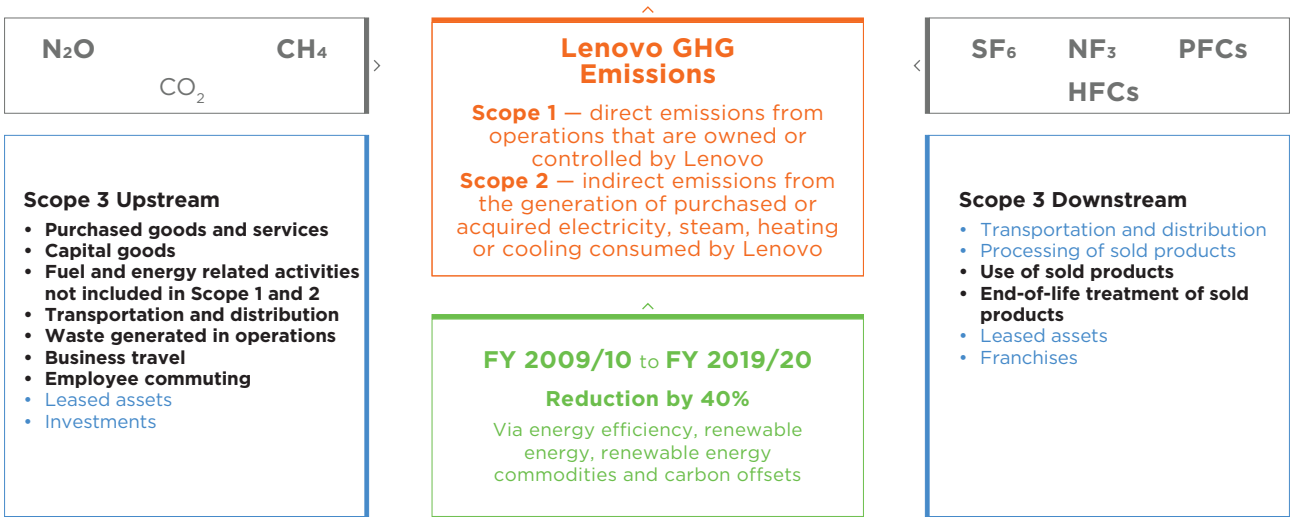
For FY 2019/20 Lenovo purchased renewable commodities that supported 100 percent renewable energy projects in Brazil (wind), China (wind), India (wind), Mexico (wind), Europe (hydro) and the United States (wind). Also, Lenovo acquired carbon offsets from a wind farm project in China.

CLIMATE CHANGE RISKS/OPPORTUNITIES MANAGEMENT

Climate change risks and opportunities are identified and evaluated as part of two main processes within Lenovo's business management systems. These include our global risk registration process and our 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. Lenovo'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 Lenovo's strategy execution, then develop mitigation plans for select identified risks. This process is managed by Lenovo's Enterprise Risk Management team.

2. Energy consumption, the associated greenhouse gas emissions and climate change are identified as significant environmental aspects and impacts for Lenovo. As such, associated risks and opportunities are evaluated and prioritized annually based on Lenovo's significant aspect methodology in accordance with the requirements of our environmental management system. 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 Lenovo's Global Environmental Affairs team. The results of this evaluation are considered in the risk registration process described above.



Notes: Scope 3 categories in **bold black** are tracked and evaluated and in some cases actions are being taken to drive emissions reductions
Scope 3 categories in **blue** are not relevant to Lenovo

Additionally, Lenovo's ESG materiality assessment identifies energy and emissions as material topics that Lenovo should prioritize and focus on in our environmental programs. Also, in support of UN Sustainable Development Goal (SDG) 13 — Climate Action; one of Lenovo's ESG pillars includes a climate action goal. More details about our materiality assessment and how our goals align with the SDGs are available in Section 2.0.

As a demonstration of Lenovo's long-term approach to risk management in this area, in May 2014, Lenovo's Board of Directors (BOD) and Executive Committee (LEC) acted to increase Lenovo's GHG emissions reduction commitment from 20 percent to 40 percent by FY 2019/20, relative to FY 2009/10. We met this commitment through investment in energy efficiency, on-site renewable generation, and renewable energy commodities.

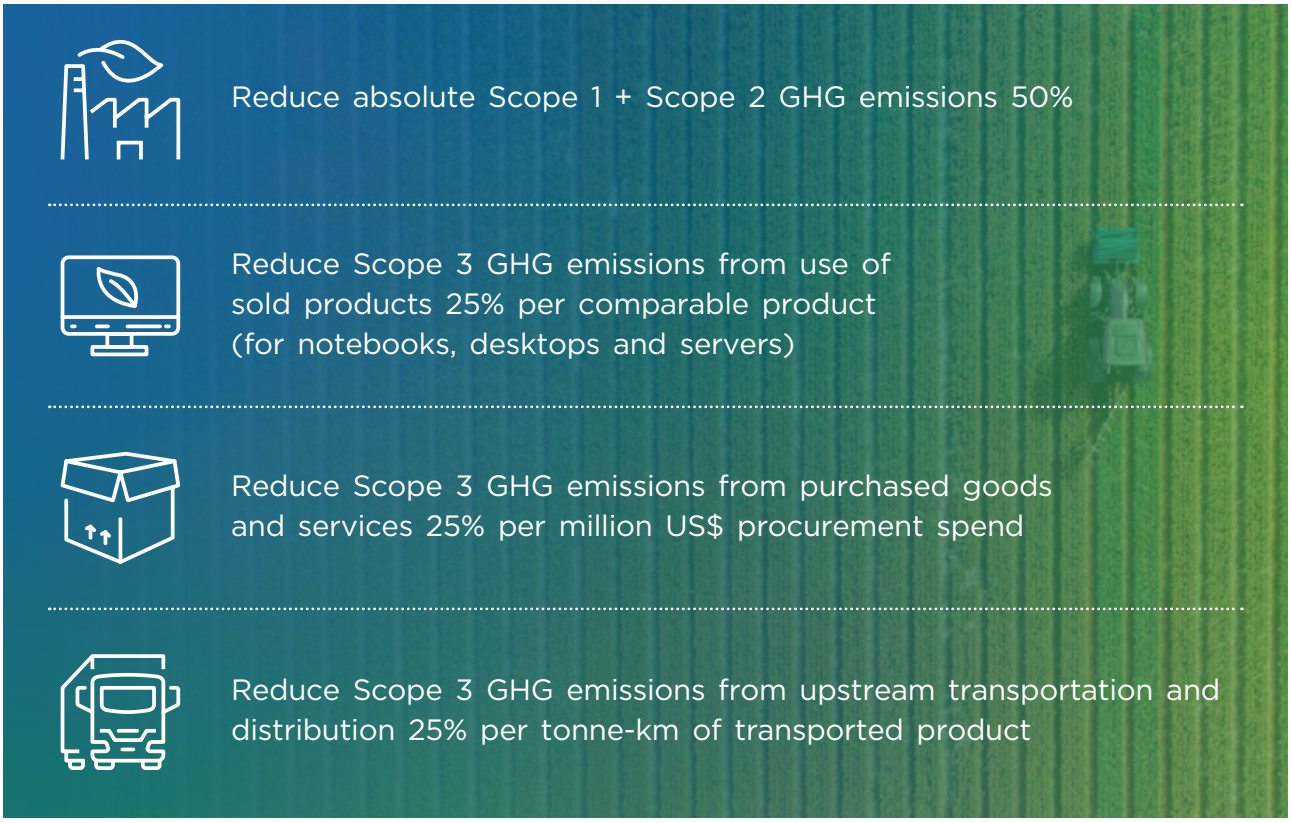
Scope 1 & 2 GHG Emissions Target

Achieved via a hierarchical approach of energy efficiency, renewable energy, renewable energy commodities.

We have identified and developed our third-generation targets for after 2020. We reviewed and evaluated Science Based Targets Initiative's (SBTi) methodology to determine the best approach for Lenovo that will align with the science-based reduction pathways for limiting global temperature rise. In August 2018, we submitted Lenovo's science-based targets commitment letter to the Science Based Targets initiative which indicated that we would work to set a science-based emissions reduction target in the next 24 months. Lenovo's commitment was recognized on www.sciencebasedtargets.org. We committed to submit Lenovo's science-based targets proposal of emissions reduction targets for Scope 1, 2 and 3 for official evaluation by the Science Based Target initiative by December 31, 2019. We partially accomplished that by submitting our proposal for an unofficial validation.

In June 2020, following the close of FY 2019/20, Lenovo received formal approval of our next generation of climate change goals from the SBTi. While these goals were not released until FY 2020/21, we felt it was important to include them in this report as much of the work to establish these targets was done in FY 2019/20. The final approved targets are as follows:

LENOVO EMISSIONS REDUCTION TARGETS



Base year: FY 2018/19
Target year: FY 2029/30

In addition to Lenovo's long-term GHG emissions target, Lenovo set and achieved three year-to-year energy targets in FY 2019/20. The three energy targets are summarized below.

Global Energy Targets

Energy purchases from renewable energy sources

FY 2018/19 — **Increase** — FY 2019/20

Energy intensity index at manufacturing sites

FY 2018/19 — **Decrease** — FY 2019/20

Electricity intensity at R&D and office sites

FY 2018/19 — **Decrease** — FY 2019/20

Status: All three were achieved.

Lenovo's commitment to addressing climate change extends to supporting global initiatives such as We Mean Business, a coalition of businesses and investors supporting a transition to a low carbon economy. Lenovo's case study on our climate change actions has been featured on the We Mean Business website.

MINIMIZING THE ENVIRONMENTAL IMPACT OF LENOVO'S LOGISTICS

Lenovo's Global Logistics team recognizes that by enhancing freight management practices and considering the environmental impact of their decisions, significant opportunities exist to reduce carbon emissions. The key to this principle is reduction, not just off-setting.

Optimization is a fundamental element of Lenovo's logistics strategy. As we grow and adopt sustainable freight practices, we set aggressive targets that challenge the internal practices of our partners. By developing lighter and smaller products, more compact and re-usable packaging materials, bulk shipping alternatives, and regional distribution facilities that allow for lighter loads, load consolidation and full truckload shipments, we enable our logistics partners to ship our products responsibly.

Lenovo's logistics focus over the last year and into 2020 include:

- Mode of transport
- Consolidation and utilization
- Network optimization
- Packaging (size, weight, dimensions, recyclable)
- Technology and automation
- Reward and recognition for our partners

Our accomplishments in FY 2019/20 included the following:

- Lenovo uses the GLEC Framework and partners with EcoTransit to calculate and report emissions from product transportation in its ESG report and to CDP. The reporting scope includes all international air, ocean and rail transportation globally as well as domestic transportation.

GLEC GLOBAL LOGISTICS EMISSIONS COUNCIL MEMBER 2020/2021

- Following the close of FY 2019/20 in June 2020, Lenovo received formal approval of our next generation of climate change goals from the SBTi that included a target for logistics to reduce our Scope 3 product transportation GHG emissions by 25 percent per ton of transported product by FY 2029/30 from a FY 2018/19 baseline.
- Lenovo requires all global tier-one carriers to report monthly on emissions relevant to actuals and to baseline, reduction targets and corresponding action plans for improvement.
- In China, logistics implemented 100 percent electric forklifts in central distribution centers, and the use of electric forklifts in regional distribution centers and warehouses increased from 11 to 14 percent compared with FY 2018/19. The usage of electric trucks for final mile delivery in China from regional distribution centers increased from 14 to 18 percent compared with FY 2018/19; for domestic long-haul shipping in China, approximately 67,467 cubic meters (8.5 percent of Lenovo's the total transportation volume in China) were shipped by rail which represented an increase of 1.5 percent compared with FY 2018/19.

- The Global Logistics team proactively favored rail transportation for shipments from China to Europe, shipping over 3,300 containers to Europe by rail, which is approximately an 18 percent increase compared with FY 2018/19.
- Created closed loops for recyclable packaging and introduced enhanced in-transit measurement of emissions through GPS.
- Lenovo's logistics partners have contractual requirements embedded into their accreditation and procurement processes which include a demand to report and reduce emissions, as well as a requirement to join and actively participate in global or regional programs managed by organizations such as Smart Freight Centre, Green Freight Asia, US EPA SmartWay and others.
- Lenovo earned a leading role in the Smart Freight Alliance China, an industry body made up of multinationals and key stakeholders and dedicated to driving sustainability policy and action in China.
- Piloted the use of plywood pallets which improved space utilization and resulted in container utilization rate improvement from 74 percent to 83 percent on average. Lenovo will further explore other opportunities for plywood pallets.

Lenovo is a founding board member of Green Freight Asia (GFA), a non-profit organization focused on reducing fuel costs and emissions from freight in Asia. In January 2020, Lenovo China was the first shipper to ever earn the 3-Leaf Certification by GFA, and Lenovo India earned the 2-Leaf Certification.

Lenovo is an approved partner of the U.S. EPA SmartWay program, whose mission is to protect human health and the environment. SmartWay helps Lenovo demonstrate its commitment to reducing the environmental impacts of freight transportation. In December 2019, Lenovo was recognized as a **SmartWay 2019 High Performer**. This information is available at: https://www.smartfreightcentre.org/en/news/lenovo/1428/.

SmartWay® Transport Partner
Getting There With Cleaner Air

FY 2019/20 ENVIRONMENTAL PERFORMANCE

Energy Reductions in Operations

Improving operational energy efficiency is a fundamental element of Lenovo's strategy to meet its GHG reduction targets. Since establishing climate change objectives and targets, Lenovo has implemented more than 190 operational energy-efficiency projects worldwide. All sites continue to strive to identify and implement energy-efficiency projects and evaluate the opportunity to employ the use of renewable energy. Throughout the organization, these activities are driven by site energy champions who lead energy teams that help implement energy reduction projects.

Some of the projects implemented during the fiscal year included:

- Energy efficient lighting systems in Beijing, Shenzhen and Xiamen, China, and in Gunma and Yonezawa, Japan
- Retro commissioning in North Carolina, USA
- Improvements in HVAC and air compressor efficiency in Shenzhen, China, Taipei, Taiwan, and Gunma, Japan
- Installation of time and temperature controls in Beijing, China and Taipei, Taiwan

During FY 2019/20, we expanded our Energy Management System (EnMS) to the East part of our headquarters in Beijing, China and manufacturing plant in Hefei, China and obtained ISO 50001 certifications. We developed a global level target for Lenovo's ISO 50001 certified locations as follows: Reduce total energy consumption by at least 1.5 percent in next three fiscal years, relative to the FY 2019/20 energy baseline. Additionally, we are planning to implement EnMS at our manufacturing plant in Wuhan, China during the upcoming year.

Lenovo's energy consumption for the last two fiscal years is detailed below. Please see Section 8.0 Consolidated Metrics for historical energy consumption data.

Energy Consumption (gigajoules — GJ)	**FY 2018/19**	**FY 2019/20**
Total	**1,243,999**	**1,180,071**

A. Lenovo's Global Scope 1, 2, 3 GHG Emissions

Lenovo's Scope 1 and 2 (location-and market-based) CO_2e emissions inventory from the last two fiscal years is detailed below. Lenovo's Scope 3 CO_2e Emissions Inventory from our last two fiscal years is also below. Please see Section 8.0 Consolidated Metrics for Scope 1, 2 (location-and market-based) and 3 emissions for Lenovo's global operations and value chain.

GHG Emissions (metric tonne CO_2 equivalent — MT CO_2e)	**FY 2018/19**	**FY 2019/20**
Scope 1	6,031	7,766
Scope 2 (location-based)	201,321	162,597
Scope 2 (market-based)	26,029	23,852
Scope 1 & 2 (location-based)	**207,352**	**170,363**
Scope 3	**15,805,120**	**17,531,179**

Lenovo's scope 1 absolute emissions increased, while Lenovo's scope 2 absolute emissions decreased during FY 2019/20 period. Lenovo's emissions inventory, normalized by total revenue, employee population, floor area and unit of production decreased in comparison with the previous fiscal year.

B. Lenovo's GHG Emissions Objectives and Targets

During FY 2019/20, Lenovo achieved a 92 percent emissions reduction relative to FY 2009/10. The Scope 1 and Scope 2 reductions were accomplished by implementing energy efficiency projects, using solar sources at sites and purchasing renewable energy certificates from renewable projects in the United States, international renewable energy certificates from renewable projects in Brazil, China, India and Mexico, Guarantees of Origin in Europe and carbon offsets in China.

Energy and GHG emissions data for all eleven years included in our reporting (beginning with the baseline year FY 2009/10) was third-party verified. Click here to see the FY 2019/20 GHG and Energy Verification Statements.

CDP™
DISCLOSURE INSIGHT ACTION

Lenovo began disclosing GHG emissions, climate change strategies and climate change risks and opportunities assessments through the voluntary public reporting system CDP (formerly Carbon Disclosure Project) in 2009. Based on our 2019 CDP Climate Change questionnaire, Lenovo was rated at the Leadership Level with a score of A-. Additionally, we received a score of A on the 2019 CDP Supply Chain survey reaching the Leadership Level in Supplier Engagement Rating, along with being featured on the Supplier Engagement Leader Board. Lenovo's annual GHG disclosures are publicly available at www.cdp.net/reports.

C. Emissions Trading System

Lenovo was selected for a pilot emission trading system (ETS) in Beijing, China. It was determined by the Beijing Municipal authority in 2013 that Lenovo Beijing is a significant energy consumption enterprise since we consumed more than 5,000 metric tonnes (MT) coal-equivalent electricity (CO_2 emissions over 10,000 MT/year) and as such must meet an emissions trading requirement for our Beijing sites. Our server plant in Shenzhen is also listed as a significant carbon emission enterprise but released emissions do not exceed the allocated allowance so reductions are not required. Lenovo is closely monitoring other provinces where this pilot program has been imposed since our sites in Shanghai, Huiyang, Xiamen, Chengdu and Wuhan could be impacted in the future.

The newly implemented China national ETS covers high energy consumption industries such as power, cement and steel. Because Lenovo is classified as an IT industry, the China national ETS requirements have not been imposed on our sites in China at this time.

Lenovo has a climate and energy policy and strategy in place and is working on reducing our carbon emissions globally as well as at our Beijing sites. Primary activities in support of this goal include establishing a comprehensive energy/carbon system for Beijing sites including energy efficiency and renewable project identification and implementation (e.g., optimizing equipment control systems, installing energy-efficient lighting systems, and installing solar hot water systems), implementing energy verification and energy management audit and purchasing carbon offsets. This is the sixth year for Lenovo to be a part of this scheme and since our business is developing constantly, we are expecting a need to purchase allowances. The above implemented energy efficiency and renewable energy projects will help us meet the emissions reductions requirements.

OTHER AIR EMISSIONS

Lenovo prohibits the use of ozone-depleting substances in our products and manufacturing processes except in HVAC and fire-suppression equipment as permitted by law. Ozone-depleting substances used in HVAC and fire-suppression equipment are managed in accordance with local regulations, and intentional releases are prohibited. Lenovo requires the reporting of releases of chemical substances as an environmental incident, including unintentional releases. During FY 2019/20, there were no incidents of refrigerant releases. Lenovo does not have significant direct air emissions such as nitrogen oxides (NOx) and sulfur oxides (SOx). In addition, Lenovo 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 our facilities but associated fugitive emissions are minimal and are not quantified.

OPERATIONAL WASTE MANAGEMENT

Managing Non Hazardous Solid Waste

One of Lenovo's primary environmental objectives for operational facilities involves minimizing solid waste and maximizing recycling and reuse. Lenovo manufacturing and R&D facilities, and some large office locations worldwide, had a target to recycle over 90 percent (+/-5%) and achieved this target with a reuse/recycling rate of 88.6 percent during FY 2019/20. Lenovo's total non-hazardous solid waste generation is included below for the past two fiscal years along with the disposition breakdown for FY 2019/20.

Operational Non Hazardous Solid Waste Generation	
FY 2019/20	43,023 MT
FY 2018/19	43,439 MT

Non Hazardous Waste Target
Target: Recycling rate> 90% (+/−5%) Actual : 88.6%
Status: Target was achieved

Managing Hazardous Waste

Lenovo operations generate minimal quantities of hazardous waste. Hazardous waste generated at operational facilities includes oils, coolants, organic solvents, batteries, fluorescent light bulbs and ballasts. All are disposed of in accordance with local environmental regulations with reputable vendors that are approved through a stringent Lenovo audit process. During FY 2019/20, Lenovo neither imported nor exported any hazardous waste. During this reporting year, there were no significant spills. Lenovo's hazardous waste generation is included below for the past two fiscal years.

Operational Hazardous Waste Generation	
FY 2019/20	74 MT
FY 2018/19	66 MT

Click here for the FY 2019/20 Waste Verification Statement. Please see Section 8.0 Consolidated Metrics for historical nonhazardous and hazardous waste data.

Fuel Spill

There was an accidental release at the Lenovo facility in Essen, Germany. The incident involved the spill of approximately 0.5 liters of fuel on a paved parking lot. The spill was contained and captured without offsite impact. Due to the nature and size of the spill there was no requirement to notify a regulatory authority.

Water Resource

Lenovo recognizes that water is a vital, shared resource and accepts that water risks to communities and businesses will continue to increase as the global population grows and climate change affects the distribution and availability of water. Given this, Lenovo is dedicated to maintaining operational control of water use while developing new water stewardship practices to navigate the changing landscape of water risks. This includes striving to better understand Lenovo's direct water use in the context of the local river basins where we operate, water use and risk within the company's value chain, and ways to minimize our impacts to, and ultimately improve, the water security of the river basins in which we operate. As a first step, in FY 2019/20, Lenovo analyzed water risks across our footprint using publicly available water risk tools (World Resources Institute's Aqueduct and WWF's Water Risk Filter Tool) and supported the results with actual experiences through a survey of the Environmental Focal Points at the manufacturing and development facilities about water risks and opportunities. Lenovo has undertaken these actives to better position the company to navigate the growing water crisis and promote clean water access for all.

Within Lenovo's direct operations, the primary use of water is for water access, sanitation, and hygiene (WASH) services for the approximately 60,000 employees working in Lenovo facilities around the globe. Water use varies with employee headcount from location to location with the company's largest facilities usually withdrawing and discharging the most water. The vast majority of water is supplied by third parties and discharged back to third parties to be treated to local standards. As part of Lenovo's EMS, water withdrawal and discharge are tracked for the most critical and intensive locations. This includes all our manufacturing and development facilities and most large office sites. Whenever feasible, direct measurements are tracked. When direct measurements are not available, calculations and estimations of withdrawal and discharge volumes are used. Click here to see the FY 2019/20 Water Verification Statement. Please see Section 8.0 Consolidated Metrics for historical water use data.

Global Water Use (megaliters — Ml)		
	FY 2018/19	**FY 2019/20**
Withdrawal	1,391	**1,307**
Discharge	1,256	**1,183**
Consumption	135	**124**

Under Lenovo's EMS, an annual global water target is always set and monitored. In addition, individual facilities often set facility-specific water targets. In FY 2019/20, the global target was to maintain operational control of water by keeping total water withdrawal and discharge volumes within +/-5 percent of the previous year. We achieved this target with water withdrawal volume of 94 percent and water discharge volume of 94 percent of the previous year. In FY 2019/20, seven facilities set facility-specific targets for either total volume or intensity (volume per person). All seven facility-specific targets were met or exceeded in FY 2019/20.

FY 2019/20 Water Use Targets		
Target		
FY 2018/19	+/-5%	FY 2019/20
Actual		
Withdrawal		
FY 2018/19	-6%	FY 2019/20
Discharge		
FY 2018/19	-6%	FY 2019/20
Status: Target was achieved		

While Lenovo has minimal wet processes, Lenovo appreciates the importance of adequate quantities of sufficient quality water to our supply chain partners with wet processes, particularly the semiconductor industry. Lenovo currently collects water use data from our key suppliers to better understand water use within our value chain.

ENVIRONMENTALLY CONSCIOUS PRODUCTS

Lenovo has long been committed to designing and building durable, energy-efficient products that are environmentally conscious. Our comprehensive Environmentally Conscious Products Program, launched in 2005, supports Lenovo's goal to drive leadership in green products year after year. As we expand our transition to a circular economy, the Environmentally Conscious Products Program is an important aspect of our circular design strategy. Supported by Lenovo's Global Environmental Affairs team, the program is implemented by a network of Environmentally Conscious Product engineers and green product teams within each business unit.

GREEN CERTIFICATION FROM AROUND THE GLOBE

Product Materials

Lenovo's product development process is focused on integrating environmentally preferred materials into our products. Incorporating post-industrial recycled content (PIC) plastics, post-consumer recycled content (PCC) plastics and closed loop post-consumer recycled plastics (CL PCR) continues to be instrumental to our 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. Our increased use of CL PCR is helping to sustain the demand and keep plastic materials from IT products in circulation. These environmental benefits are achieved while still creating a product that meets Lenovo's high performance standards.

Recycled Plastics

Starting in 2007, as new grades of recycled plastics with PCC became available, Lenovo's product development teams began to use these environmentally preferred materials to satisfy corporate environmental objectives and targets and meet new customer requirements. We currently use post-consumer recycled content in laptops, desktops, workstations, monitors, and accessories and are introducing closed-loop process in more products each year. In 2019, Lenovo expanded the use of CL PCR to 66 products, up from 21 products the previous year. This year Lenovo also used CL PCR in a Lenovo notebook application for the first time in our X1 Carbon 7th generation notebook.

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, Lenovo's team of engineers works closely with our suppliers to develop and qualify new grades of plastic resins previously unavailable to the IT industry. These materials receive environmental and performance qualifications prior to their approval and use in Lenovo product applications.

For CL PCR, Lenovo's research and development teams work with material suppliers and a third party certification body to build Lenovo's 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.

Milestones for Lenovo from the past four years in PCC usage includes:

2016
- All product Business Units (BUs) required to use PCC in every product

2017
- All newly released products shall contain minimum of 2% or 10% PCC
- Began using CL PCR in two products (display and All-in-One desktop)

2018
- Qualified new grades of CL PCR for additional resin chemistries and suppliers
- Expanded use of CL PCR to 21 products (added keyboards)

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

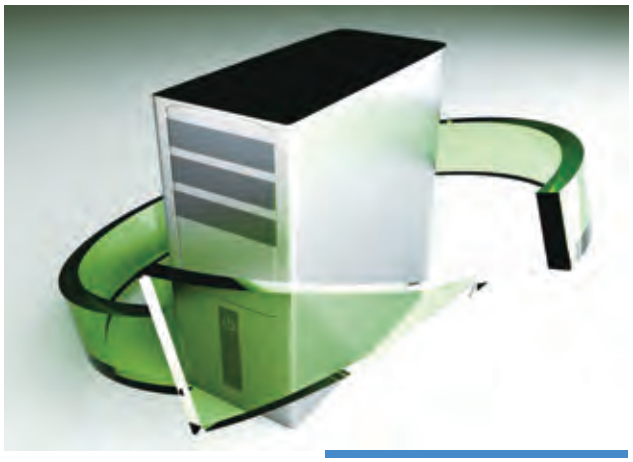
Usage of PCC in Products Released in FY 2019/20

1–10% PCC	>30% PCC	> 50% PCC
Select Notebooks Desktops AIO Accessories	ThinkCentre M720e	ThinkVision T34w-20 ThinkVision T25d-10/P25d 10 ThinkVision Q24h-10 ThinkVision G24-10 ThinkVision T2054p

Recycled Content Usage to Date

Since early 2005, Lenovo's total use of recycled plastics in products has been over 240 million pounds (gross) containing PIC, PCC and/or CL-PCR, with net PCC of over 110 million pounds and net CL-PCR of more than 12 million pounds.

In 2019, Lenovo's use of plastics containing recycled content was nearly 17 million pounds (gross) with net CL-PCR of over 12 million pounds. These numbers indicate a decline that reflects Lenovo's decreasing use of plastics overall, which is resulting from successful efforts to make products thinner and lighter. For Lenovo's recycled content usage targets for FY 2020/21, please see Objectives and Targets within Section 8.0.



Use of Plastics Containing Recycled Content	
CY 2019	17,022,768 lbs
CY 2018	17,102,170 lbs

Use of Recycled Plastics in Products	
CY 2019	12,876,734 lbs
CY 2018	12,207,609 lbs

Supporting a Precautionary Approach

Lenovo's company-wide environmental standards and specifications require the designers of all Lenovo IT products to consider certain environmentally conscious design practices to facilitate and encourage recycling and minimize resource consumption. Our approach is to use environmentally preferable materials whenever applicable. In adhering to this precautionary approach, Lenovo restricts 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, Lenovo collects data on usage above the defined concentration limit for reporting to customers and stakeholders while actively searching for environmentally preferable substitutes. We also expect our partners and suppliers to demonstrate the same commitment to environmentally sound practices. Click here for our supplier specifications.

Lenovo restricts the use of environmentally sensitive materials in our 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 those jurisdictions where regulatory requirements exist. Lenovo's implementation strategy and requirements are consistent with the requirements specified in the EU's RoHS Directive and REACH Regulation.

Lenovo supports phasing out brominated flame retardants (BFRs) and PVC and is committed to driving its supply chain toward this goal. Lenovo has made significant progress toward the elimination of BFR and PVC from our systems.

We continue to focus on eliminating halogen from our top-selling products and across as many commodities as possible.

Among our achievements:

- Lenovo has also made significant progress in phasing out halogen in many commodities across several product lines, including all plastic enclosures, most components and connectors (with the exception of printed board laminates); all mechanical plastic parts such as product covers, housings and bezels; many hard disk drives, optical disk drives, solid state drives; LCD screens; memory, CPUs, chipsets, and communication cards; and other commodities with offerings that meet the iNEMI definition of low halogen.
- Plastic components over 25 grams meet low halogen requirements (Br<1000ppm, Cl<1000ppm), excluding printed circuit boards, cables, wiring, fans, and electronic components.
- Elimination of most BFR and PVC from ThinkPad notebooks. BFRs are used in power cords, cables, AC adapters, planar ASMs, subcards, connectors and some modular parts. PVC is only used in power cords and cables. In addition, all ThinkPad notebooks have low halogen printed circuit boards.
- All Lenovo commercial monitors meet the iNEMI definition of low halogen except for their PCBA and external cables that are less than 25 grams.

Lenovo has completely phased out the use of BFR/PVC in all mechanical plastic parts (such as external covers, housings) across all Lenovo product lines. Lenovo currently prohibits the following from intentional addition to any Lenovo parts:

- Polybrominated Biphenyls (PBBs)
- Polybrominated Diphenyl Ethers (PBDEs)
- Deca-Brominated Diphenyl Ethers

Lenovo plans to use additional BFR-free 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. We continue to work with our suppliers to pilot new BFR-and PVC-free applications. Lenovo recognizes that the phase-out of these materials is dependent upon the availability of suitable alternatives that meet Lenovo's technological, quality, environmental, health and safety requirements.

Lenovo has identified a list of materials and substances of environmental interest. These substances may be candidates for further restrictions in the future. Lenovo 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 the Green Data Exchange (GDX), is the preferred format for confirmation of compliance to the restrictions and for reporting when substances in question are above the specified concentration levels.

Big Data Set for Materials and Substances

As of the end of FY 2019/20, Lenovo's FMD system has accumulated more than 50,000 parts with full material information, forming a big data set for materials and substances. This big data set is a tool that can aid structural design and optimization, analyzing materials and mechanical properties and improving product reliability.

Only 2.4 percent of component suppliers do not provide full material disclosure, usually for security or intellectual property reasons. Lenovo does not exempt any of its suppliers; though we do allow considerations for confidential information. We will continue the progress on full material disclosure. Those who do not provide full material disclosure are requested to ensure their components' compliance with its own format of material disclosure, IEC 62474 declaration, test report or self-declaration.

Lenovo's big data set is an important basis for Lenovo's design and R&D work, especially for the analysis of material environmental health and safety, because many Lenovo products are comprised of 200 to 300 components each with their own FMD and the data set allows for quick and accurate compiling of components FMDs. In FY 2019/20, Lenovo continued a global eco-design program to reduce POPs for personal computer products. The program includes conducting joint research with institutions and industry associations, making our materials and substances big data set an important tool for them.

We inform our customers about the environmental attributes of our products and compliance with applicable laws and regulations through an industry standard IT Eco Declaration form. Declarations for newly released products are posted on Lenovo's environmental website at: www.lenovo.com/ecodeclaration.

Consistent with our precautionary approach, we continuously analyze the regulatory environment and consider input from our customers, regulators and other stakeholders in evaluating the potential health and environmental impacts of our products. We weigh these inputs to determine the restricted substances, as well as the substances of interest to be tracked for reporting and for consideration of future restrictions.

PRODUCT ENERGY EFFICIENCY

Product energy efficiency remains a core focus for Lenovo. Through collaboration with other original equipment manufacturers (OEM), as well as industry stakeholder work groups, existing and proposed global IT product energy efficiency policies, regulations and requirements are vetted against current and future technology. The results of this effort are leveraged to develop leading edge products with much improved operating efficiencies.

Ongoing regulatory activities include updates to the 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 and many other emerging protocols and regulations. In 2020, ENERGY STAR implemented a new Computer Specification, Version 8.0, which represents improvements to Desktop and AIO energy efficiency and performance metrics derived using select performance indicators reflective of the top 25 percent of the PC products available on the market under the previous specification (Version 7.0/7.1). Key specification updates 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, Lenovo certifies internal power supplies to CLEAResult Plug Load Solutions' 80 Plus program for power supply efficiency. 80 Plus certified power supplies are independently tested and verified to the program's rated efficiency criteria; i.e., Bronze, Silver, Gold and Platinum. Lenovo desktop, workstation and server products equipped with 80 Plus power supplies are significantly more energy efficient than systems equipped with typical power supplies.

The energy consumption and performance of Lenovo products meet the efficiency requirements of China, Japan, the United States, Europe and other jurisdictions. Many Lenovo notebook, desktop, server and monitor products satisfy and even exceed the current ENERGY STAR® requirements. The ENERGY STAR® qualified models are listed at www.energystar.gov. For more information about Lenovo's energy-efficient products, go to: www.lenovo.com/energy.

ENERGY STAR® Certified Lenovo Products Availability (% of product)	CY 2019
Notebook Platforms	93%
Desktop Platforms	97%
Workstation Platforms	90%
Server Platforms	94%
Monitors	94%

Product Energy Management Features

Lenovo offers innovative tools that allow customers to take control of PC and server power consumption, determine energy savings and report on the energy performance of building management, equipment and IT devices.

PC Tool	Benefit
"Lenovo Settings" app in Windows	Provides power management features for the user (i.e., Connected Standby)
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
Lenovo EasyResume	Gives 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 performance
Energy Saving Power Supply Unit	When the system detects the power loading is low, PSU turns off the internal fan to save energy consumption.

Server Tool	Benefit
The "New Customer WebUI" app [ThinkServer management model]	Provides power management features for the user
Supports remote deployment of power schemes and global settings [ThinkServer management model]	Allows administrators the ability to control and enforce energy savings company-wide
Lenovo ASHRAE Management	Adjusts processor and fan speeds based on ambient levels
Rack Planner	Helps users better plan for rack efficiency by increasing rack density and calculating power consumption based on specific configurations
Smart Grid	Helps users monitor and manage the power consumption and temperature of ThinkServers with Intel Node Manager. Smart Grid can save power, increase rack density and avoid data center hotspots
PSU smart-on	When the system detects that the power loading is low in redundant PSU configuration, it can transfer the loading from 2 PSU to 1 PSU to get higher power efficiency and save power
Diagnostics	Capabilities and Easy OS installation (LEPT) embedded
80 PLUS Titanium™ server power supplies or PSUs [available for select System x servers]	By improving the efficiency of the server PSUs, energy efficiency improvements can be cascaded up through the data center for both power and cooling
Liquid cooling solutions	Can reduce the facility demands for data center chillers, resulting in facility infrastructure savings
Lenovo Efficiency Mode™ (LEM)	Works in cooperation with the operating system to fine tune the operating efficiency of the server. LEM can boost performance per watt efficiency by up to 11 percent compared to a server that is not using LEM
Intelligently managing power consumption	Unused devices embedded in System x servers are either powered down or placed into very low power state automatically during boot time and/or dynamically at run time. Devices include CPU cores, memory channels and DIMMs, PCI express ports, QPI links, SATA and SAS storage controllers, network controllers, serial ports, USB controllers and voltage regulatory devices (VRDs)

Many Lenovo PC and Server products are registered to EPEAT (the Electronic Product Environmental Assessment Tool). EPEAT is a program managed by the Green Electronics Council, a US 501c(4) non-profit organization. Through the program, manufacturers register products to a set of required and optional criteria defined by underlying standards (IEEE 1680.1 for PCs and NSF 426 for servers). Products can be registered at the bronze, silver or gold level depending upon the number of optional criteria achieved. For a full description of the program and a current list of Lenovo's registered products, please visit www.epeat.net.

Lenovo has participated in the EPEAT for PC program for over 10 years. During FY 2019/20, Lenovo began registering products for the first time under the EPEAT for servers program. In addition, the PC program changed significantly due to a new version of the IEEE 1680.1 standard released in 2018. Lenovo's corporate, global supply chain, product development, and other local and global resources mobilized to update our processes and documentation to meet the new requirements of the program and as such we were able to continue to register Lenovo PC products at the gold and silver level.

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, and
- Ensuring consistency of results in an environment where multiple and varying calculation methodologies are available.

Lenovo continues to search for an efficient and credible way to calculate our product footprints, and we also want to understand the impacts and be able to credibly disclose environmental information about our products. With these challenges and goals, we joined the Product Attribute to Impact Algorithm (PAIA) Project, an ICT sector-wide pre-competitive collaboration led by Quantis and the Massachusetts Institute of Technology (MIT), to streamline footprints for ICT products. To help address these challenges, Quantis and MIT developed PAIA, an easy-to-use online platform that allows companies, like Lenovo, 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. Lenovo's participation in PAIA is helping to drive a sector-wide streamlined methodology that will be key to transforming ICT companies into sustainable businesses. To learn more about this study and PAIA, click here.

The PAIA Tools help to more efficiently calculate product carbon footprint (PCF) for a wide range of products and configurations. Lenovo's product development groups currently use the PAIA PCF calculation tools for notebooks, desktops, monitors, all-in-ones, tablets, thin clients, servers, network switches and storage products and are engaged in optimization of the on-line platform. Using PAIA to calculate product footprints has significantly reduced the time and cost of calculating environmental footprints for our products. The quality and accuracy of the calculations allows us 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. To download PCF sheets for specific Lenovo products, visit www.lenovo.com/ecodeclaration. These information sheets are generated using the streamlined PAIA life cycle analysis and include manufacturing, transportation, use and end-of-life. For more information about Lenovo's work on calculating PCF, visit www.lenovo.com/climate.

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 British Standards Institute's PAS 2050, WRI/WBCSD's GHG Protocol Product Lifecycle Accounting and Reporting Standard and International Standards Organization's ISO 14040 and ISO 14044 — Life Cycle Assessment, and ISO 14067 — Carbon Footprint of Products.

DURABLE PRODUCTS ARE ENVIRONMENTALLY RESPONSIBLE

The longer a product lasts, the longer it stays out of the waste stream. Lenovo designs its products to maximize their product lifecycle and offers three-year standard warranties and five years of replacement parts availability on many of our 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 Lenovo 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. For more details on Lenovo's warranties, please click here.

Lenovo is continuously designing innovative features for our products to help extend their useful life. For example, Lenovo's Longevity 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 Lenovo embedded batteries are designed to last two to three times longer than standard batteries. Lenovo Services offers three-year warranty upgrades on many embedded batteries. The longer lifespan is made possible with carefully selected cells and charge algorithms.

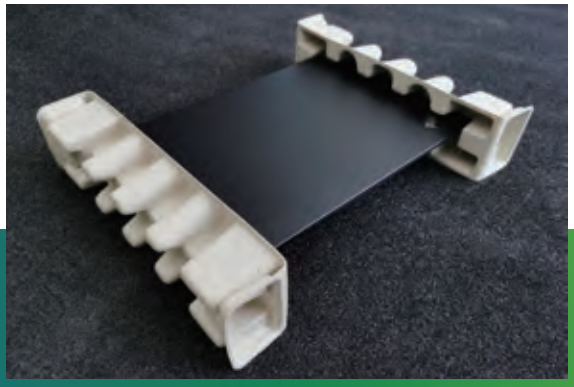
- **Dynamic charging algorithms:** These technologies are used on most notebook batteries and prolong the battery's lifespan by adjusting charge voltage and current over time. The feature is implemented in the hardware as part of the battery firmware, so it is not operating system or application dependent and works with any software load.

- **Field updateable battery firmware:** Customers can download a firmware update utility which allows them to apply firmware fixes to batteries in service, eliminating the need to replace batteries due to firmware problems. This program allows customers to apply fixes quickly and at no cost, even on batteries outside of warranty.

PRODUCT PACKAGING

Packaging has been identified as a significant environment aspect under Lenovo's EMS. Lenovo is focused on 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 all in an effort to reduce our packaging consumption, waste, and carbon emissions levels.

In FY 2019/20, Lenovo's packaging objective was to "minimize the consumption of packaging material while driving the use of environmentally sustainable materials." Lenovo is intent on reducing the size of our packaging to minimize the amount of materials used, while maintaining adequate protection for our products. This journey also includes increasing the use of recycled content materials in product packaging by 10 percent — based on shipping volumes relative to FY 2018/19. Lenovo supported this objective by transitioning all ThinkPad series to 100 percent recycled cushioning materials. The material is 100 percent biodegradable, lighter than previous packaging, and has design characteristics that reduce overall package size. For example, a 0.4 percent reduction in an individual carton size is equivalent to 18 percent increase in pallet density, which can enable a 6.7 percent efficiency improvement in transportation CO_2 emissions. ThinkPad product shipping boxes are also certified to contain a minimum of 70 percent post-consumer fiber content and are required 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. Since 2008, Lenovo has eliminated 3,100 tons of packaging consumption by weight. In FY 2019/20 alone, the packaging team reduced packaging consumption by 560 tons. Other successful packaging objectives include the implementation of using packaging made from 70 percent recycled content ratio with all new phone products and achieving a 5 percent weight reduction in volume for at least one product in other business units.

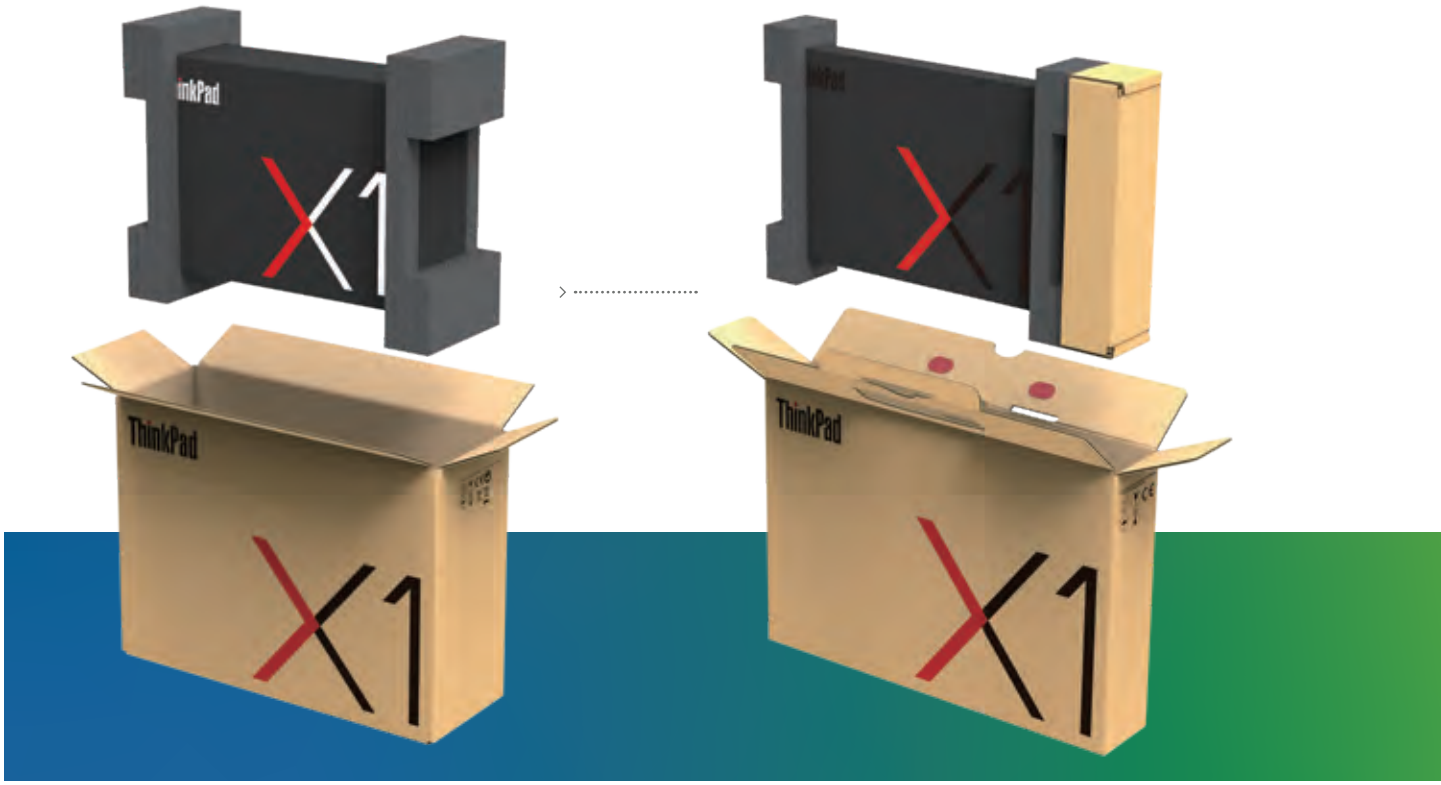


The use of bamboo fiber in select products marks the launch of a new era of eco-friendly packaging offerings for Lenovo, while also enhancing customer experience. Bamboo fiber has many favorable features, including:

- Sleek and robust design
- Light weight
- 100 percent rapidly renewable
- 100 percent compostable
- A pure 'closed-loop' ecosystem

In our own operations, Lenovo uses reusable bulk packaging for the transportation of chassis to manufacturing locations.

Lenovo's ThinkPad packaging team is always looking for environmentally friendly solutions which may improve their packaging engineering efforts. In FY 2019/20, the team was quite proud of a successful achievement that demonstrated their dedication to packaging innovation. The team revamped X1 Carbon/Yoga retail packaging to reduce 1.4 kg of packaging materials per box and increased number of units on pallet from 48 to 96. This drove a total cost savings of over US$2.6 million per year and eliminated more than 400 tons of packaging.



The ThinkPad packaging team developed an ingeniously designed box that eliminated the need for sealing tape. With the current elimination of the packaging sealing tape, the team estimates the following environmental benefits to date:

- Tape consumption saving per year by length: 3.3 kilometers
- Plastic film consumption saving per year by weight: 9 tons

As the team phases in the new tapeless design to more products, the estimated environmental benefits are:

- Tape consumption saving per year by length: 19,500 kilometers
- Plastic film consumption saving per year by weight: 53.6 tons

Lenovo discourages the use of polystyrene packaging wherever possible, and encourages the use of molded pulp, fiber and low-density polyethylene (LDPE). For more information about the process for making and recycling LDPE thermoformed cushions, click here.

Please see the Consolidated Metrics, Objectives and Targets section for Lenovo's performance against its FY 2019/20 packaging targets.

Reuse

In select geographies, Lenovo provides the end customer an optional returnable packaging service, where the packaging materials can be sent back to Lenovo after receiving the products and reused for new shipments by Lenovo. Lenovo is also devoted to the reuse of incoming component packaging, especially in the return of chassis packaging.

Packaging Specifications

Lenovo has environmentally focused requirements for packaging suppliers. These specifications include requirements for minimum amounts of recycled content, marking for proper recycling, banned materials, and other requirements. All corrugated container (box) packaging should use a minimum of 50 percent post-consumer recycled fiber and all paperboard packaging should contain a minimum of 45 percent post-consumer recycled fiber and 100 percent recovered fiber. In addition to meeting these specifications, many Lenovo packaging suppliers provide Forest Stewardship Council (FSC) certified products for Lenovo packaging. Lenovo is currently in the process of assessing the global availability of FSC certified packaging to support manufacturing facilities in all geographies.

PRODUCT END-OF-LIFE MANAGEMENT (PELM)

Lenovo supports efforts to reduce the volume of end-of-life electronic products being disposed of in landfills, as well as efforts to reduce the need for new raw materials by increasing the beneficial reuse of products and parts, or recycling of materials. These activities are important in the transition to a circular economy and the foundation of Lenovo's PELM program.

At Lenovo, PELM includes the 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 includes the recovery and reuse of products, parts, sub-assemblies and components. Lenovo-branded and non-branded products owned or accepted by Lenovo (including customer returns or take back) are included in this definition.

As a part of our efforts to improve Lenovo's supplier base around the globe, we have made available our "Lenovo Environmental Electronics End of Life Standard." This document details what is required to become a Lenovo end-of-life partner. Where available, we continue to require our global supplier base to have R2 or e-Stewards certification or encourage them to start the process to obtain certification.

PRODUCT TAKE-BACK PROGRAMS

As a global company, Lenovo 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 need and include programs for recycling products as well as packaging and batteries in many geographies.

Customers can obtain information about Lenovo's recycling programs and details on offerings by country at: www.lenovo.com/recycling.

For our business customers, Lenovo offers Asset Recovery Services (ARS) in numerous countries. Customer-access information for these programs in the Americas, Asia Pacific and EMEA can also be obtained at: www.lenovo.com/recycling.

PRODUCT AND PARTS MANAGEMENT

Lenovo strives to maximize the value and potential use of excess, returned, and obsolete products and parts across our 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 repair and refurbishing, rather than immediate recycling. There is a positive environmental and economic benefit to this reintegration of products and parts by avoiding the need to manufacture new parts.

MANAGEMENT OF LENOVO'S PELM SUPPLIERS

Lenovo maintains a program for ensuring that recycling, disposal, and disposition of end-of-life products owned by Lenovo or returned by customers are accomplished in an environmentally conscious and legally compliant manner. This program includes Lenovo onsite environmental evaluations and approvals in accordance with Lenovo's stringent auditing protocol. Some of the critical evaluation requirements include:

- Supplier completion of Lenovo's initial supplier evaluation form declaring their processing capabilities and controls, environmental, health and safety management systems, and legal compliance.

- Supplier downstream disclosure of facilities involved with receiving equipment or waste; reusing equipment as a product, part or material; and disposing of waste and ensuring all facilities maintain compliance.

- Successful Lenovo onsite environmental and service audits of facilities and processes prior to their use, and documentation of audit findings and recommendations in a final report.

- Reviewing of all audit documentation and recommendations by Lenovo's Geographic Environmental Managers, and final approval by Lenovo's Director of Environmental, Sustainability and Compliance.

- Maintaining Lenovo Corporate Approved Supplier Facility listing by geography and approved services for use by all Lenovo organizations, sites and programs worldwide in Lenovo's internal database.

- Establishing Lenovo contract with suppliers with specific environmental terms and conditions related to expected environmental performance and reporting.

Suppliers include asset recovery service suppliers, legal and voluntary product take-back providers, dismantlers, recyclers, disposal and other related vendors. All recovered products and parts are required 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. Suppliers are required to use Lenovo-approved recyclers for the disposition of non-working products and parts and waste generated from their refurbishing processes. Lenovo prohibits the shipment of hazardous waste to non-OECD countries.

Additionally, Lenovo incorporates specific environmental terms and conditions into contracts and agreements with all PELM suppliers. Approved and contracted facilities are required to submit regular environmental reports documenting the total quantities of equipment and e-waste collected and processed on behalf of Lenovo and Lenovo customers, including the identification of methods of disposition and their percentages. Periodic follow-up audits are also completed to ensure continued compliance to legal and Lenovo environmental requirements.

RECOVERY AND RECYCLING TRENDS

Since its launch as a global company in May 2005, Lenovo has processed more than 257,766 metric tons of computer equipment through our contracted service providers. During the 2019 calendar year, Lenovo financed or managed the processing of 28,685 metric tons of Lenovo-owned and customer-returned computer equipment. Of this total, five percent was reused as products or parts, 87 percent was recycled as materials, three percent was incinerated with waste-to-energy recovery, four percent was incinerated as disposal treatment, and one percent was disposed of by landfill. Our customers have shown considerable interest in our recycling programs. Our 2019 performance includes data from Lenovo's Asset Recovery Services offered to large enterprises, along with data from Lenovo's other voluntary and legally required product take-back programs for consumers and businesses. These customer programs resulted in more than 27,306 metric tons of products collected for recycling and reuse in 2019. For historical annual volumes and breakdown by disposition method, please see the tables related to PTB and PELM in Section 8.0 Consolidated Metrics. As part of Lenovo's continual improvement activities, we look for opportunities to maximize reuse and recycling.

SUPPORTING A TRANSITION FROM A LINEAR TO A CIRCULAR ECONOMY

It is more important than ever to shift the economy from a "take, make, waste" linear economic model to a "circular" economic model. Consumers are increasingly aware of the impact of their consumption and lifestyle choices, while organizations are faced with a scarcity of resources, increasing regulations and consumer demands for innovative products and solutions. Fortunately, the opportunities to enable a circular economy exist in a way they haven't before with the development of technological solutions and resources that are revolutionizing supply chains, product design and materials.

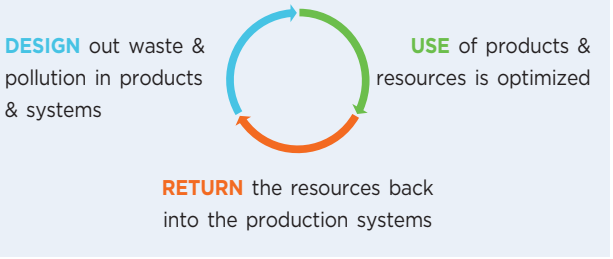
Linear Economy

Take natural resources → Make products → Create WASTE

A circular economy is a complex systems approach that requires a reorientation of all the economic systems affecting consumers, product producers, global supply chains and governments. According to the Ellen MacArthur Foundation, a circular economy is based on the principles of designing out waste and pollution, while keeping products and resources in use. In a circular economy, products are made with green materials and designed in a way that uses less energy and resources. The products are durable and repairable to keep them in use for longer periods and systems exist to extract and recirculate parts and resources from products at the end-of-life.

Circular thinking has been a part of Lenovo's culture for years with a focus on quality and environmentally conscious products. The innovative design of Lenovo's products and packaging and the development of break-through manufacturing and business models have transformed the industry and reduced the environmental impact of our products.

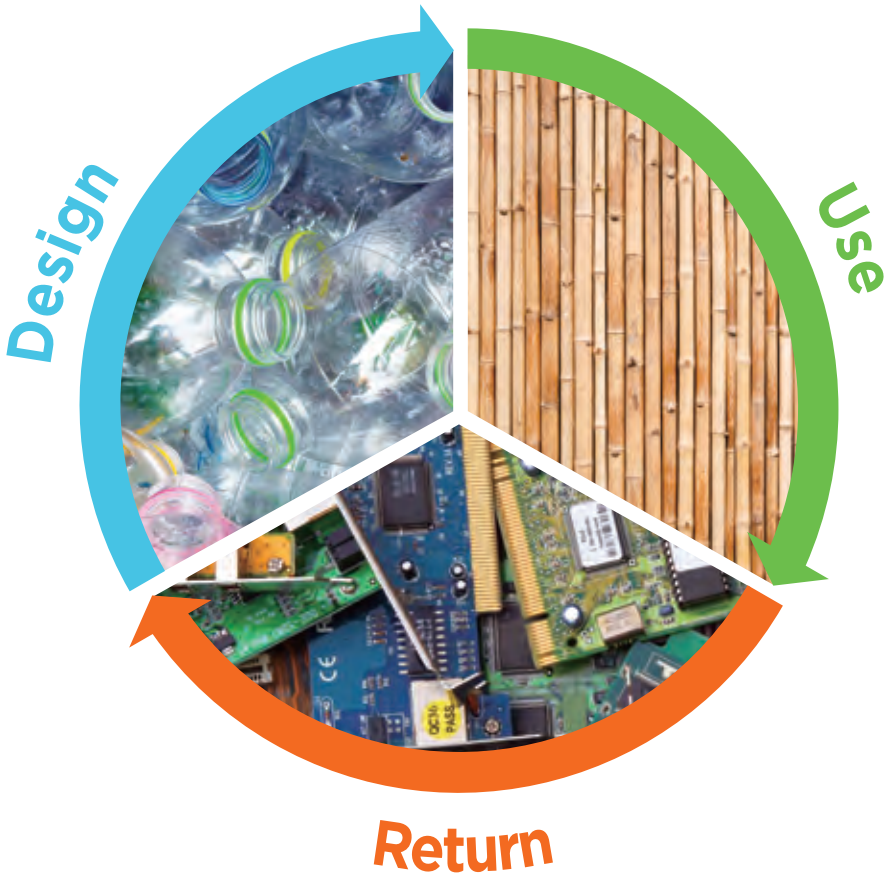
Circular Economy



At Lenovo, we believe that smarter technology can solve problems, create opportunities and transform the way we all live, learn, work and heal. Lenovo's commitment to providing **Smarter Technology for All** extends to our transition from a linear to circular economy through Smarter Circular Design, Smarter Circular Use, and Smarter Circular Return.

SMARTER CIRCULAR DESIGN
Designing out waste and pollution

SMARTER CIRCULAR USE
Optimizing use of products and resources



SMARTER CIRCULAR RETURN
Capturing resources & value

SMARTER CIRCULAR DESIGN
Designing out waste and pollution

Environmentally Conscious Products

Launched in 2005, Lenovo's Environmentally Conscious Products program is the hallmark program for Lenovo's circular design thinking. Lenovo's network of Environmentally Conscious Product engineers and green product teams have focused on pioneering materials use and the design for durability and recyclability.

- In FY 2019/20, Lenovo proudly expanded the use of closed loop post-consumer recycled plastics to 66 products, a 214 percent increase in the number of products over the previous fiscal year. Since 2005, Lenovo has used over 240 million pounds (gross) of recycled plastic and 12 million pounds of closed-loop plastic since 2018. Lenovo's team of engineers works closely with our suppliers to develop and qualify new grades of recycled and post-consumer plastics resins previously unavailable to the IT industry. These materials receive environmental and performance qualifications prior to their approval and use in Lenovo product applications.
- The durability of a product is critical to enabling a circular economy, so products are kept in use longer, limiting resource use in new products. Design decisions include a focus on quality, durability, and user experience. Designing a product for recyclability allows the parts, components and materials within Lenovo's products to be captured for reuse and recycling at the product's end of life.

Product energy efficiency	Includes developing and offering tools such as Lenovo Efficiency Mode (LEM), which helps servers operate at peak efficiency when the OS is running
Product carbon footprint	Includes identifying hotspots for targeted emissions reductions on high-volume mainstream products in each business unit
Product packaging	Includes refining packaging design to increase pallet density
Environmentally preferred materials	Includes efforts to steadily increase the percentage of recycled plastic used in manufacturing Lenovo products

Purposeful Packaging

Lenovo's packaging innovation and design is a key circular economy initiative to reduce unnecessary waste. Packaging engineers at Lenovo have made significant design and material changes to reduce waste and minimize resource use.

- Since 2008, Lenovo has eliminated over 3,100 tons of packaging consumption by weight. In FY 2019/20, we reduced packaging consumption by 560 tons. A few of the design innovations include:
  - Self-locking box bottom (eliminating the need for plastic tape)
  - Customized universal and reusable packaging for reshipping use
  - Compostable bamboo and sugar cane fiber packaging
  - Packaging size reduction to reduce waste and improve shipping efficiency

Manufacturing Innovations

Lenovo's global manufacturing business model combines JV partnerships, Company-owned operations, along with ODM capacity. This allows us to directly control our sustainability footprint and improve circular design within our own operations.

- At Lenovo, we implement the Responsible Business Alliance (RBA) Code of Conduct at our operations and with our suppliers. We perform rigorous health, safety and environmental assessments at all internal global manufacturing locations and key outsourced manufacturing suppliers. Ninety-eight percent of our procurement is with fewer than 100 large suppliers with a strong focus on ESG management and 90 percent of our suppliers issue public sustainability reports.

- Lenovo implemented a break-through low temperature solder (LTS) manufacturing process used in our PC manufacturing operations in 2017. The LTS process reduces CO_2 emissions by using less energy and heat in the process, reduces manufacturing fallout and improves the long-term product reliability. As of June 2019, Lenovo had shipped over 4 million notebooks manufactured on LTS lines and transitioned 100 percent of ThinkPad and 90 percent of IdeaPad notebooks to these processes. We're also expanding this technology to more parts, including the main board planar cards, memory, wireless, fingerprint cards, SSD and camera lines. Lenovo continues its drive towards manufacturing innovation to support a circular economy and we are looking for opportunities to expand our low temperature solder lines to additional platforms, which may include display, servers, desktop, and workstation products. In addition, in November 2019, we announced a strategic partnership with Schneider Electric to create smart green manufacturing solutions.

SMARTER CIRCULAR USE
Optimizing use of products & resources

Circular Services

Innovative circular business models are an important part of the transition to a circular economy. Lenovo offers customers service models and options to extend the life of their devices. When devices continue to be used by the original owner or subsequent owners, resources, energy, and pollution are saved. Customers need to have access to services that enable smarter circular use, and Lenovo has innovative circular business models to offer consumers.

- Lenovo Device as a Service (DaaS) allows Lenovo PC customers to pay for devices as they need them. The service model enables the customer to pause or return devices that are not being used. Lenovo manages the disposition of the devices at the end of the service life, which includes refurbishing for resale, parts harvesting for reuse or recycling.

- Motorola's strategic partnership with iFixit gives consumers an option to self-repair their devices to extend the life of the device. In 2018, Motorola began offering replacement parts through iFixit, the first major smartphone manufacturer to do so. Motorola and iFixit expanded the availability of replacement parts to European customers in 2019.

Energy-Efficient Products

Customers want energy-efficient products to help them save money and lessen the impact of energy consumption on the climate and environment. In addition to Lenovo-unique energy efficiency innovations, Lenovo collaborates with other OEMs, as well as industry stakeholder work groups to develop standards to support the development of more energy-efficient products.

- By designing our products to use less energy, we are preventing negative environmental and climate change impacts. Lenovo's products meet energy efficiency requirements in the United States, China, Japan, Europe and other jurisdictions. Lenovo participates in the US-based ENERGY STAR certification program with over 90 percent of our notebook platforms and monitors meeting this energy efficiency standard. Lenovo's Neptune™ technologies utilizes liquid-based cooling in our data center products. Lenovo Neptune also employs software and monitoring tools to effectively manage and control the cooling environment.

Green Packaging Solutions

Lenovo's circular packaging initiatives extend to its manufacturing and operations. Packaging elimination and keeping packaging in circulation saves resources, energy and eliminates waste. When reuse is not an option, Lenovo's facilities recycle packaging materials.

- Lenovo designed reusable, universal packaging that allowed a customer to use a standard box for multiple sizes of notebooks. The box was designed for a customer who was receiving notebooks at a central location and sending them out to the field. The customer needed a universal package that could accommodate the shipment of any sized notebook back to the central location. This design eliminated the need for the customer to keep multiple sizes of notebook packaging on hand and allowed for the same packaging to be reused for repeat shipments.

- The X1 Carbon notebook retail packaging was redesigned to reduce the size of the box and as a result we are able to increase the number of systems that can fit on a pallet from 48 to 96.

- Lenovo's packaging engineers designed a new notebook carton design that eliminates the need to tape the bottom of the carton. This results in a materials savings of over 19 kilometers of plastic tape a year and saves time in the manufacturing process.

Operating Efficiencies

A key part of Lenovo's circular economy activities is our commitment to reducing our global carbon footprint and improving operating efficiencies that reduce our resource use, including energy and water. Lenovo's climate change programs and strategies focus on energy and emissions reductions from our operations and facilities as well as our supply chain.

- In FY 2019/20, we achieved a 92 percent emissions reduction relative to FY 2009/2010. These reductions were achieved through energy-efficient projects, solar installations at our facilities and purchasing renewable energy certificates from projects in the United States, Brazil, China, India and Mexico. Our current solar capacity through solar installations in our facilities is 16MW. This past fiscal year, we expanded energy-efficient lighting systems, installed time and temperature controls, and improved HVAC and air compressor efficiency in two facilities.

- Lenovo's global logistics team continues to drive optimization in our logistics programs and strives to ship products in the most environmentally responsible manner. In FY 2019/20, we expanded the use of electric powered trucks for final mile delivery and equipment in our distribution centers in China. We created closed loops for recyclable packaging and introduced enhanced in-transit measurement of emissions through GPS.

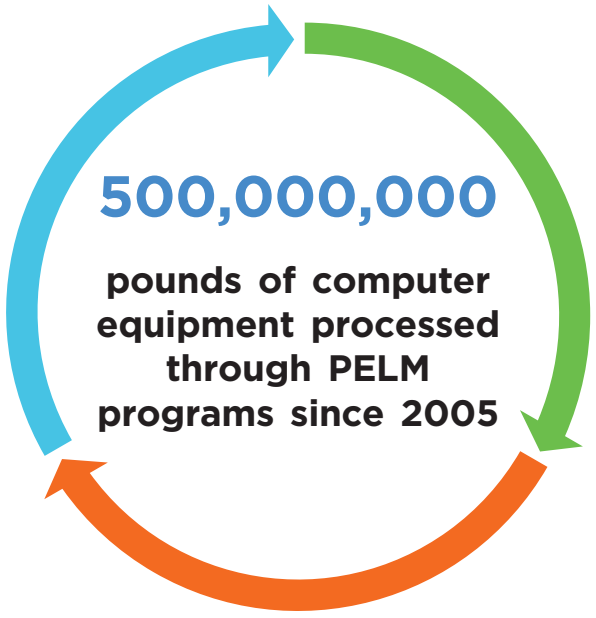
- Each year, Lenovo has an annual target of maintaining global water use within +/-5 percent of the previous year while the company continues to experience organic employee growth. Over time Lenovo has made efficiency investments at facilities, including the installation of a water reuse system in Brazil. In FY 2019/20, Lenovo began to track water risk indicators for the river basins where our facilities are located in order to better understand the watersheds the company operates within and to prioritize future water-related investments based on river basin context.

SMARTER CIRCULAR RETURN
Capturing resources & value

Global Circular Return

Keeping products and parts in secondary markets after repair and refurbishing or as raw materials in manufacturing is an important element of an effective circular economy strategy for the IT industry and Lenovo. We offer product take-back programs for household consumers and business customers in major markets. Within our operations at Lenovo, we are optimizing parts, returns and inventory circulation to minimize the need for new parts and materials within our global supply chain.

- Last fiscal year, Lenovo reached a milestone of processing over half a billion pounds of computer equipment since 2005 in our global Product End of Life Management (PELM) programs. Lenovo's PELM program is growing with over 63 million pounds processed in FY 2019/20 (28,685 metric tonnes processed).



- In our asset recovery services program for business customers, we are building our partners and processes to maximize the reuse potential of the customers' computer and server assets globally. Lenovo's suppliers follow the hierarchy of reuse first then recycle. Computer equipment that cannot be repaired and resold in secondary markets is evaluated for potential reuse of parts and components. Recycling of the products is the critical step to getting the raw materials back into circulation in the manufacturing of new products. Lenovo is growing our own use of closed-loop recycled plastics with 66 products containing this material in FY 2019/20.

8.0

Consolidated metrics, objectives and targets

Consolidated metrics

FY 2019/20 CONSOLIDATED METRICS

General Data

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Revenue (Millions USD)	$44,911	$43,035	$45,350	$51,038	$50,716

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Revenue by Geography					
Americas	30%	30%	31%	32%	32%
EMEA (Europe, Middle East, Africa)	26%	26%	28%	25%	25%
Asia Pacific (excluding China)	16%	16%	16%	19%	22%
China	28%	28%	25%	24%	21%

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Revenue by Business Group[1]					
IDG – PCSD	69%	70%	71%	75%	79%
IDG – MBG	19%	18%	16%	13%	10%
DCG	10%	9%	9%	12%	11%
Others	2%	3%	3%	–	–

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Research and Development					
Expenditures/Sales	3.32%	3.16%	2.81%	2.48%	2.63%

Employees, Health and Safety

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19[2]	FY 2019/20[2]
Number of Employees					
Total	48,975	46,163	45,754	57,000	63,000
	FY 2015/16	**FY 2016/17**	**FY 2017/18**	**FY 2018/19[3]**	**FY 2019/20**
Number of Employees by Region					
Americas (NA, LAm)	15%	15%	16%	16%	18%
Asia Pacific (excluding China)	8%	9%	9%	11%	12%
China	69%	66%	66%	65%	62%
EMEA (Europe, Middle East, Africa)	8%	9%	8%	8%	8%
	FY 2015/16	**FY 2016/17**	**FY 2017/18**	**FY 2018/19**	**FY 2019/20**
Percentage of Employees by Gender					
Male	66%	65%	65%	64%	64%
Female	34%	35%	35%	36%	36%
	CY 2015	**CY 2016**	**CY 2017**	**CY 2018**	**CY 2019**
Hours of training per manufacturing employee (including part-time employees)	35	35	35	35	35
	CY 2015	**CY 2016**	**CY 2017**	**CY 2018**	**CY 2019**
Incident Rates (work-related)					
Recordable Rate	0.1	0.07	0.09	0.03	0.03
Lost-Time Rate	2.69	0.5	1.5	0.03	0.03
Number of employee fatalities	0	0	0	0	0
Number of contractor fatalities	0	0	0	0	0
	CY 2015	**CY 2016**	**CY 2017**	**CY 2018**	**CY 2019[4]**
Number of OHSAS 18001 registered facilities	10	10	10	14	11

Communities and Philanthropy

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20[5]
Corporate Cash and Product Donations					
Lenovo Foundation and Donor advised funds	$404,000	$75,000	$819,000	$799,372	$482,887
China[6]	$411,000	$300,000	$378,516	$308,274	$5,440,440
North America	$1,080,000	$1,852,000	$1,375,000	$1,319,070	$4,648,665
Latin America[7]	$319,000	$15,000	$111,000	$155,674	$2,507,863
EMEA (Europe, Middle East, Africa)	$205,000	$114,000	$107,000	$159,621	$407,535
Asia Pacific (excluding China)[8]	$222,000	$126,000	$570,709	$148,500	$855,386
Global Disaster Response	0	0	$1,714,000	$260,350	$140,000

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Employee Volunteering Hours (through efforts sponsored by Lenovo)					
North America	>5,000	1,266	19,296	28,242	9,838.49
Rest of World	19,000	26,205	10,704	9,072	17,046
Estimated Value of Employee Volunteer Hours[9]	—	—	$1,300,000	$1,616,794	$1,156,022

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Employee Giving					
Lenovo Match of North America Employee Donations	$281,778	$352,654	$339,000	$380,854	$963,435
Lenovo Match of China and EMEA campaigns (Lenovo and Lenovo Foundation)	—	—	—	$59,775	$380,650
Total Contribution to Communities[10]					$14,482,776
Estimated value of community impact through philanthropy and volunteerism					$16,982,883

Environmental Data

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
GHG Emissions (metric tons CO_2 equivalent — MT CO_2e)					
Scope 1	7,068	8,294	6,371	6,031	7,766
Scope 2 (location-based)	228,493	213,637	193,760	201,321	162,597

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Total Scope 1 and Scope 2 (location-based)	235,561	221,931	200,131	207,352	170,363
Scope 2 (market-based)	203,041	185,400	176,800	26,029	23,852

Scope 3	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Business Travel	39,000	58,000	49,000	53,500	46,900
Product Transportation[11]	326,840	351,100	359,000	633,000	716,384
Emissions from Waste[12]	2,149	2,390	1,700	1,920	2,110
Employee Commuting	26,300	23,800	20,100	23,600	24,900
Purchased Goods and Services[13]	1,646,141	2,054,900	1,855,000	2,000,874	2,341,000
Fuel-and-Energy Related Activities (not included in Scope 1 or 2)[14]	14,664	12,300	11,900	12,100	10,385
Use of Sold Products[15]	12,000,000	11,600,000	11,847,000	12,885,000	13,669,000
End of Life Treatment of Sold Products[15]	290,000	280,000	271,000	273,500	274,000
Capital Goods[16]	227,700	101,000	246,000	127,500	446,500
Total	14,572,794	14,483,490	14,660,700	15,805,120	17,531,179

Emissions Intensity: GHG Emissions — Scope 1 and Scope 2 (location-based)	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
(metric tons per US$ million revenue)	5.25	5.16	4.41	4.06	3.36

Operational Energy Intensity Use — Scope 1 and Scope 2 (location-based)	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
(MWh per US$ million revenue)					
Fuel Combustion	0.74	0.94	0.77	0.61	0.69
Purchased Energy (electricity, steam, cooling)	6.97	6.74	6.57	6.20	5.77

Operational Energy Use — Scope 1 and Scope 2 (location-based) (MWh)	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Fuel Combustion	33,363.16	40,257.94	34,733.55	30,904.82	35,152.32
Purchased Energy (electricity, steam, cooling)[17]	313,027.41	290,112.63	298,019.77	316,482.68	292,645.18

Environmental Data

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Energy Consumption by Primary Energy Source					
(gigajoules)					
Fuel	120,107.39	144,929	125,041	111,257	126,548
Electricity	1,035,664.26	969,914	955,624	979,486	979,740
Steam	83,097.04	64,290	108,649	144,240	66,051
Cooling	8,137.37	10,202	8,599	9,016	7,731
Total	1,247,006.06	1,189,335	1,197,913	1,243,999	1,180,071

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Direct Energy Consumption by Source					
(Fuel Detail) (gigajoules)					
Gas/diesel oil (stationary combustion)	3,959	33,350	5,461	10,321	6,442
Natural gas (stationary combustion)	106,018	102,950	113,470	94,476	115,375
Liquefied petroleum gas (LPG) (stationary combustion)	5,661	4,696	3,087	2,550	1,628
On road diesel fuel (mobile combustion)	1,015	1,088	948	955	801
Gasoline/petrol (mobile combustion)	1,962	1,838	1,835	1,703	1,112
Liquefied petroleum gas (LPG) (mobile combustion)	534	273	240	188	260
Compressed natural gas (CNG) (mobile combustion)	1	—	—	—	—
Jet Kerosene (mobile combustion)	956	734	—	1,064	930
Total	120,107	144,929	125,041	111,257	126,548

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Global GHG Emissions by Markets					
(location-based) (MT CO_2e)					
Scope 1					
Brazil	474.14	2,442.77	13.14	20	340
China	3,904.16	3,275.32	3,765.29	3,860	3,190
Germany	441.60	459.70	667.35	1,047	652
India	81.97	62.26	54.06	45	84
Japan	324.05	325.32	322.30	268	191
Mexico	101.71	73.32	73.39	80	625
Taiwan	0	0	0	177	0
United States	1,278.68	1,210.76	1,129.80	254	2,484
Rest of the World[18]	461.33	444.54	345.54	279	200

Environmental Data

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Scope 2 (location-based)					
Brazil	2,111.05	1,767.91	2,089.96	1,997	1,566
China	175,102.84	169,055.32	153,233.45	161,087	124,336
Germany	1,764.50	1,784.78	1,684.90	1,761	1,612
India	4,399.98	3,929.03	3,435.42	3,058	2,914
Japan	5,982.48	5,660.41	5,298.89	5,047	5,754
Mexico	3,436.61	3,990.51	3,273.10	3,462	5,029
Taiwan	1,906.53	1,714.77	2,167.49	2,231	2,091
United States	29,090.31	20,973.74	18,297.63	18,615	15,220
Rest of the World[18]	4,698.77	4,760.80	4,279.26	4,062	4,075

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Renewable Energy					
Solar Energy (MWh)	221	1,607	3,713	3,938	4,226
Generation Capacity (MW)[19]	0.3	5.5	5.5	12.42	16

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Water					
(Megaliters)[20]					
Withdrawal[21]	1,366.83	1,429.61	1,385.08	1,391.30	1,307
Withdrawal from Areas with Water Stress[22]	n/a	n/a	n/a	n/a	322
Discharge	1,298.43	1,351.41	1,260.99	1,256.40	1,183
Discharge from Areas with Water Stress[22]	n/a	n/a	n/a	n/a	298
Consumption	68.402	78.205	124.094	134.9	124
Consumption from Areas with Water Stress[22]	n/a	n/a	n/a	n/a	24
Wastewater Exceedances	0	0	0	0	0

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Waste					
(Metric Tons)[23]					
Reused/Recycled/Resold	34,810	38,349	39,093	38,217	36,375
Waste to Energy (WTE)	92	164	1,455	1,586	1,745
Incinerate	611	374	312	2,156	2,576
Landfill	4,529	5,146	3,517	3,481	2,327
Total Non-Hazardous Waste	40,042	44,033	44,377	45,439	43,023
Total Hazardous Waste	79	68	75	66	74

	CY 2015	CY 2016	CY 2017[25]	CY 2018[25]	CY 2019
Product End-of-Life Management (PELM) Disposition					
(Metric Tons)[24]					
Reused[25]	778	710	918	652	1,557
Recycled[25]	14,620	26,569	22,808	18,919	24,856
Waste to Energy (WTE)	507	907	826	845	987
Incinerate	804	233	284	338	1,126
Landfill	1,891	656	336	255	159
Total	18,600	29,075	25,171	21,010	28,685

Environmental Data

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Product Take Back (PTB) Disposition (Metric Tons)[24]					
Reused	375	164	299	309	1,023
Recycled	14,128	25,445	22,194	18,589	24,112
Waste to Energy (WTE)	502	906	826	845	987
Incinerate	134	233	270	338	1041
Landfill	348	644	318	254	143
Total	15,487	27,392	23,907	20,334	27,306
Use of Recycled Plastics in Products (pounds)	**CY 2015**	**CY 2016**	**CY 2017**	**CY 2018[26]**	**CY 2019**
Plastics Containing Recycled Content (PCRC)	20,597,606	15,802,979	13,994,678	17,102,170	17,022,768
Net Post Consumer Recycled Content (PCC)	11,622,364	10,204,469	9,112,367	12,207,609	12,876,734
Net Post Industrial Recycled Content (PIC)	6,724	0	0	0	0
ENERGY STAR® Certified Products Availability (% of product)	**CY 2015**	**CY 2016**	**CY 2017**	**CY 2018**	**CY 2019**
Notebook Platforms	100%	98%	100%	92%	93%
Desktop Platforms	90%	94%	99%	97%	97%
Workstation Platforms	76%	78%	78%	80%	90%
Server Platforms	92%	91%	91%	90%	94%
Monitors[27]	97%	98%	100%	98%	94%

FOOTNOTES:

1. In the Spring of 2018, the Intelligent Devices Group (IDG) was created through a combination of the PC & Smart Devices Group (PCSD) and Mobile Business Group (MBG). As a result of this change, the intelligent Devices Group (IDG), Data Center Group (DCG) now comprise the company's three major business units.
2. Total number of employees includes Lenovo employees (regular and supplemental) and contractors. Restating total number of employees reported in FY 18/19 due to correction.
3. Restating total number of employees by region reported in FY 18/19 due to correction.
4. Lenovo manufacturing went through a consolidation period in 2018. This resulted in the closure of two certified China locations reported in 2019.
5. All Geographies in-region and corporate budgets include giving towards COVID-19 relief efforts. Total contribution in FY19/20 from Lenovo was $6,656,490.50.
6. Total FY 2019/20 contribution from China region reflects the creation of Lenovo Foundation Beijing.
7. FY 2019/20 increase in Latin America giving reflects tracking of the Motorola Brazil tax incentive program.
8. Total contribution in Asia Pacific includes Lenovo's commitment to the India Companies Act.
9. Estimated value of employee volunteer hours in FY 2019/20 is calculated based off an entry level hourly wage of $43 per hour.
10. Total FY 2019/20 contribution to communities through cash contributions and matches, and product donations refers to employee donations. While estimated value of community impact through philanthropy and volunteerism refers to the cost of employee's time being spent on volunteering.
11. 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).
12. Emissions from waste include non-hazardous waste, hazardous waste and waste water from all manufacturing, R&D locations and some large offices. No product waste is included.

13. Purchased goods and services include suppliers covering 93% of direct global suppliers spend. The RBA Carbon and Water Reporting Tool was used for collection of supplier data. Data was allocated based on revenue. Restating FY 2018/19 figures to reconcile result identified through an internal supplier audit.
14. 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.
15. 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.
16. 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.
17. Approximately less than 1% of purchased energy (electricity) is estimated based upon energy use at similar Lenovo facilities with metered usage.
18. Brazil, China, Germany, India, Japan, Mexico, Taiwan and United States 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).
19. Renewable energy generation capacity includes electric solar panels in Hefei and Wuhan China; Morrisville and Whitsett, NC, USA and hot water solar panels in Beijing, China.
20. Water data includes manufacturing, research & development sites and some large offices.
21. In FY 2017/18, the term "water use" was replaced with "water withdrawal", however, what is being measured is unchanged. In FY 2019/20, the majority of water withdrawals were from third-party sources with a small amount sourced directly from groundwater. Any rainwater collection is minor and thus not included in these numbers.
22. Areas with water stress are areas with high or extremely high baseline water stress according to World Resources Institute's Aqueduct Water Risk Atlas. Withdrawal, discharge and consumption values reported for areas with water stress are a subset of the withdrawal, discharge and consumption values reported in the previous rows.
23. Waste data includes site waste from manufacturing, processes and operations, research & development sites, and some large offices. Waste from products is reported separately.
24. 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.
25. Due to new available data, the total metric tons reported for calendar years 2017 and 2018 have been restated from the totals reported in previous reports. The revised total processed volume in 2017 is 25,170.63 metric tons and in 2018 the total processed is 21,009.86 metric tons.
26. Restating totals due to miscalculation error in CY 2018.
27. The 2019 decrease in total for monitors can be attributed to a few high end gaming displays that could not meet the Energy Star requirements and Lenovo's decision to not to certify some select low cost displays.

FY 2019/20 PERFORMANCE

Product Aspects

Target Type	Objectives	Key Performance Indicator(s)	Target(s)	Status
Packaging	Minimize packaging material consumption while driving the use of environmentally sustainable materials.	Availability of bulk packaging	Support bulk packaging for DCG products and/or options.	Target met
		Weight or volume reduction	Achieve 5% reduction in weight or volume for at least one product.	Target partially met
	Increase more eco-friendly content of packaging.	% Recycled content	Move packaging corrugated box material recycled content to more than 50% in MTY MX.	Target met
			Introducing HRC (high recycled content) PE 1.7 PCF material to more products and options worldwide.	Target met
			Increase use of 100% PCC cushion by 10% based on shipping volumes relative to previous year.	Target partially met
			Packaging box material recycled content must be at least 60% or greater for all new phone products released in FY19/20.	Target met
		Biodegradable/ compostable packaging	Identify one new Lenovo product for which to implement use of 100% biodegradable/compostable packaging.	Target met

Target Type	Objectives	Key Performance Indicator(s)	Target(s)	Status
Product energy consumption	Drive reduction in product energy use.	Energy efficiency	New products must show improved energy efficiency relative to the previous generation of the product.[1]	Target met
			Enable industry best practices to reduce energy waste and improve efficiency on new products where technically and financially feasible.	Target met
			Finalize Scope 3 (use of sold products) science based targets for submission by September 30, 2019 in support of establishment of Lenovo's science based targets.	Target met
		Regulatory and voluntary energy standard compliance	Ensure all products are compliant with regulatory requirements and select products are compliant with preferred energy standards.	Target met
		Lowest Power Mode limits	For products requiring IEEE 1680.1 registration, ensure applicable product meets Lowest Power Mode limits per the requirements and exceptions allowed in the IEEE 1680.1 standard.	Target met
	Quantify lifecycle CO_2e emissions associated with the use of Lenovo products.	PCF (kg CO_2e)	Continue to support external development of PCF methodologies and standards through membership and participation in key organizations.	Target met
			Ensure product carbon footprint is published for all new Lenovo products.[2]	Target met
			Begin calculating PCF for newly released servers by April 1, 2019.[3]	Target met
			Perform LCA (life-cycle assessment) for one Lenovo selected product by September 1, 2019.	Target met

Target Type	Objectives	Key Performance Indicator(s)	Target(s)	Status
Product materials[1, 4, 5, 6]	All products across all business units shall contain some Post Consumer Recycled Content (PCC) Plastic.	PCC in product/ external enclosure	All newly released DT, AIO, workstation, notebook, tablet, visual and accessory products shall contain a minimum of 2% PCC in product.	Target met
			Explore opportunities for PCC usage for MBG products.	Target NOT met
			All newly released server products shall contain minimum of 10% PCC in external enclosure.[7]	Target met
		Closed-loop PCC supplier, material, usage in products	Each BU[8] to implement use of closed loop PCC in at least one product by March 31, 2020.	Target met
	Sustain technological advances and maintain portfolio relative to low halogen products. Monitor and respond to market requirements in this area.	Low halogen parts	For products requiring IEEE 1680.1 registration, ensure each plastic part in the product exceeding 25 g 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 standard.	Target met
			Upon customer request make available external PVC-free cable.	Target met
Site Location				
Site air emissions	Absolute reduction in CO_2e emissions from Lenovo operations worldwide.	Metric tons CO_2e	Reduce Lenovo's global Scope 1 + Scope 2 GHG emissions by 40% by March 31, 2020, relative to FY 2009/10[9].	Target exceeded
			LME, GRE, LCRE and GEA will establish global action plans to reduce combined Scope 1 and Scope 2 GHG emissions by 40% by March 31, 2020, relative to FY 2009/10. The plan will be reviewed and updated annually, at a minimum.[9]	Target met
		Science-based targets criteria evaluation	Submit Lenovo's science-based targets proposal for official evaluation by Science Based Target initiatives by December 31, 2019.	Target partially met

Target Type	Objectives	Key Performance Indicator(s)	Target(s)	Status
Site energy consumption	Maximize energy efficiency and minimize CO_2e emissions associated with the development, manufacture and delivery of Lenovo products.	Renewable energy generation capacity (MW)	Achieve 30MW of Lenovo owned or leased renewable energy generation capacity globally by 2020.	Target partially met — Progress being made but significant challenges exist to achieve 2020 target.
		% total energy from RE sources	Achieve a YTY increase in energy purchased from renewable generation sources globally, relative to the previous FY.[10]	Target met
		Energy consumption in kWh per million US$ revenue	Achieve YTY improved energy intensity[11] index at manufacturing sites globally, relative to the previous FY.	Target met
		Electricity consumption in kWh per employee	Achieve YTY improved electricity intensity[12] at R&D and office sites globally, relative to the previous FY.	Target met
Waste management	Minimize environmental impacts associated with solid waste generated from Lenovo operations and products.	% nonhazardous solid waste recycled	Maintain a global nonhazardous waste recycling rate > 90% (+/-5%).[13]	Target met
Water management	Minimize environmental impacts associated with water use and water discharge from Lenovo operations and products.	m^3 water	Total global water withdrawal will be +/- 5% of FY 2018/19.	Target met
		m^3 wastewater	Total global water withdrawal will be +/- 5% of FY 2018/19.	Target met
Supply Chain				
Product end of life management	Provide product recycling programs and recycling related information that meets or exceeds local legal requirements wherever we do business.	Geo readiness for registration to new IEEE 1680.1 standard	For geos requiring 1680.1 product registration, ensure requirements for end-of-life processing are met with required documentation in place.	Target met

Target Type	Objectives	Key Performance Indicator(s)	Target(s)	Status
Supplier environmental performance	Monitor and drive environmental impact reductions in the Lenovo supply chain.	Climate change reduction targets	Require climate change reduction targets for at least 85% of Lenovo direct suppliers based on procurement spend.	Target met
		Emissions (Scope 1+2) per million US$ procurement spend	Reduce the supplier emission intensity 25% by 2025 relative to a 2015 base year.	Target reset
		IEEE 1680.1 (EPEAT) points	Drive improvements in supplier ISO 14001, ISO 50001 and EMS reporting to support BUs in obtaining optional IEEE 1680.1 points.	Target met
	Minimize potential environmental impact of Lenovo's suppliers.	Completion on time	Complete RBA and Cat 3 environmental audits on time per Lenovo requirements.	Target partially met
Transportation	Drive collaborative environmental efforts in Lenovo's global logistics	Varies	Enhance logistics global GHG emission measurement to have trackable achievements.	Target met
			Drive internal decision making & external carrier engagement to build Lenovo logistics green leadership.	Target met
			Drive network optimization and technical solutions from packaging & recycling to reduce emissions.	Target met

FOOTNOTES:

Note 1: 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.

Note 3: For general purpose products. Hyperscale products have exemption.

Note 4: Availability of PCC plastics can be determined through consultation with environmental affairs and/or suppliers on the Lenovo Approved PCC Supplier list.

Note 5: 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. PCC shall be used when technical specifications and cost parity are met.

Note 6: PCC percentage is calculated using EPEAT methodology.

Note 7: If product not being registered to EPEAT, PM2 is N/A. If product is being registered to EPEAT, exemptions allowed per EPEAT requirements.

Note 8: Optional for servers and phones.

Note 9: These goals 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 credits and carbon offsets.

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: Electricity intensity is electricity consumption in kWh per employee.

Note 13: Percent of nonhazardous solid waste disposed of through reuse, recycle or incineration with energy recovery.

FY 2020/21 OBJECTIVES AND TARGETS

Product Aspects

Target Type	Objectives	Target(s)
Packaging	Minimize packaging material consumption while driving the use of environmentally sustainable materials.	Support bulk packaging for DCG products and/or options.
		Achieve 5% reduction in weight or volume for at least one product.
	Increase more eco-friendly content of packaging.	Move packaging corrugated box material recycled content to more than 50% in MTY MX.
		Introducing HRC (high recycled content) PE 1.7 PCF material to more products and options WW.
		Meet Bronze level packaging recycled content requirements of NSF/ANSI 426 for ThinkSystem SR630.
		Increase use of 100% PCC cushion by 10% based on shipping volumes relative to previous year.
		Packaging box material recycled content must be at least 60% or greater for all new phone products released in FY20/21.
		Identify one new Lenovo product for which to implement use of 100% biodegradable/compostable packaging.
Product Energy	Drive reduction in product energy use.	New products must show improved energy efficiency relative to the previous generation of the product.[1]
		Enable industry best practices to reduce energy waste and improve efficiency on new products where technically and financially feasible.
		For products with preferred energy standards such as ENERGY STAR® listed in the marketing requirements document (MRD), ensure that all requirements are met prior to product announcement.
	Drive product emissions reductions from use of sold products.	Reduce scope 3 GHG emissions from use of sold products 25% per comparable product (for notebooks, desktops and servers) by FY 2029/30 from a FY 2018/19 base year.
	Quantify lifecycle CO_2e emissions associated with the use of Lenovo products.	Ensure product carbon footprint is published for all new Lenovo products.[2]
		Develop and establish Lenovo internal LCA platform before March 31, 2021.[3]
		Perform LCA (life-cycle assessment) for at least one Lenovo selected product by March 31, 2021.[4]
Products Materials[1, 5, 6, 7]	All products across all business units shall contain some Post-Consumer Recycled Content (PCC) Plastic.	New DT, AIO, workstation, notebook, tablet, visual and accessory products shall contain a minimum of 2% or more PCC in product.
		Explore opportunities for PCC usage for MBG products.
		New server products shall contain minimum of 10% or more PCC in external enclosure.[8]
		Implement use of closed loop PCC in DT, AIO, workstation, notebook, tablet, visual, accessory, server and phone products.
	Sustain technological advances and maintain portfolio relative to low halogen products. Monitor and respond to market requirements in this area.	For products requiring IEEE 1680.1 registration, ensure each plastic part in the product exceeding 25 g 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 standard.
		Upon customer request, make available external PVC-free cable.

Target Type	Objectives	Target(s)
Location Aspects		
Site Air Emissions	Absolute reduction in CO_2e emissions from Lenovo operations worldwide.	SAE1 — Reduce absolute scope 1 and 2 GHG emissions 50% by FY 2029/30 from a FY 2018/19 base year.[9]
Site Energy Consumption	Maximize energy efficiency and minimize CO_2e emissions associated with the development, manufacture and delivery of Lenovo products.	Achieve 30MW of Lenovo owned or leased renewable energy generation capacity globally by 2020.[10]
		Achieve a YTY increase in energy purchased from renewable generation sources globally, relative to the previous FY.[11]
		Achieve YTY improved energy intensity[12] index at manufacturing sites globally, relative to the previous FY.
		Achieve YTY improved electricity intensity[13] at R&D and office sites globally, relative to the previous FY.
		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]
Waste Management	Minimize environmental impacts associated with solid waste generated from Lenovo operations and products.	Maintain a global non-hazardous waste recycling rate > 90% (+/- 5%).[15]
Water Management	Minimize environmental impacts associated with water withdrawal and water discharge from Lenovo operations and products.	Total global water withdrawal will be +/-5% of FY 2019/20.
		Total global wastewater generation will be +/-5% of FY 2019/20.
Supply Chain Aspects		
Product End of Life Management	Minimize the environmental impact of Lenovo products at end of life.	For geos requiring 1680.1 and NSF/ANSI 426 product registration, ensure requirements for end-of-life processing are met with required documentation in place.
		Transition Category 3 supplier audits to approved third party auditors in appropriate geos.
Supplier Environmental Performance	Monitor, drive and minimize environmental impact in the Lenovo supply chain.	Require water and waste public goals for at least 85% of Lenovo direct suppliers based on procurement spend.
		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.
		Achieve 65% of Lenovo direct suppliers based on procurement spend to be ISO 50001 certified (at least one suppliers' manufacturing location).
		Achieve 85% of Lenovo direct suppliers based on procurement spend to report to the CDP climate change questionnaire.
Transportation	Drive collaborative environmental efforts in Lenovo's global logistics.	Strengthen emission measurement & tracking.
		Deliver Green Leadership through internal & external engagement.
		Develop technical solutions and expand optimization efforts to more regions.
		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.

Target Type	Objectives	Target(s)
Product, Location and Supply Chain Aspects		
Circular Economy	Preparedness for increased circular material and product flow approach including reuse, reduce, recycle, refurbish, recovery, repair, remanufacture, redistribute and maintain.	Evaluate circular economy concept readiness.

FOOTNOTES:

Note 1: 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: Ready to use for all product categories.

Note 4: Notebook and accessories 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. PCC shall be used when technical specifications and cost parity are met.

Note 7: PCC percentage is calculated using EPEAT methodology.

Note 8: If product not being registered to EPEAT, PM3 is not applicable for server product. 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: Committed is acceptable.

Note 11: 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 12: Energy intensity index is energy consumption in kWh per production volume.

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

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

Note 15: Percent of nonhazardous solid waste disposed of through reuse, recycle or incineration with energy recovery.

9.0 Appendix

LENOVO'S GLOBAL ESG RECOGNITION

2020 WORLD'S MOST ADMIRED COMPANIES
FORTUNE

2019 GOLD RATING IN CSR
EcoVadis

2020 GENDER - EQUALITY INDEX
Bloomberg

2019 CONSTITUENT
FTSE4Good Index Series

2020 CARBON CLEAN 200™
Clean 200

2019 RATING: AA
Hang Seng Corporate Sustainability Index

Hang Seng Corporate Sustainability Index

PLATINUM AWARD IN CORPORATE GOVERNANCE SUSTAINABILITY AND SOCIAL RESPONSIBILITY REPORTING AWARD
Hong Kong Institute of Certified Public Accountants

PLATINUM AWARD
LENOVO

2020 BEST PLACES TO WORK
Human Rights Campaign Foundation

BEST PLACES TO WORK 2020 for LGBTQ Equality
100% CORPORATE EQUALITY INDEX

2019 OVERALL ESG SCORE: LEADER
SUSTAINALYTICS

SUSTAINALYTICS

2020 MOST SUSTAINABLE CORPORATIONS IN THE WORLD
GLOBAL 100

Most Sustainable Corporations in the World
2020 GLOBAL 100

REFERENCE DOCUMENTATION

The list below contains hyperlinks to the web pages and other references included throughout this report. If you are reading this as a printed document, you may get to these links by opening this ESG Report on Lenovo's website at: https://investor.lenovo.com/en/sustainability/sustainability_reports.php.

Lenovo maintains the policies, certifications, verification statements and other documents mentioned in this report on the ESG website. To access these resources, please visit https://www.lenovo.com/us/en/sustainability-resources.

SECTION 1.0

Our global response to COVID-19

Sprinting to Bring Tech to Emergency Hospitals in Wuhan, China: https://news.lenovo.com/sprinting-to-bring-tech-to-emergency-hospitals-in-wuhan-covid-19/

Supercomputers, Genome Sequencing, and the Race to Decode Coronavirus: https://news.lenovo.com/supercomputers-genome-sequencing-race-to-decode-coronavirus-bgi/

Lenovo Donates $1.4 Million to Provide Online Education for Students in Hubei: https://news.lenovo.com/lenovo-donates-1-4-million-to-provide-online-education-for-students-in-hubei-china/

Zero Exclusion: Lenovo Answers Italian Appeal for Student PCs: https://news.lenovo.com/zero-exclusion-lenovo-answers-italian-appeal-for-student-pcs/

Donated PCs Help Refugee & Immigrant Students Adapt and Finish School Year Strong: https://news.lenovo.com/donated-pcs-help-refugee-immigrant-students-adapt-finish-school-year-strong/

The Lenovo Foundation: https://www.motorola.com/us/about/motorola-mobility-foundation

Lenovo's Response to COVID-19: https://news.lenovo.com/lenovo-responds-to-covid-19-message-from-ceo-yuanqing-yang/

Transforming Global Manufacturing to Protect Workers and Serve Customers During COVID-19: https://news.lenovo.com/transforming-global-manufacturing-to-protect-workers-and-serve-customers-during-covid-19/

Logistics in the Time of Coronavirus: How Lenovo Adapts to an Ever-Changing Landscape: https://news.lenovo.com/logistics-in-the-time-of-coronavirus-how-lenovo-adapts-to-an-ever-changing-landscape/

Building a diverse and inclusive organization

Smarter Embraces Different: Lenovo Builds Momentum in Diversity and Inclusion: https://news.lenovo.com/smarter-embraces-different-lenovo-builds-momentum-in-diversity-and-inclusion/

Lenovo Featured on Bloomberg and Human Rights Campaign Foundation Equality Indexes: https://news.lenovo.com/pressroom/press-releases/lenovo-featured-on-bloomberg-and-human-rights-campaign-foundation-equality-indexes/

Forbes China: 50 Top Women In Tech: https://www.forbes.com/sites/russellflannery/2020/07/06/forbes-china-50-top-women-in-tech/#3daf59864c05

Innovating a smarter future for all

Introducing Lenovo's First Accessibility and Inclusion Advisor: https://news.lenovo.com/pressroom/press-releases/introducing-lenovos-first-accessibility-and-inclusion-advisor-haben-girma/

Lenovo Signs up to The Valuable 500 Commitment and Pledges to Put Disability Inclusion on the Business Agenda: https://news.lenovo.com/pressroom/press-releases/lenovo-signs-valuable-500-commitment-pledges-disability-inclusion-on-business-agenda/

Digital Declaration signatories: companies' response to COVID-19: https://www.digitaldeclaration.com/#signatories

Lenovo Transforms Traditional Form Factors That Embrace A Foldable Future and Launches World's First 5G PC: https://news.lenovo.com/pressroom/press-releases/lenovo-transforms-traditional-form-factors-that-embrace-a-foldable-future-and-launches-worlds-first-5g-pc/

Lenovo Unveils Preview of the World's First Foldable PC in ThinkPad X1 Family: https://news.lenovo.com/pressroom/press-releases/worlds-first-foldable-pc-thinkpad-x1-fold-ushers-in-a-new-era-of-mobile-computing/

AI-Driven Analysis Revolutionizes Early-Stage Tumor Removal: https://news.lenovo.com/ai-analysis-revolutionizes-early-stage-tumor-removal-techsomed/

Smarter Data Helps Farmers Rapidly Adapt to Climate Change: https://news.lenovo.com/nc-state-smarter-data-helps-farmers-rapidly-adapt-to-climate-change/

Science Based Target Initiative: https://sciencebasedtargets.org/

Shaping Lenovo's technology to create a better world:

CDP Sustainability Ranking: Lenovo Recognized at Leadership Level: https://news.lenovo.com/pressroom/press-releases/cdp-sustainability-ranking-lenovo-recognized-at-leadership-level/

Portable, Powerful ThinkPads Enable Marine Science and Conservation: https://news.lenovo.com/portable-powerful-thinkpads-enable-marine-science-conservation-hydrous/

How Disruptive Technology is Revolutionizing Healthcare: https://news.lenovo.com/how-disruptive-technology-is-revolutionizing-healthcare/

SECTION 2.0

FY 2019/20 Annual Report: https://investor.lenovo.com/en/publications/reports.php

United Nations Global Compact: https://www.unglobalcompact.org/

United Nations Sustainable Development Goals: https://www.unglobalcompact.org/sdgs

SECTION 3.0

Motorola Mobility LLC (Motorola): https://www.motorola.com/us/about

ISO 27001: https://www.lenovo.com/us/en/compliance/iso-27001

Lenovo Employee Code of Conduct: https://static.lenovo.com/ww/docs/sustainability/lenovo-code-english-final-v7.pdf

Lenovo Investor Relations website: https://investor.lenovo.com/en/global/home.php

SECTION 4.0

ISO 9001: https://www.lenovo.com/us/en/compliance/iso-9001

Lenovo Quality Policy: https://www.lenovo.com/us/en/lenovo/about/quality

Lenovo's Product Safety and Ergonomics Policy is available at: https://www.lenovo.com/us/en/social_responsibility/Lenovo-Policy-Product-Safety-and-Ergonomics.pdf

Lenovo's accessibility policy: https://www.lenovo.com/us/en/compliance/accessibility-conformance

Lenovo Compliance documents: https://www.lenovo.com/us/en/sustainability-resources#res4

Lenovo's "Eye Care Mode" tool: www.lenovo.com/us/en/blue-light

SECTION 5.0

ISO 14001 Environmental Management Systems certification: https://www.lenovo.com/us/en/compliance/iso-14001

ISO 50001 Energy Management Systems certification: https://www.lenovo.com/us/en/compliance/iso-50001

China Ministry of Industry and Information Technology announcement: https://news.lenovo.com/pressroom/press-releases/top-companies-going-green-in-china-for-manufacturing-supply-chain-innovation/

Conflict Minerals Report: https://static.lenovo.com/ww/docs/sustainability/lenovo_responsible_minerals_sourcing_updates%20%20cy2019_final.pdf

Gartner Top 25 announcement: https://www.gartner.com/en/newsroom/press-releases/2020-05-20-gartner-announces-rankings-of-the-2020-supply-chain-top-25

Lenovo Supplier and Manufacturing location list: https://static.lenovo.com/ww/docs/sustainability/lenovo-list-mfg-sites-and-suppliers.pdf

Supplier Diversity website: For more information, please visit our Supplier Diversity webpage at: https://www.lenovo.com/us/en/sustainability-supplier-diversity

Lenovo and Schneider Electric partnership announcement: https://news.lenovo.com/pressroom/press-releases/lenovo-and-schneider-electric-announce-strategic-partnership-to-work-on-smart-green-manufacturing/

SECTION 6.0

DIVERSITY AND INCLUSION:

2019 Diversity and Inclusion Report: https://www.lenovo.com/us/en/about/diversity

GROWING OUR TALENT

Lenovo's Early Career Development programs: https://www.lenovo.com/us/en/about/diversity/programs

SOCIAL IMPACT:

Jangala: https://www.janga.la/

Big Box: https://www.janga.la/big-box

Women's Forum for the Economy and Society: http://www.womens-forum.com/

Lenovo Foundation: https://www.motorola.com/us/about/motorola-mobility-foundation

A Smarter Response to COVID-19

Complimentary LanSchool Air licenses to help lessen the impact of Coronavirus closures: https://lanschool.com/lp/complimentary_lsa_covid19/

Lenovo Announces Strategic Partnership with SentinelOne: https://news.lenovo.com/pressroom/press-releases/partnership-with-sentinelone-enhancing-thinkshield-ai-powered-endpoint-security/

Lenovo Donates $1.4 Million to Provide Online Education for Students in Hubei Province: https://news.lenovo.com/lenovo-donates-1-4-million-to-provide-online-education-for-students-in-hubei-china/

Sprinting to Bring Tech to Emergency Hospitals in Wuhan, China: https://news.lenovo.com/sprinting-to-bring-tech-to-emergency-hospitals-in-wuhan-covid-19/

Supercomputers, Genome Sequencing, and the Race to Decode Coronavirus: https://news.lenovo.com/supercomputers-genome-sequencing-race-to-decode-coronavirus-bgi/

SECTION 7.0

ISO 14001: https://www.lenovo.com/us/en/compliance/iso-14001

ISO 50001: https://www.lenovo.com/us/en/compliance/iso-50001

GHG and Energy Verification Statement: https://www.lenovo.com/us/en/sustainability-resources#res3

Water Verification Statement: https://www.lenovo.com/us/en/sustainability-resources#res3

Waste Verification Statement: https://www.lenovo.com/us/en/sustainability-resources#res3

Climate Change Strategy, Objectives and Targets: https://www.lenovo.com/us/en/sustainability-climate-change

US EPA Top 30 Tech & Telecom Green Power Partner: https://www.epa.gov/greenpower/green-power-partnership-top-30-tech-telecom-0

Science Based Targets Initiative: www.sciencebasedtargets.org

We Mean Business: https://www.wemeanbusinesscoalition.org/

Green Freight Alliance: https://www.smartfreightcentre.org/en/news/lenovo/1428/

MATERIAL TOPIC BOUNDARIES*

*See page 10 for scope of coverage details.

	Product Development	Supply Chain	Manufacturing	Sales & Marketing	Distribution	Use/ End of Life	Communities	ESG Report Scope of Coverage
Environmental								
Emissions/Climate Change	●	●	●	●	●	●	●	Lenovo, Motorola, LCFC, Medion, NEC PC, FCCL
Energy	●	●	●	●	●	●	●	Lenovo, Motorola, LCFC, Medion, NEC PC, FCCL
Product Packaging and Materials	●	●	●	●	●	●		Lenovo, Motorola, LCFC, Medion, NEC PC, FCCL
Waste/Recycling	●	●	●	●	●	●	●	Lenovo, Motorola, LCFC, Medion, NEC PC, FCCL
Water	●	●	●				●	Lenovo, Motorola, LCFC, Medion, NEC PC, FCCL
Social								
Community/Philanthropy	●		●	●	●		●	Lenovo, Motorola
Diversity and Inclusion	●	●	●	●	●		●	Lenovo, Motorola
Human Rights	●	●	●	●			●	Lenovo and Motorola are fully incorporated into Lenovo's corporate programs in this area.
Safety	●	●	●	●	●	●	●	Lenovo, Motorola, NEC PC
Governance								
Economic Performance	●	●	●	●	●	●	●	See pages 4-5: FY 2019/20 Annual Report
Ethics/Integrity	●	●	●	●	●	●	●	Lenovo and Motorola are fully incorporated into Lenovo's corporate programs in this area.
Data Privacy/Security	●	●	●	●		●	●	Lenovo, Motorola, other subsidiaries have unique programs aligned with Lenovo's program.
Product Quality	●	●	●	●		●		Lenovo, Motorola
Regulatory/Compliance	●	●	●	●	●	●		Lenovo, Motorola
Technology and Innovation	●	●	●	●	●	●	●	Lenovo, Motorola

THE U.N. GLOBAL COMPACT COMMUNICATION ON PROGRESS

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, labour, environment, and anti-corruption. Lenovo became a signatory to the U.N. Global Compact in 2009 and our Chairman and CEO, Mr. Yang Yuanqing, continues to fully endorse and support its principles. This report serves as Lenovo's 2019/20 Communication on Progress.

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;	See pages: 5, 7, 14–15, 50, 53–54, 64–65
Principle 2: make sure that they are not complicit in human rights abuses.	See pages: 5, 7, 14–15, 50, 53–54, 64–65

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	See pages 14–15, 65, 75
Principle 4: the elimination of all forms of forced and compulsory labour;	See pages: 14–15, 56, 64–65
Principle 5: the effective abolition of child labour; and	See pages: 14–15, 56, 64–65
Principle 6: the elimination of discrimination in respect of employment and occupation.	See pages: 14–15, 24, 52, 54, 69

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;	See pages: 14–15, 50–59, 109–110
Principle 8: undertake initiatives to promote greater environmental responsibility; and	See pages: 14–15, 50–59, 90–127
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	See pages: 14–15, 106–118

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	See pages: 14–15, 23–24, 54–59, 64–65

GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s) and/or reference material(s)	URL and/or reference material(s)
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	**Organizational profile**		
	102-1 Name of the organization	Cover page, 10, 18	
	102-2 Activities, brands, products, and services	18	
	102-3 Location of headquarters	10	
	102-4 Location of operations	10, 90-91	
	102-5 Ownership and legal form	FY 2019/20 Annual Report: 67, 124	https://investor.lenovo.com/en/publications/reports.php
	102-6 Markets served	18	
	102-7 Scale of the organization	18, 130-131	
	102-8 Information on employees and other workers	131	
	102-9 Supply chain	50-61	
	102-10 Significant changes to the organization and its supply chain	50-61	
	102-11 Precautionary Principle or approach	109-110	
	102-12 External initiatives	14, 92-93	
	102-13 Membership of associations	92-93	
	Strategy		
	102-14 Statement from senior decision-maker	4-7	
	Ethics and integrity		
	102-16 Values, principles, standards, and norms of behavior	22-23	
	Governance		
	102-18 Governance structure	20-21, FY 2019/20 Annual Report: 58-106	https://investor.lenovo.com/en/publications/reports.php
	102-20 Executive-level responsibility for economic, environmental, and social topics	20-21, FY 2019/20 Annual Report: 125	https://investor.lenovo.com/en/publications/reports.php
	102-21 Consulting stakeholders on economic, environmental, and social topics	11-13	
	102-23 Chair of the highest governance body	FY 2019/20 Annual Report: 59	https://investor.lenovo.com/en/publications/reports.php
	102-24 Nominating and selecting the highest governance body	FY 2019/20 Annual Report: 62-63	https://investor.lenovo.com/en/publications/reports.php
	102-25 Conflicts of interest	FY 2019/20 Annual Report: 66	https://investor.lenovo.com/en/publications/reports.php
	Stakeholder engagement		
	102-40 List of stakeholder groups	12-13	
	102-41 Collective bargaining agreements	75	
	102-42 Identifying and selecting stakeholders	12-13	
	102-43 Approach to stakeholder engagement	12-13	
	102-44 Key topics and concerns raised	12-13	
	Reporting practice		
	102-45 Entities included in the consolidated financial statements	FY 2019/20 Annual Report: 282-291	https://investor.lenovo.com/en/publications/reports.php
	102-46 Defining report content and topic Boundaries	10-12	
	102-47 List of material topics	10-13	
	102-48 Restatements of information	136-137	
	102-49 Changes in reporting	136-137	
	102-50 Reporting period	10	
	102-51 Date of most recent report	10	
	102-52 Reporting cycle	10	
	102-53 Contact point for questions regarding the report	10	
	102-54 Claims of reporting in accordance with the GRI Standards	10	
	102-55 GRI content index	155	
	102-56 External assurance	93, 103-105	

GRI Standard	Disclosure	Page number(s) and/or reference material(s)	URL and/or reference material(s)
Material Topics			
200 series (Economic topics)			
Economic Performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	16-22	https://investor.lenovo.com/en/publications/reports.php
	103-2 The management approach and its components	FY 2019/20 Annual Report: 16	https://investor.lenovo.com/en/publications/reports.php
	103-3 Evaluation of the management approach	FY 2019/20 Annual Report: 16-55	https://investor.lenovo.com/en/publications/reports.php
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	FY 2019/20 Annual Report: 16-55	https://investor.lenovo.com/en/publications/reports.php
Procurement Practices			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	50-61	
	103-2 The management approach and its components	50-61	
	103-3 Evaluation of the management approach	50-61	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	50-61	
Anti-corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22-24	
	103-2 The management approach and its components	22-24	
	103-3 Evaluation of the management approach	22-24	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	22-24	
Anti-competitive Behavior			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	23	
	103-2 The management approach and its components	23	
	103-3 Evaluation of the management approach	23	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	23	
300 series (Environmental topics)			
Materials			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	90-92, 106-110	
	103-2 The management approach and its components	90-92, 106-110	
	103-3 Evaluation of the management approach	90-92, 106-110, 136, 138, 140	
GRI 301: Materials 2016	301-2 Recycled input materials used	106-127, 135-136	
	301-3 Reclaimed products and their packaging materials	106-127, 135-136	

GRI Standard	Disclosure	Page number(s) and/or reference material(s)	URL and/or reference material(s)
Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	90-92, 94-103	
	103-2 The management approach and its components	90-92, 94-103	
	103-3 Evaluation of the management approach	90-92, 94-103, 133-134, 139, 141	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	102, 133-135	
	302-3 Energy intensity	133	
	302-4 Reduction of energy consumption	102, 133-135	
	302-5 Reductions in energy requirements of products and services	111-114, 136	Lenovo reports current and historical percent of product that are Energy Star certified as a metric indicative of product energy efficiency.
Water			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	90-92, 105	
	103-2 The management approach and its components	90-92, 105	
	103-3 Evaluation of the management approach	90-92, 105, 135, 141	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	105	
	303-3 Water withdrawal	135	
	303-4 Water discharge	135	
	303-5 Water consumption	135	
Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	90-92, 94-104	
	103-2 The management approach and its components	90-92, 94-104	
	103-3 Evaluation of the management approach	94-104, 133-135, 139-140	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	96, 102, 133, 136-137	
	305-2 Energy indirect (Scope 2) GHG emissions	96, 102, 133, 136-137	
	305-3 Other indirect (Scope 3) GHG emissions	96, 102, 133, 136-137	
	305-4 GHG emissions intensity	133	
	305-5 Reduction of GHG emissions	94-104, 133-135, 139-140	Rationale for baseline year is not included. Baseline year was selected to coincide with Lenovo's fiscal year when our climate change initiative began.
Effluents and Waste			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	90-92, 104	
	103-2 The management approach and its components	90-92, 104	
	103-3 Evaluation of the management approach	90-92, 104, 135, 141	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	104, 115-127	
	306-2 Management of significant waste-related impacts	104, 115-127	
	306-3 Waste generated	104, 135	
	306-4 Waste diverted from disposal	104, 135	
	306-5 Waste directed to disposal	104, 135	
Environmental Compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	90-93	
	103-2 The management approach and its components	90-93	
	103-3 Evaluation of the management approach	90-93, Lenovo FY 2019/20 Annual Report: 37	https://doc.irasia.com/listco/hk/lenovo/annual/2020/ar2020.pdf
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Lenovo FY 2019/20 Annual Report: 37	https://doc.irasia.com/listco/hk/lenovo/annual/2020/ar2020.pdf

GRI Standard	Disclosure	Page number(s) and/or reference material(s)	URL and/or reference material(s)
Supplier Environmental Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	50–58	
	103-2 The management approach and its components	50–58	
	103-3 Evaluation of the management approach	50–58	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	57	Lenovo annually surveys and tracks environmental data for 95% of our procurement spend. Lenovo does not report what percentage of new suppliers this includes.
	308-2 Negative environmental impacts in the supply chain and actions taken	57–58	
400 series (Social topics)			
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	37–43	
	103-2 The management approach and its components	37–43	
	103-3 Evaluation of the management approach	37–43	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	37–43	
	403-2 Hazard identification, risk assessment, and incident investigation	37–43	
	403-4 Worker participation, consultation, and communication on occupational health and safety	37–43	
	403-5 Worker training on occupational health and safety	37–43	
	403-6 Promotion of worker health	37–43	
	403-9 Work-related injuries	127	
	403-10 Work-related ill health	127	
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	62–64, 2019 D&I Report	https://static.lenovo.com/ww/docs/ww-report-lenovo-diversity-and-inclusion-2019.pdf
	103-2 The management approach and its components	62–64, 2019 D&I Report	https://static.lenovo.com/ww/docs/ww-report-lenovo-diversity-and-inclusion-2019.pdf
	103-3 Evaluation of the management approach	62–64, 2019 D&I Report	https://static.lenovo.com/ww/docs/ww-report-lenovo-diversity-and-inclusion-2019.pdf
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	62–64, 2019 D&I Report	https://static.lenovo.com/ww/docs/ww-report-lenovo-diversity-and-inclusion-2019.pdf
Forced or Compulsory Labour			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	47–56, 61–62	
	103-2 The management approach and its components	47–56, 61–62	
	103-3 Evaluation of the management approach	47–56, 61–62	
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	47–56, 61–62	

GRI Standard	Disclosure	Page number(s) and/or reference material(s)	URL and/or reference material(s)
Human Rights Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	47-56, 61-62	
	103-2 The management approach and its components	47-56, 61-63	
	103-3 Evaluation of the management approach	47-56, 61-64	
	412-2 Employee training on human rights policies or procedures	47-56, 61-64	
Local Communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	73-84	
	103-2 The management approach and its components	73-84	
	103-3 Evaluation of the management approach	73-84	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	73-84	
Customer Privacy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	23	
	103-2 The management approach and its components	23	
	103-3 Evaluation of the management approach	23	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	23	Lenovo does not report the number of substantiated complaints or loss of customer data since this information is not rolled up to a global level.

HONG KONG STOCK EXCHANGE ESG REPORTING GUIDE CONTENT INDEX

*Indicates that disclosure/KPI will come into effect as "comply or explain" provision for financial years commencing on or after 1 July 2020.

General Disclosures and KPIs		Page Number(s)	References/Additional Information
Subject Area A. Environmental			
Aspect A1: Emissions			
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 non-hazardous 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.*		96, 102–104, 133–134	See also: https://www.lenovo.com/us/en/social_responsibility/environmental_policy/ https://www.lenovo.com/us/en/social_responsibility/climate_policy/
KPI A1.1	The types of emissions and respective emissions data.	96, 102–104, 133–135	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	102–104, 133–135	
	— Scope 1 emissions	102–104, 133–135	
	— Scope 2 emissions	102–104, 133–135	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	104, 135	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	104, 135	
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	95–99, 102–105, 138–144	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	104–107, 115–116, 120–127	

General Disclosures and KPIs		Page Number(s)	References/Additional Information
Aspect A2: Use of Resources			
General disclosure Policies on the efficient use of resources, including energy, water and other raw materials. *Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.*		94–127	See also: https://www.lenovo.com/us/en/social_responsibility/environmental_policy/ https://www.lenovo.com/us/en/social_responsibility/climate_policy/
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	102, 133–134	Lenovo reports energy consumption in gigajoules and MWh/US$ million revenue.
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	105, 135	Lenovo is unable to report water intensity due to the large variance of consumption that exists between facilities.
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	102, 111–114	Lenovo strives to improve operational energy effiency as well as the energy efficiency of our products.
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.	105	Lenovo has not had any issues to date with sourcing water that is fit for purpose.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	116–118	Lenovo does not report total packaging materials used for finished products, rather Lenovo tracks packaging on a per product basis and reports examples of accomplishments. Tracking on a per product basis allows Lenovo to drive improvements in generation-to-generation product packaging designs resulting in quantifiable environmental benefits. The amount of total packaging used would be mainly dependent on sales volumes, so it is not the most appropriate metric for Lenovo to use to drive real improvements in packaging design. By setting our packaging improvement goals at the product level, we are able to drive and measure improvements in design that are not dependent on overall product sales volumes.
Aspect A3: The Environment and Natural Resources			
General disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		94–127	See also: https://www.lenovo.com/us/en/social_responsibility/environmental_policy/
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	94–127	
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.		94–118	See also: https://www.lenovo.com/us/en/social_responsibility/climate_policy/
KPI A4.1*	Description of the significant climate-related issues which have impacted, and those which may impact the issuer, and the actions taken to manage them.	94–118	See also: Lenovo's CDP Climate Response for a more detailed disclosure on climate-related impacts and actions taken to manage them.

General Disclosures and KPIs		Page Number(s)	References/Additional Information
Subject Area B. Social			
Employment and Labour Practices			
Aspect B1: Employment			
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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		53–54, 64–65	See also: 2019 D&I Report: https://static.lenovo.com/ww/docs/ww-report-lenovo-diversity-and-inclusion-2019.pdf
KPI B1.1*	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	66, 131	See also: 2019 D&I Report — pg 10 https://static.lenovo.com/ww/docs/ww-report-lenovo-diversity-and-inclusion-2019.pdf
KPI B1.2*	Employee turnover rate by gender, age group and geographical region.		See also: 2019 D&I Report — pg 11 https://static.lenovo.com/ww/docs/ww-report-lenovo-diversity-and-inclusion-2019.pdf
Aspect B2: Health and Safety			
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 providing a safe working environment and protecting employees from occupational hazards.		40–46	See also: https://www.lenovo.com/us/en/social_responsibility/Lenovo_Employee_Welfare.pdf
KPI B2.1*	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	131	
KPI B2.2*	Lost days due to work injury.	131	
KPI B2.3*	Description of occupational health and safety measures adopted, how they are implemented and monitored.	40–48	
Aspect B3: Development and Training			
General disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. *Note: Training refers to vocational training. It may include internal and external courses paid by the employer.*		66–70	
KPI B3.1*	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).		Lenovo captures the number of employees who completed training, but this information is not broken down by gender or employee category.
KPI B3.2*	The average training hours completed per employee by gender and employee category.		Lenovo captures total training hours recorded for all employees, but this information is not broken down by gender or employee category.

General Disclosures and KPIs		Page Number(s)	References/Additional Information
Aspect B4: Labour Standards			
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 preventing child and forced labour.		64-65	
KPI B4.1*	Description of measures to review employment practices to avoid child and forced labour.	56	
KPI B4.2*	Description of steps taken to eliminate such practices when discovered.	56, 64-65	
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure Policies on managing environmental and social risks of the supply chain.		50-61	
KPI B5.1*	Number of suppliers by geographical region.	51	See also: https://static.lenovo.com/ww/docs/sustainability/lenovo-list-mfg-sites-and-suppliers.pdf
KPI B5.2*	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	50-61	
KPI B5.3*	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	57-59	
KPI B5.4*	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	50-61	
Aspect B6: Product Responsibility			
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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		28-31	
KPI B6.1*	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	30-31	
KPI B6.2*	Number of products and service related complaints received and how they are dealt with.		Lenovo captures product and service related complaints using various systems for the different business units throughout all markets. At the time of reporting, we are unable to consolidate this information into one reporting metric.
KPI B6.3*	Description of practices relating to observing and protecting intellectual property rights.	23	
KPI B6.4*	Description of quality assurance process and recall procedures.	29	
KPI B6.5*	Description of consumer data protection and privacy policies, how they are implemented and monitored.	25	

General Disclosures and KPIs		Page Number(s)	References/Additional Information
Aspect B7: Anti-corruption			
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 bribery, extortion, fraud and money laundering.		23–24	
KPI B7.1*	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.		Lenovo does not disclose information about any ongoing or concluded legal matters.
KPI B7.2*	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	23–24	
KPI B7.3*	Description of anti-corruption training provided to directors and staff.	22, FY 2019/20 Annual Report 68	Upon joining the Company, directors are provided with a bespoke induction program to further their understanding of the Company, including the Company's governance policies. See also: https://investor.lenovo.com/en/publications/reports.php
Community			
Aspect B8: Community Investment			
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		76–87	
KPI B8.1*	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	76–87	
KPI B8.2*	Resources contributed (e.g. money or time) to the focus area.	76–87	

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