Lenovo Group Limited

2020/21
Environmental, Social, and Governance Report

STOCK CODE 992

Smarter technology for all

Lenovo

Contents

1.0 Executive letters

A MESSAGE FROM OUR CHAIRMAN AND CHIEF EXECUTIVE OFFICER

As I reflect on the past year, it is incredible to think of the global change and transformation that we have witnessed. The urgency to combat climate change, safeguard natural resources, invest in our communities, and govern ourselves with the highest ethical standards has only increased. The ongoing impact of COVID-19 has made corporate citizenship, sustainability, and operating with a greater purpose in mind moral imperatives for every business leader today. It is now up to global businesses and their leaders to continue building resilience into our operations and among our communities in the months, years, and decades to come. At Lenovo, this focus on building resilience and helping to solve humanity's greatest challenges is driven by the commitment to all our stakeholders and our vision to provide a smarter, more sustainable future for all.

It is with a sense of urgency and determination that we share this year's progress and our goals for the future.

Safeguarding our resources and transitioning to a low carbon economy

While much of our business growth last year was driven by the need for the world to be more connected, we recognize that as a growing, highly diversified global technology leader and the world's largest PC company, we have an enormous opportunity to increase our participation in the circular economy.

We are also increasing our awareness and measurement of our operational impact on the environment. Lenovo has endorsed the UN CEO Water Mandate and implemented a Water Resiliency Policy to manage and measure the consumption of this vital natural resource throughout our supply chain.

This year also saw a rise in commitments toward carbon neutrality and net zero carbon economies. At Lenovo, we remain focused on our Science-Based 2030 commitments to reduce our carbon emissions, and respect the incredible effort and importance of working toward net zero carbon consumption. We recognize that any major commitment needs to be measured and fully understood, so we are

honored to be working with the Science-Based Targets initiative to pilot methodology for developing net zero goals that are based on the latest climate research and understanding.

Investing in communities and enabling recovery

Lenovo established its Smarter Technology for All vision in 2019. Delivering on the spirit of this vision is more vital and relevant today than ever. It's a privilege to know that in the hands of educators, community leaders, and charitable organizations, our technology can deliver solutions and positive outcomes in the most challenging of times and even among the most vulnerable populations.

Our strategic response to the pandemic continued through the fiscal year of 2020-2021, as communities around the world experienced waves of infections and hospitalizations. Our total response has grown to US$15 million, including a recent response to this year's devastating surge in India.

Our response has focused on sharing our strengths by enabling remote education through business-led initiatives and non-profit partnerships. In some cases, Lenovo's technology has allowed educators to not only continue teaching, but explore new concepts to bring their lessons to life, like taking their students on virtual reality-powered field trips.

We understand that communities around the world do not have equal access to technology, and so access to technology and STEM education remains a critical component of our strategic global philanthropy.

We have also been dedicated to providing more opportunity to a vast array of talented people. Lenovo continues to focus on fostering a diverse workforce and creating a culture of inclusion, as reflected in our 2020 Diversity and Inclusion Report.

Operating with Ethics and Compliance

Today more than ever, corporations are called to be fair, ethical, and transparent in the way they do business. This call is rightly front and center in the minds of our customers. We welcome this scrutiny and are proud of our focus in this area. In particular, we are proud to have been ranked by Gartner as one of the top 25 supply chains in the world.

Security across the business- including security culture, product security, data privacy, supply chain security, cybersecurity, and the security of physical assets – is under the leadership of the Chief Security Officer. This is a primary area of focus and attention, and the Chief Security Officer is a member of our top leadership committee.

Our Code of Conduct, Supplier Code of Conduct, and our third-party audits help support safe working conditions, respect in the workplace, and ethical conduct in our operations. Lenovo is a signatory and active participant of the U.N. Global Compact and is also a member of the RBA Responsible Labor Initiative, working across industries and companies to support the rights of workers.

We have been honored to have our environmental, social, and governance efforts acknowledged throughout FY 2020-21. Some of these acknowledgments are highlighted below.

- Corporate Knights Global 100 Assessment – Lenovo was ranked as one of the world's 100 most sustainable corporations after a rigorous assessment of 8,080 companies with more than $1 billion in revenue.
- 2021 BDO ESG Award – Lenovo was recognized by BDO, one of the world's largest accounting firms, as a winner of the third BDO ESG Awards. Lenovo was selected for showcasing excellence in ESG reporting and disclosure.
- 2020 Best Workplaces for Innovation – Fast Company recognized Lenovo's innovative processes – particularly in the creation of the Lenovo ThinkPad X1 fold – as a cornerstone of being a Best Workplace for Innovation.

I am proud of Lenovo's global team of subject matter experts who work tirelessly to drive our operations to achieve these best-in-class standards and outcomes.

Looking ahead, we are excited to announce new KPIs across ESG with a 2025-26 timeline, in addition to our 2030 carbon emission reduction goals. We believe building business success and a sustainable future must go hand in hand. We believe that we must leverage our commercial success to do what is right for our people and our planet. I am confident that through our ESG programs, industry collaboration, and transparent governance, we can build a more resilient and brighter future for all.

Yang Yuanqing
Chairman and CEO
Lenovo Group Limited

A MESSAGE FROM OUR CHIEF CORPORATE RESPONSIBILITY OFFICER

The world-altering events of 2020 have provided many valuable lessons for businesses and communities alike. At Lenovo, we responded to the unprecedented challenges with a service-led mindset and accelerated our digital transformation with a concentrated focus on environmental, social, and governance (ESG) practices. The environmental concerns and social disruption that persist around the world validate that sustainable business practices continue to be a journey with no endpoint, and our obligations extend beyond responsible manufacturing and strong economic performance. Lenovo remains focused on identifying opportunities to make meaningful improvements with smarter technology, inside and outside of our business.

As a global Company, we know that significant change requires a dedicated approach, catalyzed by a unified purpose to provide smarter technology for all. Lenovo's ESG initiatives focus on supporting a resilient way forward while creating long-term value for our stakeholders and meeting their expectations. In support of our continuous ESG commitments, we recently formed the ESG Executive Oversight Committee (EOC) to provide strategic direction and facilitate the coordination of ESG efforts across the Company. The EOC will also represent the interests of the business units as we infuse the ESG strategy and promote a culture that encourages strong ESG performance, including compliance and leadership activities.

As we reached and exceeded our 2020 climate change goal one year ahead of the target, the drive to continually improve our environmental performance led us to set new 2030 emissions reduction targets while following the latest scientific findings of climate science. In June 2020, our proposed Scope 1, 2, and 3 emissions reduction targets were verified and approved as science-based by the Science-Based Target initiative (SBTi). As our journey to transition to a low carbon economy continues, Lenovo has begun to evaluate potential pathways to achieve net zero.

Also during 2020, we expanded our commitment to Diversity and Inclusion (D&I) by announcing a Product Diversity Office (PDO). The PDO will execute Lenovo's "Diversity by Design" process and focus on building diversity and accessibility into our products. By engaging employee resource groups and diversity partnerships, this initiative will propel our thinking beyond the physical form of our products and account for diversity more broadly within our software, smart devices, data, and mobile solutions.

Lenovo's ESG practices include a governance structure that is continually evaluated and developed to ensure good corporate governance practices and procedures are established and effectively

communicated. Our dedication to strong ESG performance is reflected in our latest results throughout this report. From our packaging and products to our global manufacturing footprint, this objective is integrated into all that we do. We believe that as a provider of world-class technology solutions, we have a responsibility to ensure our solutions have a positive environmental and social impact.

As we highlight our ESG achievements throughout this report, we affirm it is only through the collective efforts of our stakeholders that we can demonstrate our higher purpose – to create meaningful impacts and deliver smarter technology for all. During FY 2020/2021, we made progress across all of these areas:

2020 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 10th consecutive year that the Company has been included in this ranking. Lenovo was also named as one of the initial members of the new Hang Seng TECH Index, which recognizes the 30 largest qualifying technology companies listed on the Hong Kong Stock Exchange.

2020 Bloomberg Businessweek/Chinese Edition ESG Leading Enterprise Award – Lenovo was recognized in the Chinese edition of Bloomberg Businessweek in three award categories: ESG Leading Enterprise Award, Leading Environmental Initiative Award, and Leading Social Initiative Award. These awards recognize enterprises which excel in incorporating ESG goals and activities, and which demonstrate outstanding business performance and growth.

2020 Corporate Governance Excellence Award – Lenovo was recognized as a constituent of the Hong Kong Corporate Governance Excellence Awards 2020. Organized by the Chamber of Hong Kong Listed Companies (CHKLC) and the Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University (CCGFP), the award recognizes listed companies for demonstrating outstanding commitment to shareholder rights, compliance, integrity, fairness, responsibility, accountability, transparency, board independence & leadership, and corporate social responsibility and sustainability.

2020 CDP – Lenovo scored A, "Leadership Level" on CDP's climate change questionnaire (CDP Climate A-List) and an A on the CDP Supplier Engagement Rating (CDP Supplier Engagement Leaderboard), assessing progress toward environmental stewardship through climate change mitigation practices in our operations and supply chain.

2021 Corporate Equality Index – For the third consecutive year, Lenovo received a perfect score of 100 for efforts in satisfying all the criteria for the 2021 Human Rights Campaign Foundation's CEI, while earning recognition as a Best Place to Work for LGBTQ Equality.

2020 HR Asia Best Workplaces in Asia – Lenovo was recognized by HR Asia as one of the Best Companies To Work For in Asia in 2020. The award recognizes companies for high levels of employee engagement, talent development, workplace culture, as well as HR operational excellence.

2020 Global Month of Service – During the Global Month of Service, we conducted our first virtual volunteer campaign. Lenovo employees led 132 volunteer projects around the world and more than 19,267 hours in volunteer service, breaking the Company's previous record.

2021 Green Freight Asia – Lenovo was recognized by Green Freight Asia (GFA) with 3-Leaf Certification 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 the reduction of transport-related carbon emissions in the delivery of our products.

We are encouraged by our successes and progress but recognize that there is more to be done. As we look ahead to FY 2021/22 and beyond, Lenovo will continue to drive improvements in our ESG activities, deliver smarter technology for all, and create long-term value for our stakeholders.

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

2.0 About this Report

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ABOUT THIS REPORT

This is the Company's 15th Annual Environmental, Social, and Governance (ESG) Report. It covers the Fiscal Year (FY) 2020/21 (April 1, 2020 – March 31, 2021). This report is considered a companion document to the Company's FY 2020/21 Annual Report. The annual ESG update can be found in the 'Management's discussion & analysis', on pages 36-44 of the Annual Report.

Report Content

The content of this report is informed by the ESG Reporting Guide of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), the Global Reporting Initiative (GRI) Standards, and the needs of the Company's stakeholders. The Company has complied with the relevant provisions and is working to incorporate processes that can fully support the recently amended "comply or explain" provisions as set out in the Hong Kong Stock Exchange's ESG Reporting Guide. This report has been prepared in accordance with the GRI Standards: Core option.

External Assurance

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

Basis of Calculations

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

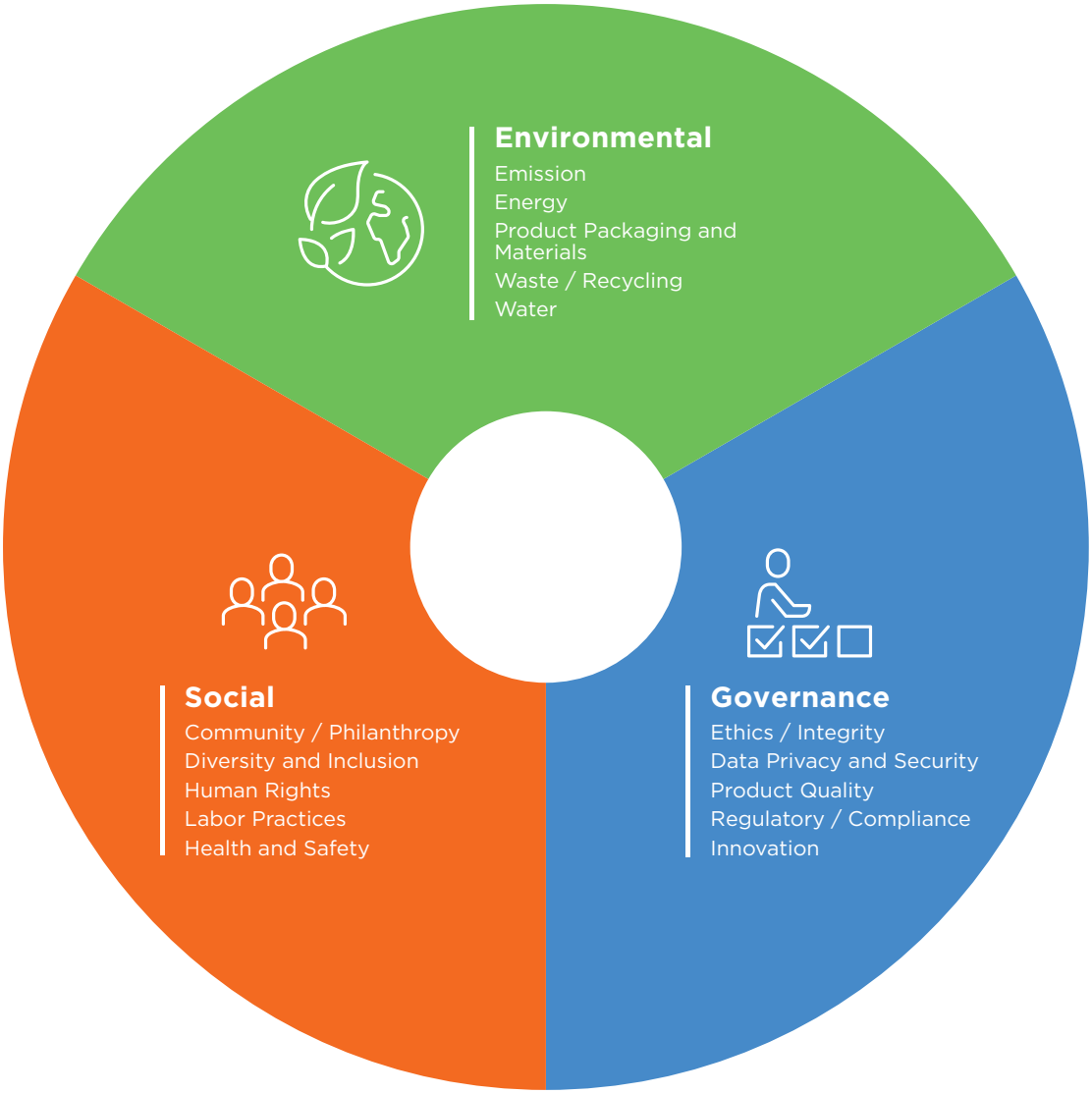
Contact Information:

For questions or other information about this report, please contact:
Ms. Marisol Berrios-Silletti, ESG Reporting Manager, 8001 Development Drive Morrisville, N.C. 27560, email: environment@lenovo.com.

Lenovo's operation center in Beijing, China.

MATERIAL TOPICS

The Company recognizes the importance of a variety of informed perspectives as it develops and drives its ESG programs. Through ongoing engagement with various internal and external stakeholders, it considers their feedback as it establishes commitments in key ESG focus areas and assess the progress. The collaboration also provides insight on how to more effectively communicate ESG information that is expected by its stakeholders.



Stakeholder Engagement

The Company manages its relationships with customers, employees, suppliers, investors, regulators, members of the communities in which it operates, and other stakeholders who may be impacted by the organization's performance. It engages with stakeholders in several ways, including:

- Quarterly results webcasts and press releases
- Investor conferences
- Customer and market surveys and direct customer interaction
- Employee surveys and Company-organized community service events
- Supplier audits, conferences, and quarterly business reviews
- Regular webinars and meetings with industry trade groups on regulatory issues
- Ongoing interactions with local communities
- Responding to non-governmental organization (NGO) surveys and inquiries

The Company's Stakeholders

Scope of the Report

This report covers the global operations of Lenovo Group Limited ("the Company"), together with its principal subsidiaries ("the Group"), except where noted. Please see the Material Topic Boundaries table on page 115 for details and the scope of coverage. The table also provides the boundary of the disclosures that extend to principal subsidiaries directly or indirectly held by the Company. Please see the FY 2020/21 Annual Report, pages 270-277 for more information. All disclosures are for the Company's FY 2020/21 unless otherwise noted.

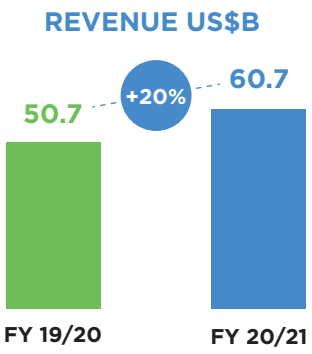
ORGANIZATIONAL PROFILE

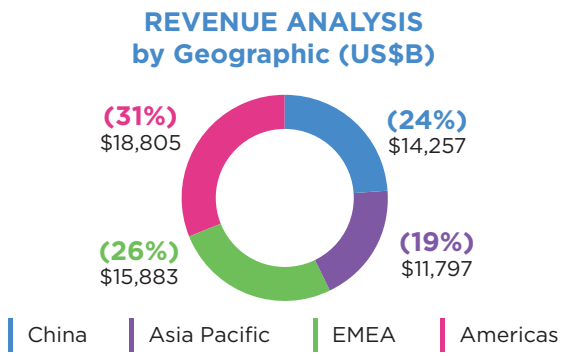
Lenovo Group Limited (HKSE: 992) (ADR: LNVGY) is a US$60 billion revenue Fortune Global 500 Company serving customers in 180 markets around the world. Focused on a bold vision to deliver smarter technology for all, the Company is developing world-changing technologies that power (through devices and infrastructure) and empower (through solutions, services, and software) millions of customers every day and together create a more inclusive, trustworthy, and sustainable digital society for everyone, everywhere.

In FY 2020/21, the Company's core business groups consisted of:

- 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 Mobility), for smartphones; and

- The Data Center Business Group (DCG), which includes servers, storage, networking, software, and services.





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

The U.N. Global Compact

Since 2009, the Company has continued its role as a signatory to the United Nations Global Compact (UNGC), a globally recognized, credible framework that provides a blueprint to achieve a better and more sustainable future for all. As a business participant in the UNGC, it embraces the inspiration to achieve higher levels of sustainable performance.

The Company recognizes that it must first conduct business responsibly and then pursue opportunities to solve societal challenges through technology and innovation. The Company fosters the universal principles of the UNGC into its strategy and promotes a value system that supports the fundamental responsibilities in the areas of human rights, labor, environment, and anti-corruption in the markets where the Company operates.

The Company's ESG objectives and targets include activities that directly and indirectly support the UNGC Sustainable Development Goals (SDG). Examples include:

Emissions

Energy

Product Packaging and Materials

Waste/Recycling

Water

Community/Philanthropy

Diversity and Inclusion

Human Rights

Labor Practices

Health and Safety

Ethics/Integrity

Data Privacy and Security

Product Quality

Regulatory/Compliance

Innovation

3.0 Environmental

3.0 Environmental

ENVIRONMENTAL MANAGEMENT SYSTEM

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

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

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

Within the framework of the Company's EMS, it annually identifies and evaluates the aspects of its 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. Performance targets are established for select environmental aspects annually, taking into consideration performance relative to the environmental metrics, the Environmental Affairs Policy, regulatory requirements, customer requirements, stakeholder input, environmental and financial impact, and management directives.

During FY 2020/21, the Company's significant 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

Objective and performance targets were established for the aspects listed above. The Company's performance against these objectives and targets is available in the FY 2020/21 Performance table.

The Company's energy, greenhouse gas (GHG) emissions (Scope 1 and 2), waste, and water data are externally verified to a reasonable level of assurance. The Company's GHG emissions (Scope 3) data is externally verified to a limited level of assurance. Click here to see the FY 2020/21 Verification Statements for GHG, Energy, Waste and Water.

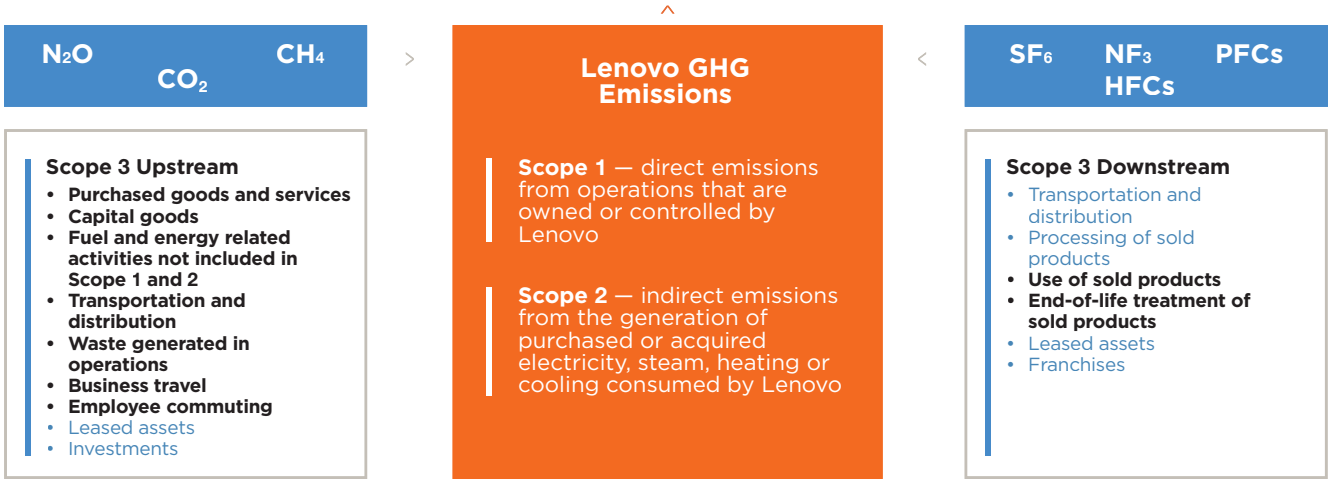
CLIMATE CHANGE

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

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

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

The Company's Chief Corporate Responsibility Officer provides executive leadership for its ESG position, including climate change programs. In addition, the newly formed ESG Executive Oversight Committee provides strategic direction and facilitates the coordination of ESG efforts across the Company. The Board of Directors is briefed on the Company's climate strategy and progress towards its climate change mitigation goals.



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

Science-Based Emissions Reduction Targets

In June 2020, the Company established science-based emissions reduction targets, which were validated by the Science-Based Targets initiative (SBTi). Its Scope 1 and 2 emissions reduction targets are consistent with limiting warming to 1.5°C, the most ambitious goal of the Paris Agreement, and its Scope 3 emissions reduction targets meet ambitious criteria according to the SBTi's methodology, which means they are in line with current best practices. These targets have a base year of FY 2018/19 and a target year of FY 2029/30. The following table details the Company's Science-Based Targets, road maps for their achievement, and progress against the targets in FY 2020/21.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

LENOVO EMISSIONS REDUCTION TARGETS	ROAD MAP	PROGRESS AS OF FY2020/21 BASE YEAR: FY 2018/19	FY 2029/30 TARGET
Reduce absolute Scope 1 + Scope 2 GHG emissions 50%	Hierarchical combination of energy efficiency, on-site renewable energy generation, and renewable energy commodities	- 10%	- 50%
Reduce Scope 3 GHG emissions from use of sold products 25% per comparable product (for notebooks, desktops and servers)	Reduce product emissions through energy efficiency improvements of: • Desktops by 50% • Servers by 50% • Notebooks by 30%	- 2.88%	- 25%
Reduce Scope 3 GHG emissions from purchased goods and services 25% per million US$ procurement spend	• Climate change in KPIs & evaluation process • Climate related information collection • Engagement & incentivization of climate change performance	- 12.78%	- 25%
Reduce Scope 3 GHG emissions from upstream transportation and distribution 25% per tonne-km of transported product	• Modal shift to "greener" modes of transport • Optimization of transport planning • Increase of vehicle utilization • Improvement of vehicle fuel efficiency	+ 1.63%	- 25%

The Company decided to perform an initial financial and feasibility study for its next step in its emissions reduction journey which is mapping and costing net zero by no later than 2050 across all pathways within all three scopes. The Company is looking out to where it needs to be by 2050 and how it will get there. This exercise will help to start developing a Low Carbon Transition Plan.

Operational Energy Efficiency

Given that one of the Company's most significant environmental aspects is emissions associated with energy consumption, it has a goal to continually improve the energy efficiency of its operations. In FY 2020/21, the Company's initiatives for energy reduction included the installation of low-energy lighting and related electrical equipment, energy-efficiency improvements to HVAC systems, better insulation, improving computer server room energy efficiency, adjusting working stations, and employee education.

Renewable Energy

The Company's renewable energy installations include solar hot water facilities in Beijing and solar electric generation plants in Hefei and Wuhan, China as well as Whitsett and Morrisville, NC, USA. At the end of FY 2020/21, the solar capacity of all projects was approximately 16 megawatts (MW).

The Company's target was to achieve 30 MW of owned or leased renewable energy generation capacity globally. The final phase of this commitment includes evaluating energy installations in Brazil and Mexico of approximately 14 MW. During 2020, travel restrictions, project complexities, and COVID-19 had impacts on the progress of the installation.

Where actual direct energy reductions or use of renewable energy sources are not technically or economically feasible, the Company chooses to purchase Renewable Energy Credits (REC), International Renewable Energy Credits (I-REC), and Guarantees of Origin (GO). In FY 2020/21 the Company purchased renewable commodities that supported 100 percent renewable energy projects in Brazil (wind), China (wind), India (solar, wind), Mexico (wind), Europe (hydro, solar, wind), and the United States (wind). The images below are of solar panel installations at the Company's Morrisville, North Carolina, USA location.

Energy

Under the EMS, annual energy-related targets are also set. Since decreased energy use or increased renewable energy use impacts emissions, these energy-related targets are related to the Company's Scope 1 and 2 emissions reduction targets and similar actions are taken to achieve both its Scope 1 and 2 emissions target and its energy targets. In FY 2020/21, the Company had the following five energy-related targets:

1. Increase energy purchases from renewable energy sources over the previous year.

2. Improve (decrease) the energy intensity index at manufacturing sites over the previous year.

3. Improve (decrease) the electricity intensity at research and development and office sites over the previous year.

4. Achieve 30 MW of the Company's owned or leased renewable energy generation capacity globally by 2020.

5. Reduce total energy consumption at ISO 50001:2018 certified locations by at least 1.5 percent in the next 3 years, relative to the FY 2019/20 energy baseline.

The Company's performance against these targets is available in the FY 2020/21 Performance table.

Beyond the Company's direct operations, energy consumption is present in its value chain where it is consumed by suppliers and powers the Company's products. The Company's business units had a product energy efficiency goal – new products will have improved energy efficiency over the previous version. Additionally, the Company encourages its supply chain to report on energy use and targets.

Logistics

The Company's logistics is a major part of its global supply chain and it is committed to reducing its Scope 3 GHG emissions from upstream transportation and distribution by 25 percent per ton of transported product, relative to a base year of FY 2018/19. The Company's freight emissions reduction efforts align with the Global Logistics Emissions Council (GLEC) framework to measure and improve its GHG footprint across the multi-modal supply chain, the mode of transport, consolidation and utilization, network optimization, technology and automation, reward, and recognition for partners.

In FY 2020/21, the Company's logistics priorities included:

- Enhance demand management by optimizing shipped volumes
- Increase shift to more environmentally friendly modes of transport
- Improve fleet & asset utilization and efficiency
- Explore opportunities for low emissions fuels
- Monitor the supplier CO_2 performance

The Company continues to be an approved partner of the U.S. EPA SmartWay program, a non-profit organization dedicated to promoting sustainable freight practices. The Smart Freight Centre recognizes companies that demonstrate leadership as they develop global guidelines to report and reduce emissions.

In FY 2020/21, the Company's logistic program accomplishments include the following:

- The Company engaged with customers and suppliers to identify potential emission reduction opportunities, such as exploring the usage of sustainable aviation fuels (SAF) and carbon neutral transportation.
- In China, the logistics team implemented 100 percent electric forklifts in central distribution centers, and the use of electric forklifts in regional distribution centers and warehouses increased from 14 to 20 percent compared with FY 2019/20.
- The usage of electric trucks for final mile delivery in China from regional distribution centers increased from 18 to 21 percent compared with FY 2019/20.
- For domestic long-haul shipping in China, approximately 71,329 cubic meters (7.3 percent of the Company's total transportation volume for China) were shipped by rail and represented an increase of 5.7 percent compared with FY 2019/20.
- The global logistics team selected rail transportation for shipments from China to Europe, shipping over 4,200 containers to Europe by rail, an 18 percent increase compared with FY 2019/20.
- Additional accreditation in the procurement process for the Company's logistics partners which includes the reporting and reduction of emissions, as well as the participation in global or regional programs managed by organizations such as Smart Freight Centre, Green Freight Asia, US EPA SmartWay, and others.
- The Company confirmed its membership with Smart Freight Alliance China, an organization that works with shippers to build a compliant, efficient, and sustainable China freight sector.

SmartWay® Transport Partner
Getting There With Cleaner Air

Smart Freight Alliance China

In 2021, the Company achieved 3-Leaf Certification from Green Freight Asia (GFA) for its performance in China and 2-Leaf Certification for its performance in India for its efforts to implement green freight programs that support sustainable logistics.

Climate Change Risks and Opportunities Management

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

1. The Company's formal risk management process includes, among other sustainability factors: environmental risk categories such as environmental incidents, catastrophic weather conditions, supply chain disruptions, and other elements. Each major business unit and function is required to identify risks and assess their impacts on the Company's strategy execution, then develop mitigation plans for select identified risks. This process is managed by the Company's ERM team.

2. Energy consumption, the associated greenhouse gas emissions, and climate change are identified as significant environmental aspects and impacts for the Company. As such, associated risks and opportunities are evaluated and prioritized annually based on its significant aspect methodology in accordance with the requirements of the Company's EMS. Per these requirements, climate change is evaluated relative to its actual and potential influence on the environment and the business. This process is managed by the Company's Global Environmental Affairs team. The results of this evaluation are considered in the ERM process described above.

The Company's climate risk assessment in FY 2020/21 also included climate scenario analysis to explore how physical and transition risks and opportunities of climate change can impact its business.

Additionally, its ESG materiality assessment identifies energy and emissions as material topics that it should prioritize and focus on in its environmental programs. Also, in support of UN Sustainable Development Goal (SDG) 13 – Climate Action; one of the Company's ESG pillars includes a climate action goal. More details about the Company's materiality assessment and how its goals align with the SDGs are available on page 14.

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

For the first time in 2020, the Company scored an A "Leadership Level" on CDP's Climate Change questionnaire and was listed on CDP Climate A-List, which reflects its performance toward environmental stewardship through climate change mitigation practices in its operations and supply chain.

The Company was recognized by CDP China with a Leadership Award on Climate Action. This recognition demonstrates the Company's globally recognized corporate environmental management during the year 2020.

Other air emissions

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

WASTE

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

During the FY 2020/21 reporting period, the Company continued to measure and monitor both non-hazardous and hazardous waste generation volumes and disposal methods through an internal environmental database. In this system, environmental focal points at its sites collect and upload monthly waste data preferably from measured data or calculations based on measured data. When no measured data is available, non-hazardous waste estimations are based on the headcount at the site and the previous year's monthly data from similar sites.

The Company's waste data for the current reporting period is presented in the Consolidated Metric section. Annual Verification Statements for the Company's total non-hazardous and hazardous waste are available on the Company's website.

The Company requires all sites to report any environmental incidents, including waste-related incidents, through the internal environmental database. During the FY 2020/21 reporting period, no waste-related incidents were reported. In addition to internal reporting, the Company's manufacturing facilities periodically undergo audits, some of which cover aspects of waste management. For more information on audits at the Company's facilities, see the Manufacturing section of this report.

The Company recognizes that waste management is important throughout the value chain. The Company requires suppliers to meet the Supplier Code of Conduct and the RBA Code of Conduct, both of which include waste-related provisions, through contractual stipulations. The Company uses RBA audits to verify compliance from the suppliers that comprise its top 95 percent of spend and collects specific waste data from these suppliers. For more information on these supplier activities, see the Global Supply Chain section of this report. The Company manages downstream impacts through a product-end-of-life (PELM) program. More information on the Company's PELM activities can be found in the corresponding section.

Non-Hazardous Waste

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

Under the Company's EMS, a global non-hazardous waste target is set annually. For the FY 2020/21 reporting period, the target was to direct 90 percent or more of the Company's non-hazardous waste to recycling operations. The results of the Company's environmental targets are available in the FY 2020/21 Performance table. While the Company's waste management hierarchy prioritizes reuse and recycling, it also includes incineration with energy recovery as one of the methods when calculating the annual global recycling rate.

Hazardous Waste

The Company's operations generate minimal quantities of hazardous waste. The hazardous waste generated includes oils, coolants, organic solvents, batteries, fluorescent light bulbs, and ballasts. Hazardous waste is required to be disposed of in accordance with local environmental regulations with approved suppliers.

WATER

In the FY 2020/21 reporting period, the Company directed efforts towards improving the assessment of water use and risks throughout its operations and supply chain. In addition, the Company adopted a corporate Water Resiliency Policy and endorsed the United Nations CEO Water Mandate.

Within the Company's direct operations, the primary use of water is for water access, sanitation, and hygiene (WASH) services for the approximately 71,500 employees working in its facilities around the globe. Because the Company's primary water use is employees, water use varies from location to location with its largest manufacturing facilities, the sites with the largest employee headcount, withdrawing and discharging the most water.

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

The Company's EMS includes annual global water targets. For the FY 2020/21 reporting period, the targets were to maintain total water withdrawal and discharge volumes (volumes not to exceed a 5 percent increase compared to the FY 2019/20 reporting period). The pandemic led to an increase in demand of our products (due to remote school and work). In response, our manufacturing sites operated with a greater number of employees and new Covid-19 precautions in place (such as more handwashing and sanitation) which led to greater water use. The increase in water use at the Company's manufacturing sites was not offset by the decrease in water use associated with remote work which was in place for many R&D and office operations. The combination of these events resulted in the Company's water targets not being met in FY 2020/21.

The Company's water data for the current reporting period is presented in the Consolidated Metrics section. Annual Verification Statements for its total water withdrawal and discharge are available on the Company's website.

The Company requires all sites to report any environmental incidents, including water-related incidents, through its internal environmental database. During the FY 2020/21 reporting period, no incidents with water-related impacts were reported. In addition to internal reporting, the Company's manufacturing facilities undergo periodic audits some of which cover aspects of WASH and water management. For more information on audits at the Company's facilities, see the Manufacturing section of this report.

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

Water risks within the Company's operational footprint and supply chain are assessed annually using publicly available water risk tools (World Resources Institute's Aqueduct and WWF's Water Risk Filter Tool). The Company continues the process of improving its water risk assessment to prioritize responses to the risks that consider local context. During the FY 2020/21 reporting period, the assessment was expanded to more of the Company's supply chain. Next, the Company plans to integrate water use into the water risk assessment.

ENVIRONMENTALLY CONSCIOUS PRODUCTS

Product Materials

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

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

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

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

Among its achievements:

- The Company has made significant progress in phasing out halogens in many commodities across several product lines, including all plastic enclosures, most components, and connectors (except for 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.

- Its large plastic components meet low halogen restrictions; Br<1000ppm, Cl<1000ppm; all plastic parts > 25 grams meet low halogen requirements. Printed circuit boards, cables, wiring, fans, and electronic components are excluded.

- Elimination of most BFRs 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 its commercial monitors meet the iNEMI definition of low halogen except for their PCBA and external cables. Furthermore, parts >25g grams including PCBA and external cables in some monitors fully meet the low halogen definition of iNEMI.

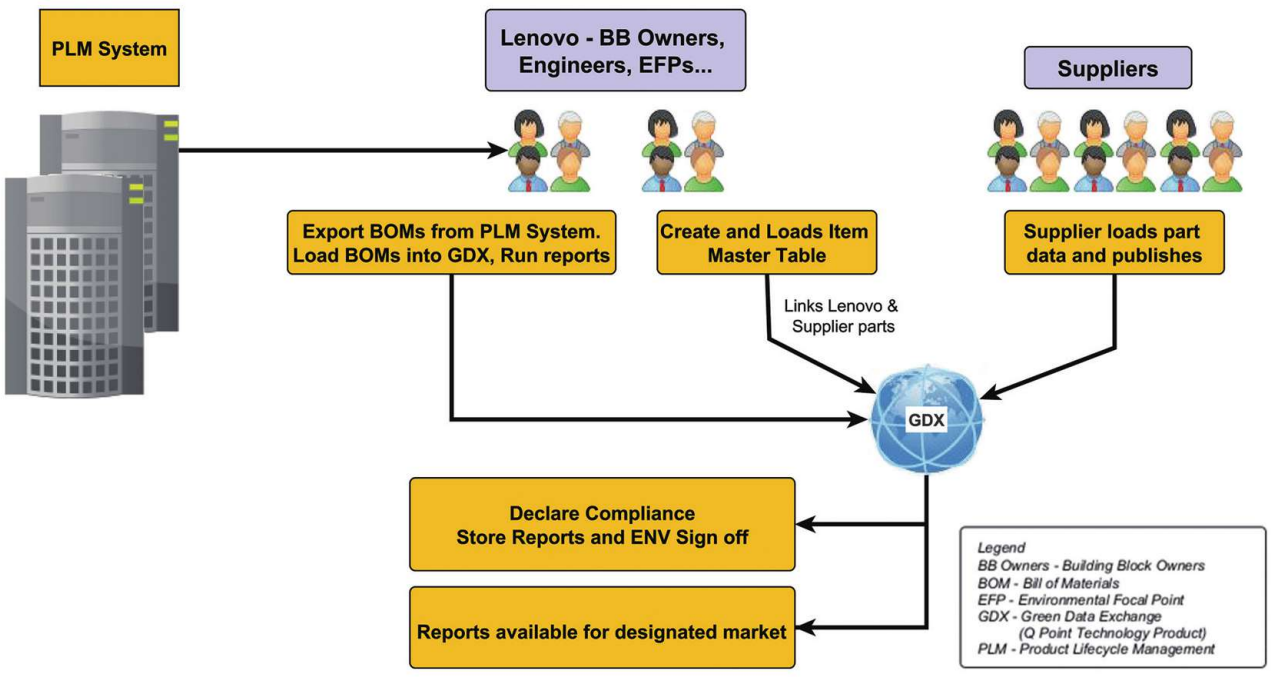
The Company has completely phased out the use of BFR/PVC in all mechanical plastic parts (such as external covers, housings, etc.) across all its product lines. It currently prohibits the intentional addition of the following pollutants to any of its parts:

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

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

The Company has identified a list of materials and substances of environmental interest. These substances may be candidates for further restrictions in the future. It holds suppliers accountable for reporting the use of these materials through Supplier Material Declarations. An industry-standard IPC 1752A XML Full Material Disclosure (FMD) form, submitted via 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.

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



Big Data Set for Materials and Substances

As of the end of FY 2020/21, the Company's Full Material Disclosures (FMD) system has accumulated more than 70,000 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.

The Company does not exempt any of its suppliers from providing Full Material Disclosures, though it does allow considerations for confidential information. Only 2.4 percent of component suppliers do not provide full material disclosure, usually for security or intellectual property reasons. The Company will continue its efforts to support full material disclosure. Those who do not provide Full Material Disclosures are requested to ensure their components' compliance with its format of material disclosure, IEC 62474 declaration, test report, or self-declaration.

Each product has detailed data of 200-300 pieces of similar parts, which is an important basis for the Company's design and R&D work, especially for the analysis of material environmental health and safety.

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

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

Recycled Plastics

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 the Company's product development strategy and transition to a circular economy. Using these engineered plastics not only saves the natural resources and energy that would have gone into manufacturing new plastics but also diverts these materials from landfills. The Company's increased use of CL PCR is helping to sustain the demand for plastic materials from IT products. These environmental benefits are achieved while still creating a product that meets the Company's high-performance standards.

The Company currently uses post-consumer recycled content in laptops, desktops, workstations, monitors, and accessories and is introducing its closed-loop process in more products each year. In 2020, the Company expanded the use of CL PCR to 103 products, up from 66 products the previous year. This year it also used CL PCR in a server application for the first time in the Company's ThinkSystem SR950.

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

Since early 2005, the Company's cumulative total use of recycled plastics in products has reached over 115 million kilograms (gross) containing PIC, PCC, and/or CL PCR, with net PCC of over 51 million kilograms and net CL-PCR of more than 9 million kilograms.

For CL PCR, the Company's research and development teams work with material suppliers and a third-party certification authority to build its CL PCR supplier and material process, including the "Approved Recycling Standard", the "Quality Assurance Operation Requirements", and the "Recovery Ratio" to validate their sources of waste and control processes using a hierarchical waste product traceability scheme. Milestones for the Company during the past four years in recycled content usage includes:

2020

- Expanded the use of CL PCR to 103 products, up from 66 products the previous year
- Began using CL PCR in a server application for the first time in the Company's ThinkSystem SR950

2019

- Expanded use of CL PCR to 66 additional products
- 1st Use of CL PCR in Lenovo notebook application (X1 Carbon 7th Generation)
- Desktop and visual models with >25% CL PCR by total product weight

2018

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

2017

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

Since early 2005, the Company's cumulative total use of recycled plastics in products has reached over 115 million kilograms (gross) containing PIC, PCC, and/or CL PCR, with net PCC of over 51 million kilograms and net CL-PCR of more than 9 million kilograms.

In 2020, the Company's use of plastics containing recycled content was approximately 5.9 million kilograms (gross) with a net CL PCR of approximately 4 million kilograms. These numbers reflect the Company's decreasing use of plastics overall resulting from successful efforts to make products thinner and lighter. For the Company's CY 2021 recycled content usage targets, please see the Objectives and Targets section.

2021 GLOBAL 100

The Company was recognized by Corporate Knights as one of the 100 most sustainable corporations in the world. The 17th annual ranking of the world's 100 most sustainable corporations is the result of a rigorous assessment of more than 8,000 companies with more than US$1 billion revenue. In 2021, Lenovo was ranked #78 overall, marking an increased rank from #97 in last year's assessment.

Product Energy Efficiency

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

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

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

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

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

The Company's products also meet energy efficiency and performance requirements in various markets, including – but not limited to – the United States, China, Japan, and Europe. Many of the Company's notebooks, desktops, servers, and monitors meet and often exceed the current ENERGY STAR® requirements. The Company's ENERGY STAR® qualified models are listed on the ENERGY STAR® website. For more information about the Company's energy-efficient products, see its Product Energy Efficiency webpage.

Product Energy Management Features

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

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

Durability

The longer a product lasts, the longer it stays out of the waste stream. The Company designs its products to maximize its product lifecycle and offers three-year standard warranties and five years of replacement parts availability on many of its top-selling commercial PC products to support this extended lifecycle. Three-year warranties are offered as the base warranty on many top-selling Think branded products, including all commercial monitors, notebooks, desktops, and others. In addition, customers can purchase warranty upgrades to extend the base warranty by one or two years for many products. Base warranties for consumer (Idea) products vary by product type and geography but typically start at one to two years for the base warranty with the option for many products to purchase an extended warranty. For more details, see the Company's Warranty and Maintenance Services webpage.

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

- **Increased use of lithium polymer cells:** Used in notebooks and tablets with embedded batteries, these cells typically provide longer life cycles than lithium-ion cylindrical cells.
- **Longer lifespan batteries:** Many of the Company's embedded batteries are designed to last two to three times longer than standard batteries. It offers three-year warranty upgrades on many embedded batteries. The longer lifespan is made possible with carefully selected cells and charge algorithms.

- **Dual-mode charging algorithms:** These technologies are used on most notebook batteries and adjust charge voltage and current over time to prolong the battery's lifespan. The feature is implemented in the hardware and as part of the battery firmware so it is not operating system or application dependent and works with any software load. In FY 2020/21, these algorithms were further enhanced to provide more user-dependent adjustments.

- **Field updateable battery firmware:** Customers can download a firmware update utility that 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 Carbon Footprint

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

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

The Company continues to search for an efficient and credible way to calculate its product footprints, and it also wants to understand the impacts while credibly disclosing environmental information about its products. With these challenges and goals, the Company joined the Product Attribute to Impact Algorithm (PAIA) Project, an ICT sector-wide pre-competitive collaboration led by 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 to significantly reduce the time and cost of environmental impact calculations. With a suite of simplified online tools, PAIA delivered a methodology for ICT product footprints which originated from a multi-stakeholder initiative of ICT companies that shared insights and best practices. The Company's participation in PAIA is helping to drive a sector-wide streamlined methodology that will be key to transforming ICT companies into sustainable businesses.

The PAIA PCF calculation tools help to efficiently calculate product carbon footprint (PCF) for a wide range of products and configurations. The Company's product development groups currently use the PAIA tools for notebooks, desktops, monitors, all-in-ones, tablets, thin clients, servers, network switches, and storage products and are engaged in optimization of the online platform. Using PAIA tools to calculate product footprints has significantly reduced the time and cost of calculating environmental footprints for its products. The quality and accuracy of the calculations allow the Company to confidently communicate this information with customers and other stakeholders. The Company shares these results with enterprise customers and publishes them publicly as PCF information sheets. PCF sheets for specific products can be found on the Company's ECO Declarations webpage.

The Company's product LCA system is based on the ICT industry eco-design requirements that analyzes the product's full life cycle and design process to help provide greener and more environmental products to market. Its product LCA system utilizes the ICT product footprint tool which assesses the core product design and manufacturing plan by using a scientific and quantitative configuration that supports green improvement initiatives. In 2020, the Company conducted its first product LCA for the IdeaPad Flex 3 11IGL05 and is working to expand this exercise to other products.

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

Ecolabels from around the globe

SMARTER MANUFACTURING: LOW-TEMPERATURE SOLDER

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

As the Company carries out their recently announced science-based targets, LTS technology is supporting its progress towards its climate change mitigation goals. The Company is working to expand the use of this technology and the results confirm that LTS provides benefits that extend beyond the environment – but can also improve reliability, efficiency, and cost reduction.

As of FY 2020/21, a total of 19 surface-mount technology (SMT) lines in the Company's manufacturing locations have been converted to LTS process lines. The Company has also extended this technology to its sub-module vendors who produce parts such a memory and fingerprint reader modules, where another four lines were converted to LTS process lines.

In FY 2020/21, the Company has shipped 22.7 million laptops manufactured with the LTS process. This has resulted in a total reduction of 4,740 metric tons of CO_2 emissions.

22.7 million
laptops manufactured with the innovative LTS process

4,740 $MTCO_2e$
reduction = 1,031 passenger vehicles driven for one year*

* EPA.gov Equivalencies Calculator, https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

PACKAGING

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

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

In FY 2020/21, the Company's packaging objective was to minimize the consumption of packaging material while driving the use of environmentally sustainable materials. The Company is intent on reducing the size of its packaging to minimize the materials used while maintaining adequate protection for its products. 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.

The Company supported this objective by transitioning all ThinkPad series to 100 percent recycled cushioning materials. The material is 100 percent biodegradable, lighter than the 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 an 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.

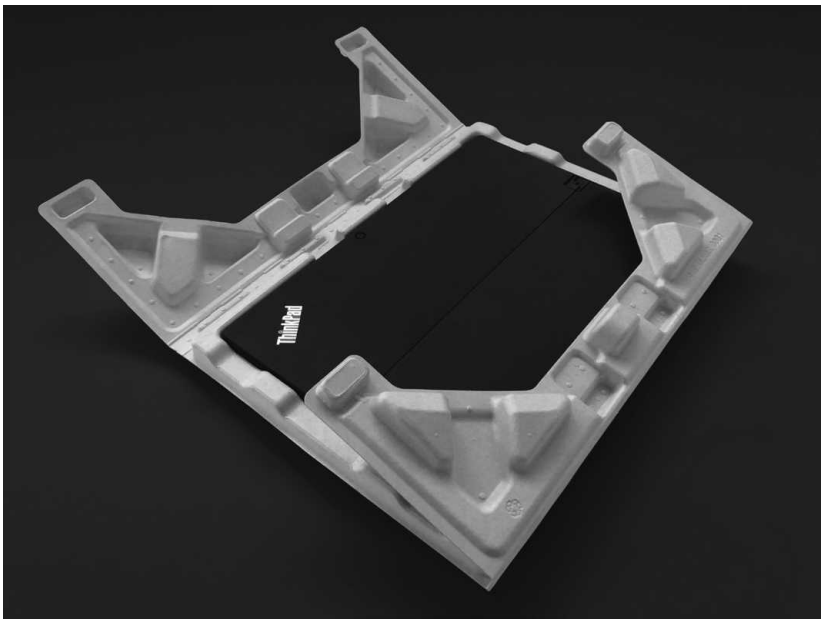
Since 2008, the Company has eliminated 3,240 metric tons of packaging consumption by weight. In 2020/21 alone, the packaging team reduced packaging consumption by 140 metric tons. Other successful packaging objectives include the implementation of packaging made from a 70 percent recycled content ratio with all new phone products and achieving a 5 percent weight reduction in volume for at least one product in other product categories.

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

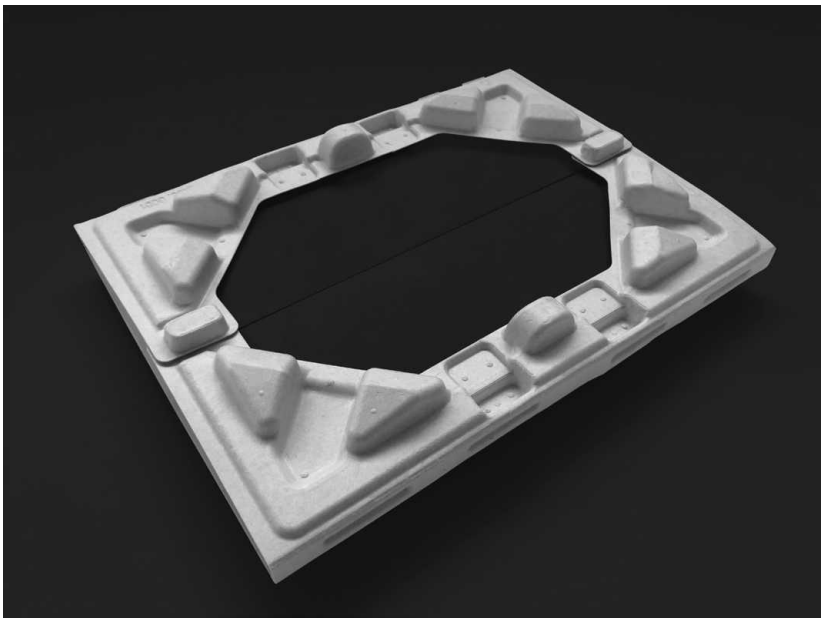
- Sleek and robust design
- Lightweight
- 100% rapidly renewable
- 100% compostable
- A pure closed-loop ecosystem

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

The ThinkPad packaging team is always looking for environmentally friendly solutions which may improve their packaging engineering efforts. In FY 2020/21, the packaging team optimized the packaging design for the ThinkPad X12 Detachable by reducing the packaging weight by 0.6 kg per box. This improvement eliminated 60 metric tons of packaging, increased the number of units on a shipping pallet from 84 to 128, and drove a total cost savings of over US$351 thousand per year. Results of the Company's progress against its packaging targets are available in the FY 2020/21 Performance table.



The Company 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.



PRODUCT END-OF-LIFE MANAGEMENT (PELM)

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

Product Take-Back Programs

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

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

640,769,156

pounds of computer equipment processed through PELM programs since 2005

Product and Parts Management

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

Management of PELM Suppliers

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

- Supplier completion of the Company's initial supplier audit/evaluation form declaring their processing capabilities and controls, management systems for quality, environmental, health and safety, legal compliance, downstream facilities disclosures, and evaluation criteria.
- The Company's environmental audit/evaluation of facilities and suppliers' processes prior to use with documentation of audit findings and recommendations in a final report.
- Review of all audit/evaluation documentation and recommendations by its Geographic Environmental Managers and final approval by the Company's Director of Environmental, Sustainability, and Compliance.
- Database of all the Company's audited and approved PELM supplier facilities by geography with approved services for use by all the Company organizations, sites, and programs worldwide.
- The Company's supplier contracts with specific environmental terms and conditions related to expected environmental performance and reporting.
- Suppliers in scope include ARS suppliers, legal and voluntary product take-back providers, dismantlers, recyclers, refurbishers, disposal, and other related vendors. 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 Company-approved recyclers for the disposition of non-working products and parts and waste generated from their refurbishing processes. The Company prohibits the shipment of hazardous waste to non-OECD countries.

Recovery and Recycling Trends

As customers continue to have considerable interest in the Company's recycling programs, its continual improvement activities include searching for opportunities to maximize reuse and recycling. Since 2005, the Company has processed 290,648 metric tons of computer equipment through its contracted service providers. During the 2020 calendar year, it financed or managed the processing of 32,882 metric tons of the Company-owned and customer-returned computer equipment.

The disposal method breakdown for CY 2020 is included in the Consolidated Metrics section.

Of this total, five percent was reused as products or parts, 86 percent was recycled as materials, two percent was incinerated with waste-to-energy recovery, six percent was incinerated as disposal treatment, and one percent was disposed of by landfill.

The Company's 2020 performance includes data from its ARS program offered to business and enterprise customers, along with data from the Company's other voluntary and legally required product take-back programs for consumers and businesses. These customer programs resulted in more than 31,795 metric tons of products collected for recycling and reuse in 2020. For historical annual volumes and breakdown by disposition method, please see the tables related to PTB and PELM in the Consolidated Metrics section.

CIRCULAR ECONOMY

The Company's vision to deliver *Smarter Technology for All* extends to its circular economy practices that include Smarter Circular Design, Smarter Circular Use, and Smarter Circular Return activities.

The Company continues to provide solutions for its customers' most critical business needs with its service-led transformation. These solutions include:

- Providing services that keep products operating longer, and services that make infrastructure management easier – which have become more important than ever to its customers.
- Offering solutions to manage its customers' products at the end of life to maximize value and reuse opportunities.

These circular principles are also applied to the Company's product and parts management.

SMARTER CIRCULAR DESIGN
Designing out waste and pollution

SMARTER CIRCULAR USE
Optimizing use of products and resources

SMARTER CIRCULAR RETURN
Capturing resources & value

In FY 2020/21, the Company expanded its support of a circular economy with sustainable solutions in Design, Use, and Return activities.

SMARTER CIRCULAR DESIGN

When the iconic Motorola Razr (2nd gen) smartphone launched in 2020, the innovation extended to the packaging. The specially designed box can be reused in unique ways to extend the useful life of the packaging.

- The packaging box can also function as an accessory storage box.
- A part of the packaging box can be modified and used as a speaker base to help improve the sound quality.

Razr packaging

SMARTER CIRCULAR REUSE

In FY 2020/21, the Company launched its first circular supply chain infrastructure – Lenovo Value Recovery (LVR). LVR provides the Company's certified refurbished data center equipment for its customers. The Company is extending the life of excess, surplus, end-of-life, and withdrawn-from-market products, and refurbishing to the level of quality and reliability that its customers expect. In North America during FY 2020/21, 100% of customer-returned products with the Infrastructure Solutions Group (ISG) are refurbished, reused, or resold through the LVR business.

SMARTER CIRCULAR RETURN

In FY 2020/21, a team of inspired engineers at the Company's Shenzhen, China manufacturing center identified an opportunity to implement a circular return and reuse activity after spending many months developing and implementing a process that enabled the reuse of metal brackets. Specialized metal brackets used in the shipping of direct water-cooling components were designed for multiple uses, but there were many challenges to overcome, including cost, before the Company was able to implement an optimal circular process. Thousands of the shipping brackets have been returned and reused, resulting in cost reduction and less material consumption.

Specialized metal brackets

4.0 Social

4.0 Social

The Company's global nature is its greatest strength. It is also its greatest challenge because designing sustainable systems, structures and processes is not one size fits all. By creating global frameworks that are often operationalized locally, the Company achieves business objectives, while also allowing for local customization and flexibility. The "We Are Lenovo" cultural principles of Customer Focus – Teamwork and Trust – Entrepreneurship – and Innovation are the heart of the Company's management practices. Its leaders throughout the world are committed to these principles and are driven by a sense of long-term responsibility.

LABOR PRACTICES AND HUMAN RIGHTS

The Company's Human Rights policy communicates its respect for human rights in all that it does and how it extends those rights to employees and business partners. As a signatory of the United Nations (U.N.) Global Compact, the Company's practice is to uphold and support the protection of internationally proclaimed human rights. The Company does not permit the use of child labor, forced labor or coercion, including physical punishment, in any of its operations.

The Company is committed to abiding by the following practices:

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

The Company's corporate strategies, practices, and guidelines as well as supplier requirements must support this commitment to human rights. Concerns about possible human rights violations must be reported to the Company's management who shall take prompt corrective action. More information is available in the Company's Human Rights Policy.

Recruitment

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

The Company's recruitment process drives the candidate journey through all touchpoints, including sourcing activity, job postings, and communication throughout the application and interview process. The Company's recruiters also source candidates using social media, employee referrals, and other creative methods.

Some of the recruitment practices that the Company manages as a Global TA organization include:

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

Internships are a vital source for prospective candidates and a great way to strengthen the Company's culture. In 2020, the Company hired over 200 interns globally, providing meaningful learning experiences, mentor programs, innovation projects, and a view into a Global Fortune 500 technology Company. The size of this program was impacted by the COVID-19 pandemic.

The Company partners with universities around the world to attract diverse talent. Its internship programs recruit tech enthusiasts and STEM program students from High School through Ph.D., which helps to build pipelines for potential hiring needs. Some internship programs are specifically designed to help attract students from traditionally underrepresented backgrounds to the Company. These programs include, but are not limited to the following:

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

The Company's internship programs have been recognized as innovative and as a top intern organization.

The Company is dedicated to growing and developing a workforce to support its long-term growth. It offers multiple programs for early career talent that includes rotations, leadership development, and technical ladder programs. The Company's goal is to infuse diverse talent into its innovative culture via digital transformation – creating smarter technology for all. Early career hiring is a vital part of its human capital strategy. These programs include, but are not limited to:

- China Future Leaders (Sales/Marketing)
- India Future Leaders (Sales/Marketing)
- Lenovo Accelerated Sales Rotational Program (LASR)
- ISG Global Supply Chain Rotational Program
- Global Finance Talent Program (GFTP)
- Global Future Leaders Program (Management/ Technology)
- Global Future Leaders Program (High Potential) (internal)

Compensation, Performance, Benefits

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

The Company's compensation philosophy is to pay for performance. It believes exceptional individual performance drives exceptional business performance and plays an important role in the pay-for-performance philosophy. Regular employees are bonus or commission eligible. Its regular non-sales employees establish Key Performance Indicators (KPI) at the start of the fiscal year and managers are encouraged to review their performance against those objectives on a regular basis. At the end of the year, employees receive documented feedback on their performance and are rated accordingly. All regular non-sales employees receive an individual performance modifier (IPM) which impacts the bonus payment they are eligible to receive. Sales employees receive periodic quotas that impact their commission payments. Furthermore, sales quotas are reviewed and adjusted periodically as market conditions dictate. A feature of the Company's performance management system allows employees to request or provide feedback at any time during the performance year. This feedback may then be used by managers in making their year-end assessment.

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

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

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

Globally, the Company offers flexible benefits in multiple markets and 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 lifestyle-type benefits (pet insurance, home, or auto insurance) at discounted rates. In the United States, the Company offers voluntary wellness programs that seek to improve employee health or prevent disease. The program is administered according to federal rules permitting employer-sponsored wellness programs, including the Americans with Disabilities Act of 1990, the Genetic Information Nondiscrimination Act of 2008, and the Health Insurance Portability and Accountability Act, as applicable, among others.

DIVERSITY AND INCLUSION

Diversity and inclusion have been the building blocks of the Company's history and are among its greatest strengths. The Company's employees, each with their unique perspectives and experiences, are the very reason it is enabling smarter technology for all. As a truly global technology company, it has an even greater responsibility in advancing these core values globally.

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

The Company is bringing awareness about inclusion to all its leaders and employees in a variety of ways, including Global Inclusion Training (formerly identified as Anti-Harassment) to foster opportunities for employees of all backgrounds and to leverage its diverse talent. In 2020, the Company achieved a 92 percent completion rate for Global Inclusion Training.

Maintaining a diverse culture and achieving its full potential is fundamental to the Company's competitive success. A key element in the Company's workforce diversity programs is the commitment to equal employment opportunity and the avoidance of discrimination, harassment, and similar inappropriate behavior in the workplace. The Company is committed to providing a work environment free of discrimination and harassment based on race, color, gender, religion, age, nationality, social or ethnic origin, sexual orientation, gender identity or expression, marital status, pregnancy, disability, or veteran status. Hiring, promotion, and compensation of employees must be conducted without bias against such characteristics. These business activities and the design and administration of the Company's benefit plans must comply with all applicable laws. For qualified people with disabilities, the Company will make reasonable accommodations needed for effective job performance in a manner that complies with applicable laws. More information about the Company's initiatives to drive inclusion is featured in the 2020 Diversity and Inclusion Report.

Commitment to Disability Inclusion

In January 2020, the Company signed The Valuable 500, a movement to drive positive, meaningful change while embedding disability inclusion in the business leadership agenda. Since then, the Company's employee resource groups welcomed two new teams including A Better Lenovo For Everyone (ABLE) in North America and People with Disabilities (PwD) in EMEA. Another chapter of PwD is currently in development in the Company's Asia Pacific geography. The Company will continue to partner with disability rights advocates to help ensure its products and solutions are inclusive and accessible.

Through the Lenovo Foundation, its partnerships with non-profits and charitable organizations around the world enable the Company to extend its support of disability inclusion into the local communities it serves.

Show up. Listen. Act.

The Company's "Show Up. Listen. Act." initiative was founded in summer 2020 in response to the injustices facing people of color in the United States and around the world. Kicking off with a forum called "Courageous Conversations", leadership engaged employees on key topics surrounding race and discrimination. The extensive engagement initiated several commitments by the Company:

- US$1 million to the 'Evolve Small' Campaign, supporting minority-owned businesses in the U.S. and Canada
- US$600 thousand to support social justice initiatives across the U.S.
- US$250 thousand to Historically Black Colleges and Universities (HBCU), including internship opportunities for HBCU students

Show up. Listen. Act.

The initiative also drove awareness on Martin Luther King, Jr. Day through the MLK on MLK augmented reality project, conducted in partnership with the DuSable Museum of African American History in Chicago, Illinois, U.S..

Diversity by *Smarter* Design

In 2020, the Company announced its Product Diversity Office (PDO) as the authority on embedding diversity and inclusion (D&I) into its product design and development process. The PDO's "Diversity by Design" process employs user experience and design experts who ensure diversity is represented in considerations for the product planning and execution phases. Additionally, the PDO consults with a broad range of diverse users to validate designs and provide feedback from engaging employees through partnerships with employee resource groups and diversity partners.

As new products and solutions make their way through the development pipeline, the PDO will support the identification of the eight "high risk" areas where D&I may be a factor in design development, including facial recognition, voice user experience, gestures, wearables, head- or body-mounted devices, AI algorithms, and new form factors and interfaces. For products developed under the new PDO recommended process, before a product can move forward from the "Design Start" phase, a Diversity by Design Review Board (DDRB) comprised of members of the Company's Legal, HR, User Experience (UX), Customer Experience (CX), Quality and Product Accessibility teams will determine if a product requires expert review and user testing for diversity aspects. If it requires review, further evaluation and usability tests are conducted. If it does not require review, it's cleared to proceed through the design process as planned.

Because of its use and involvement of "high-risk" factors for diversity, such as AI and voice, the first product to pilot the PDO program was the Lenovo Voice Assistant. Due to the software utilizing third-party services in its programming, the PDO board directed the product development team to obtain the external party's testing documentation to evaluate and verify the scope of the diversity testing performed in their development processes. The external audit successfully met the diversity testing requirements, and Lenovo Voice Assistant was cleared to move forward in its development and was deployed worldwide as a pre-loaded feature in Lenovo's X1 Fold.

In support of the Company's commitment to enable smarter technology for all, the PDO has partnered with product teams to evaluate and recommend additional diversity testing for software innovations like the Lenovo Smart Appearance App. The PDO is also collaborating with the Company's User Experience Design Insight team to conduct research with individuals with visual impairments to gain insights on their experiences with its technology, which allows the product design to be more accessible.

Smarter Diversity and Inclusion Research

The Company recently partnered with Intel to conduct a comprehensive research study in five markets to understand the perceptions, gaps, wants, and needs of employees across all generations when it comes to diversity and inclusion in the workplace, and the critical role technology will play.

Lenovo and Intel's Diversity and Inclusion in the Global Workplace study explores the attitudes of approximately 5,096 respondents across five key geographic markets of China, the United States, Germany, the United Kingdom, and Brazil between December 19, 2019 and January 7, 2020. The joint global study explores how people around the world view D&I in their personal and professional lives, and their perspective on the role technology plays to address systematic inequities, create more access, and enable growth.

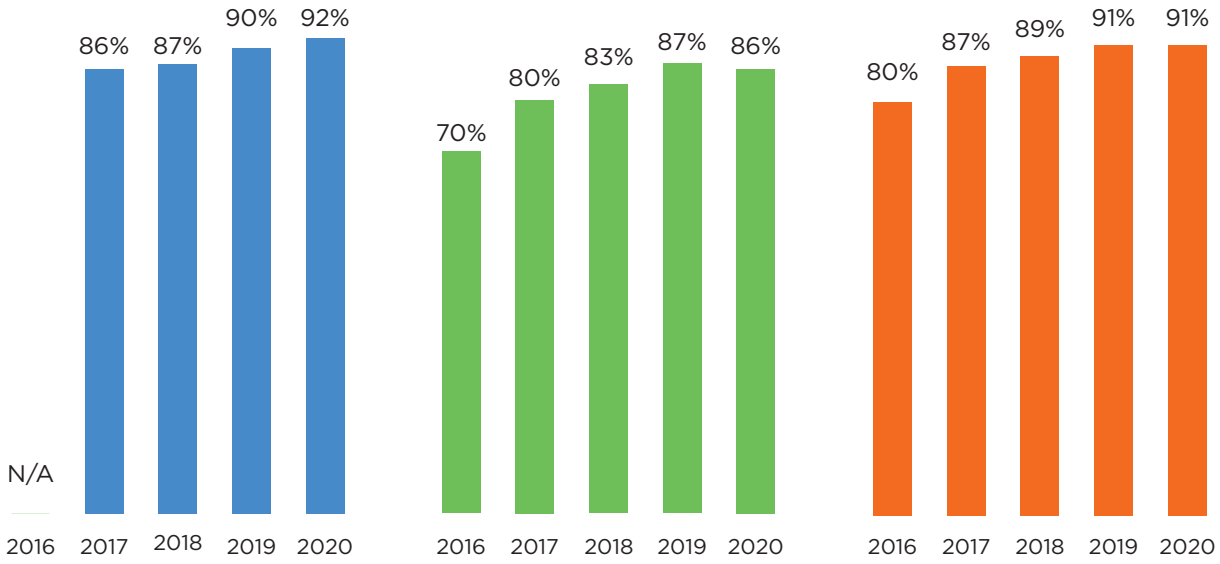
With the power to bridge accessibility gaps, connect people who are otherwise divided, and expand the impact of upskilling and progressive training programs, technology facilitates the ability to work in more dynamic, flexible ways than ever before. The findings within the report also suggest that, if a more diverse and inclusive workplace is the goal, technology has the potential to get us there, as it facilitates human connection, understanding, and ultimately, empathy. The topline findings of the report can be found here.

"Lenovo Listens" Employee Engagement Survey

The Company seeks the insights of its employees worldwide through its annual "Lenovo Listens" employee engagement survey. The survey is designed to measure employee sentiment and capture feedback on the Company's performance in creating an equitable and inclusive work environment. The 2020 survey results indicate that the Company's efforts are on track with the results showing high scores for the Company's promotion of fair and equal treatment in the workplace (92%), fostering opportunity for success for employees of all backgrounds (86%) and maintaining an environment of respect (91%).

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

The 2020 annual "Lenovo Listens" employee engagement survey reported the following results:



Agree: All Employees are treated equally and fairly, regardless of gender, age, race, disability, religion, or sexual orientation

Agree: Lenovo has created an environment where people of diverse backgrounds can succeed

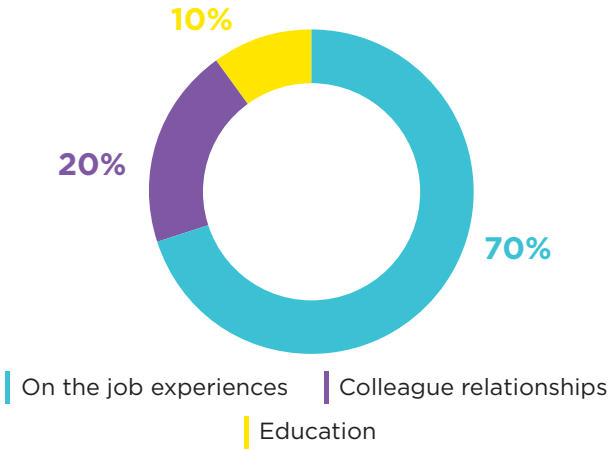
Agree: I am treated with respect at Lenovo

TRAINING AND DEVELOPMENT

The Company invests in talent development, taking a robust and systematic approach to employee management and executive development. We combine these three training and development methods to maximize learning in a systematic approach:

Experiences on the Job – learning while doing. We design 70 percent of career development to happen on the job.
Colleague Relationships – mentors, guides, coaches, 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.



Employee training and development activities also include formal leadership education programs, targeted planning and global rotations, employee network forums, executive coaching, structured feedback, and a variety of assessments and development tools.

The Company's new-hire training includes a combination of required instructor-led and online courses on the Code of Conduct, Information Security, Privacy Basics, and Global Inclusion training. New hires are also equipped with cultural behavior training and are indoctrinated in the Company's history on the 'Lenovo Way' to establish an 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 the Company's mission and vision.

In FY 2020/21, the Company launched a new learning management system to better meet the needs of its employees. This new platform, which is still called Grow@Lenovo, hosts over 57,000 different online training assets, many of which are offered in eight different languages. The training platform also provides resources like free business books and GlobeSmart, a tool that supports cross-culture collaboration. The Company develops training content for sales, product, and process training, but also looks externally for other needed content, such as professional or technical skills training. The Company is always looking for new ways to match business and employee development needs through licensing content from reputable external vendors.

In addition to the mandatory compliance training for new hires, the Company also conducts regular compliance training campaigns. Last fiscal year, we saw a jump in our average training hours; some of this can be attributed to our Company-wide campaigns. FY 2020/21 employee training metrics are available in the Consolidated Metrics section of this report.

HEALTH AND SAFETY

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

The Company's global manufacturing locations are ISO 9001:2015 (Quality), ISO 14001:2015 (Environmental), and ISO 45001:2018 (Occupational Health and Safety) (OHS) certified. As required by these internationally accepted standards, the management systems that incorporate objectives and targets at each certified facility continually foster a safe and healthy work environment for employees.

The Company adheres to world-class standards for workplace safety through its OHS Management System. It integrates and measures new facilities into its system to meet its health and safety standards. All global manufacturing locations, including JV locations, are ISO 45001:2018 certified by an accredited third-party auditor.

Moreover, the OHS Management System is integrated with the organization's strategy and operations and assimilates health and safety programs throughout the Company's global manufacturing footprint. This is accomplished through a process of planning, education, prevention, controls, performance evaluation, and continuous improvement which are vital to achieving the Company's objectives.

Each manufacturing and development facility reports the number of industrial injuries, illnesses, and lost days each month to the Global OHS Team as part of their KPIs. In FY 2020/21 there were no fatalities, work-related injuries, or major accidents, and the Company's recordable work-related injury rate of 0.047 exceeded its target of 0.27, and its lost-day injury rate of 0.032 surpassed its target of 0.18. More information is available in the Consolidated Metrics section of this report.

Hazard Identification and Risk Assessment

The Company has implemented a mature hazard and risk identification program that assesses the daily activities and projects throughout its operations and enables the prevention of new hazards while minimizing risks in the workplace. This practice helps to determine if additional health and safety measures are needed as a precaution. For example, the assessment is administered when there are significant changes in the workplace, including changes to workshop layout, new equipment installation, or other compliance-related changes. The Company's hazard identification award program is an effective way to engage employees and encourage participation in health and safety management while helping employees recognize potential risks or hazards in their daily work environment. Through this and other programs, the Company can increase awareness and implement a sense of ownership as it maintains a safe workplace for everyone.

Incident Investigation and Corrective Action

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

Health and Safety Training

The Company embraces a "People First" philosophy and values a healthy and safe culture. Employee participation is essential to the success of OHS management, thus it enforces processes and develops online tools to support employee awareness through appropriate training and site-specific safety information. The Safety Committee that supports its manufacturing and selected field locations conducts regularly scheduled discussions on a variety of safety issues, allowing all members to participate in the Company's corrective action process. In addition to the education and training designed to meet regulatory requirements, the Company's manufacturing sites promote the Annual Health and Safety Week or Month to further reinforce awareness.

Prevention and Control

Occupational Health and Safety standards are incorporated at the earliest stage in the life cycle of a facility, including the equipment, the planning phase, and non-routine tasks and projects. Last year the OHS team published a comprehensive guidebook titled 'Prevention through Design' to assist each location with the design criteria for safety precautions at the very beginning of new equipment installations. The Company also implemented safety controls related to purchased goods, equipment, and services, and digital safety-related controls for contractors and visitors in the workplace. This proactive approach helps to prevent work-related injuries, ill health, and fatalities.

Emergency Preparedness

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

Certification and Audits

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

The Company's manufacturing locations undergo routine health, safety, or environmental audits. Other examples of audits include internal audits, ISO certification audits, customer-requested audits, and industry-standard audits such as RBA audits.

The Company is dedicated to ensuring that its manufacturing locations and supply chain enforce the following:

- Safe working environments
- Respect and dignity for workers
- Environmentally sound operations
- Legal and ethical business practices

During FY 2020/21, six manufacturing sites underwent audits through the RBA Validated Audit Program (VAP). Five sites achieved Silver Level, one site achieved Platinum Level, and two sites received the Factory of Choice (FOC) award. Due to the COVID-19 impact, the RBA VAP audit for the Company's Pondicherry, India location was postponed until FY 2021/22. Plans are in motion to ensure all the Company's manufacturing locations receive independent third-party RBA VAP audits.

The Company's FY 2021/22 target is to achieve successful RBA VAP audits for the remaining five locations, and to receive the FOC award for the remaining sites in FY 2022/23. Plans are in progress to have independent third-party RBA audits performed at all manufacturing locations. When this plan is achieved, its in-house manufacturing network will reach 100% RBA VAP enforcement.

FY 2020/21 Planned

RBA VAP: 7 Sites
Factory of Choice: 2

FY 2020/21 Completed

RBA VAP: 6 Sites
Results:
Silver: 5
Platinum: 1
Factory of Choice: 2

FY 2021/22 Planned

RBA VAP: 11 Sites
Factory of Choice: 8

FY 2022/23 Planned

RBA VAP: 11 Sites
Factory of Choice: 11

COVID-19 RESPONSE

Since the outbreak of COVID-19, the Company deployed an immediate plan to support the health and safety of employees. Like other manufacturers around the world, identifying how to operate its factories safely in a post-COVID-19 world has been a new experience for the Company. It has continued to promote awareness and implement safe practices to protect its employees. Employee awareness remains a vital component to the containment of the pandemic's impact on the Company's operations. Today, it remains cognizant of its role and responsibilities to maintain a safe and healthy workplace, while supporting the daily operations with the following actions:

- Tracked mask stock information and state-level COVID cases weekly and applied a 90-day inventory demand as the baseline for all manufacturing locations to ensure adequate masks and disinfectant.
- Provided sufficient personal protective equipment and safer accommodations for employees who were required to travel internationally to support local businesses, including related training to further support safety measures.
- Strictly controlled facility access for suppliers and contractors; permitting entry only after successful completion of official health screening that complied with local laws and the Company's requirements.
- Invited medical professionals to provide voluntary health screenings for more than 900 employees at the Company's Wuhan facility in China.
- Supported business continuity through various employee training opportunities, including occupational health, fire prevention, evacuation, and COVID-19 awareness.

MANUFACTURING RECOGNITION

In 2021, the Company's was recognized by The Institute for Operations Research and the Management Sciences (INFORMS) for the successful creation of Lenovo's AI solution at the LCFC plant in China, and was named a Franz Edelman award finalist, among the world's most prestigious for achievement in analytics and operations research. Through the integration of deep reinforcement learning with operational research, Lenovo's revolutionary AI-enabled production planning and scheduling system significantly improved utilization and fulfillment rates while increasing production volumes. Since the deployment of this innovative system, production efficiency has increased by 18% in Lenovo's largest PC factory leading to higher profitability and improved customer experience.


Responsible Business Alliance
Advancing Sustainability Globally

Recognition that
Lenovo - Unites States Fulfillment Center

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

Completed the RBA Validated Audit Process achieving SILVER Status Without any Priority findings achieving a score of 193.5/200

Validated Audit Report: VAR-20210309-US-01A01-1

Audit date: March 9, 2021

Certificate issue date: April 7, 2021

Expiration date: March 10, 2023

Robert F. Lederer
CEO, RBA

In March 2021, the Company's United States Fulfillment Center (USFC) in Whitsett, North Carolina, USA, achieved RBA VAP Silver Recognition.


Responsible Business Alliance
Advancing Sustainability Globally

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

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

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

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

Audit date: January 18, 2021

Certificate issue date: February 11, 2021

Expiration date: January 20, 2023

Robert F. Lederer
CEO, RBA

In February 2021, the Company's Monterrey, Mexico plant achieved RBA Platinum Recognition.


Responsible Business Alliance
Advancing Sustainability Globally

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

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

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

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

Audit date: July 16, 2020

Certificate issue date: February 11, 2021

Expiration date: July 16, 2022

Robert F. Lederer
CEO, RBA

In February 2021, the Company's Shenzhen (LSTC), China, plant achieved RBA Silver Recognition.


Responsible Business Alliance
Advancing Sustainability Globally

Recognition that
LIPC

3# Guanglan Road and 30# TaoHua road Futian free trade zone shenzhne Futian Free Trade Zone, Shenzhen, Guandong, 518038
China

Completed the RBA Validated Audit Process achieving SILVER Status Without any Priority findings achieving a score of 180.3/200

Validated Audit Report: VAR-20200713-CN-02A01-2

Audit date: July 13, 2020

Certificate issue date: February 11, 2021

Expiration date: July 15, 2022

Robert F. Lederer
CEO, RBA

In February 2021, the Company's Shenzhen (LIPC), China, plant achieved RBA Silver Recognition.

SOCIAL IMPACT

The Company's social investments are focused on STEM, (science, technology, engineering, and math), education and empowering diverse and under-resourced populations. The Company has a goal of committing a minimum of 0.5% of its pretax income to global social investment programs and initiatives. The Company's social investments are executed through charitable corporate contributions and its charitable entities: 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 worldwide geographies to maximize the charitable impact of the Company's giving.

Social Investment Objectives

- Partner with charities, educational institutions, and civic organizations to empower under-represented populations with access to technology and STEM education.
- Share the Company's *Smarter Technology for All* vision with communities around the world through employee volunteerism aligned to its mission and vision.
- Use the Company's technology and philanthropic resources to strategically respond to natural and humanitarian disasters, like Covid-19.

Highlights from FY 2020/21:

Response to Covid-19: The Company continued its initial response to Covid-19 as markets around the world were impacted by first, second, and third waves of the virus throughout the fiscal year. To date, the Company's total response has reached US$15 million.

Love on Global Month of Service: The Company's employees adapted the annual Love on Global Month of Service to a virtual format to safely give back to the community in 2020, in alignment with Covid-19 restrictions.

Expansion of strategic partnerships: The Company's global philanthropy team grew and added global partners such as Jangala, Laboratoria, and Meghshala.

In 2020, Lenovo was listed in the fourth CSR Education List for supporting the development of education in China. Founded in 2014, the CSR China Education Award is the only award in China's education sector that evaluates corporate social responsibility (CSR) under the initiative and guidance of relevant government agencies, and is jointly sponsored by CSR China Education Alliance, China Youth Daily, China Student Social Practice Knowledge and Action Promotion Program and other industry organizations. The award is given once every two years to encourage and recognize outstanding CSR projects that support the development of education in China. Lenovo also took home a second prize in the CSR China Education Award for its Smart Technology for Educational Poverty Alleviation in China Campaign.

5.0 Governance

5.0 Governance

CORPORATE GOVERNANCE PRINCIPLES AND STRUCTURE

Information about the Company's corporate governance principles and structure; Board of Directors, roles and board committees; risk management; internal and external control can be found in the Corporate Governance Report and Committees' Report of the FY 2020/21 Annual Report, on pages 64-136.

ESG MANAGEMENT

The Company's ESG 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. Its governance structure, including the Board of Directors, supports the Company's ESG program and process by regularly evaluating ESG-related risks and the Company's responses to the risks. At least twice annually, the Board of Directors is briefed on ESG-related activities. The Company's Chief Corporate Responsibility Officer provides executive leadership for the Company's ESG position, including climate change programs.

The Company's systemic approach to managing its ESG programs creates a competitive advantage in a rapidly changing economy. The integration of a strong ESG program supports the Company's long-term growth and addresses the growing concerns of individual consumers and large enterprise customers around the globe.

The Company's recently formed ESG Executive Oversight Committee (EOC) provides strategic direction and facilitates the coordination of ESG efforts across the Company. The EOC is chaired by the Chief Corporate Responsibility Officer and includes executives from numerous business areas. The EOC represents the interest of the business in ESG strategy discussions and proposes recommendations to senior leadership regarding effective management of ESG risks and programs. The EOC supports a culture that encourages strong ESG performance, including compliance and leadership activities, and enhances the Company's reputation in this area.

The EOC supports the Company's ESG program by:

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

China ESG30 Forum

In 2020, Lenovo joined China ESG30 Forum as a founding member. China ESG30 Forum is the first ESG think tank network in China that aims to promote the development of ESG in Chinese capital markets by promoting the following: policy advice, academic research, industry practice and international exchange, and promote the high-quality development of the economy.

ESG30
中国ESG30人论坛

ESG Compliance

The Global Environmental Affairs and Sustainability (GEA) Organization drives product and market compliance and is supported by a global network of focal points in the geographies, development organizations, key functional areas, and external partners. The Company's GEA team and network of Geographic Environmental Affairs Focal Points (Geo FP) engage with local sales teams and customers on a regular basis to obtain stakeholder input that may help improve the Company's performance and manage related risks. The GEA team also monitors industry and trade activities to ensure that the Company remains in compliance. The diagram below is an example of the Company's engagement process for the Geo FPs and how stakeholder input is utilized to support its operational and product requirements and related emerging issues.

ETHICS AND INTEGRITY

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

The Company's Code reflects a culture of trust and integrity, holds employees accountable for their behavior and helps employees determine when and where to seek advice. The Company's Code, policies, and related awareness and training materials are provided periodically through various methods of communications.

The ECO is supported by three committees. The Executive Ethics Committee provides executive-level oversight and guidance to the ECO. The Investigation Oversight Committee works closely with the ECO to oversee the Company's internal investigation process. The Regional Ethics and Compliance Committee provides the ECO with global support, perspective, and insight.

"Great companies operate with great integrity. That is my expectation – and that is how we will keep growing, winning, and achieving our bold aspirations for many years to come."

Yang Yuanqing
Chairman and Chief Executive Officer

Business Practices

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

Anti-Bribery and Anti-Corruption
The Company's policy on anti-bribery and anti-corruption, and its policy on gifts, entertainment, corporate hospitality, and travel reinforce provisions in the Code and provide additional guidance regarding compliance with global anti-bribery and anti-corruption rules and laws. Employees may not directly or indirectly offer or give anything of value to any person, including to government officials, to influence official action or to secure an improper advantage as defined by applicable laws.

Anti-Competitive Practices and Fair Competition
The Company's Code of Conduct and policy on anti-competitive practices and fair competition forbid employees from engaging in anti-competitive practices, such as entering into an agreement or discussion that would result in setting prices, limiting the availability of goods or services on the market, or agreeing to boycott a customer or supplier.

Raising Questions or Concerns
The Company has established clear processes and reporting channels for raising questions or reporting concerns. Employees are guided 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, or the Legal Department about any potential issues – including those known about or suspected relating to:

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

The Company also provides formal and confidential ways to report concerns, ask questions, or request guidance in person, by email, or through the LenovoLine, the Company's confidential reporting system that is accessible 24 hours a day, seven days a week by a secure website or toll-free telephone with translators available. Where allowed by law, employees may report concerns about business practices anonymously. Please click here to access the Company's Code of Conduct.

Intellectual Property

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

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

PRIVACY

The Company recognizes the great importance of privacy to individuals everywhere – customers, website visitors, product users, employees – everyone. The responsible use and protection of personal and other information under the Company's care is a core value. To ensure adherence to its privacy policies, principles, and processes, the Company maintains a global Privacy 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 the Company's approach to ensuring privacy compliance include:

- Monitoring privacy regulatory trends and improving its privacy practices.
- Harmonizing global data privacy requirements into a Company-wide set of guiding privacy principles intended to drive how it handles personal information.
- Publishing and keeping updated privacy statements, internal policies, and guidance documents.
- Providing contractual support to ensure that risks associated with any dataflows are covered by appropriate contractual terms; this support includes assisting the Company's Legal Center of Excellence (COE) in its efforts to update contract templates and improve privacy-focused contract exhibits.
- Providing early input to product development teams by incorporating privacy checkpoints into formal product development plans.
- Conducting privacy impact assessments, and pre-launch privacy compliance reviews of products, software, websites, marketing programs, internal systems, and vendor relationships.
- Responding to requests from individuals about their personal information.
- Coordinating the Company's response to law enforcement and other government requests for personally identifiable data.
- Developing and delivering privacy-focused training programs.
- Working closely with the Corporate Information Security Office (CISO) to identify and respond to information incidents involving personal information.
- Maintaining a Privacy Program intranet website for employees that serves as a resource that contains guidance documents, contract templates, compliance checklists, and insights for communicating with the privacy team.

For more information, please see the Company's Privacy Statement.

PRODUCT QUALITY MANAGEMENT

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

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

CROSS-ORGANIZATIONAL QUALITY ASSURANCE

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

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

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

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

Throughout FY 2020/21, there were no product recalls related to safety and health reasons. In very rare instances, the Company may recall a product due to potential safety concerns. Under these circumstances, the Company adheres to corporate guidelines and engages with the appropriate government regulatory agencies to provide customers with a remedy for the recalled product.

In FY 2020/21, the Company did not experience any material incidents of non-compliance resulting in fines from regulations and/or voluntary codes concerning product and service information and labeling.

Complaints

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

All product and service-related complaints are reviewed and assigned to a Customer Care Case Manager, who addresses the issue by following a consistent process that includes the following:

- Investigating the background of the complaint, to better understand the customer's experience thus far
- Identify potential solutions for the customer and communicating with the customer to gain agreement to a solution
- Implementing the agreed-upon solution

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

- Explain the Company's warranty policy
- Offer to repair the product if it is not working per the machine specifications
- Offer to replace the product if the repair does not resolve the problem
- Offer to refund the customer

Due to confidential business constraints, the Company does not disclose the quantitative results of product or service-related complaints.

Smarter Displays for Smarter Eyes

The disruption caused by the pandemic means we are spending longer – on average 10 hours a day – in front of a screen. As a result, four out of five people experience digital eye strain caused by over-exposure to the damaging blue light. The issue is especially relevant for digital devices, like smartphones, laptops, and displays, as we sit close to them – day after day, for hours at a time. The health impacts of digital eye strain and over-exposure to blue light can lead to:

- Dry, irritated eyes
- Trouble sleeping
- Blurred vision
- Reduced attention span
- Irritability and difficulty concentrating

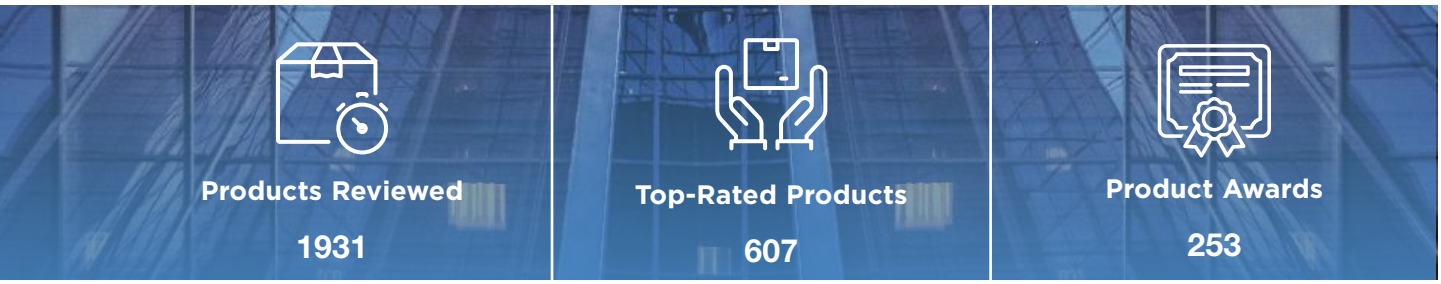
The Company recognizes the solution is to properly protect the eye from the impact of harmful blue light and the latest display product line-ups, including ThinkVision and Lenovo Monitors, do just that. In collaboration with leaders in the eye and healthcare community, the latest research, and industry standards, the Company has designed displays with innovative, thoughtful eye care solutions that are certified to protect the user's eye health.

Both ThinkVision and Lenovo Monitors product lines with Natural Low Blue Light Technology have successfully achieved Eyesafe® Certified Display Certification. These products are designed to meet industry-leading standards for Eyesafe® technology with low blue light and high color performance without compromising image quality. In particular, the smart displays reduce the amount of harmful blue light by dispersing it across the light spectrum to reduce the impact on the eye. With the technology built into the hardware, it delivers a more natural color experience than is possible with a software-only solution.

Source: Eyesafe Vision Health Advisory Board: https://eyesafe.com/visionhealthadvisory/

Product quality recognitions

In FY 2020/21, the Company received several 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, the Company creates technology capable of transforming the way we live, work, and play. The Company recognizes how much potential the future holds for technology, and it is motivated to build smarter solutions for the things that matter the most to its customers. The Company's customer-led innovation is continuously transforming because it never stops listening to and learning from customer feedback.



Quality Innovation Award

In September 2020, the Company's PCSD Quality team participated in the National Quality Innovation Competition which was sponsored by the China Quality Association. The team received the highest award for presenting the theme "Restricted Substances Management Solutions based on Full Material Disclosure". 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 attributable to the Company's long-term sustainability strategy, innovative thinking in hazardous materials management, and continued investment in environmentally friendly products.

CCSA Science and Technology Award

In April 2021, the Company was recognized by the China Communications Standards Association and received the "Science and Technology Award" for its Data Center's liquid-cooled server system.


中国通信标准化协会

科学技术奖证书

联想（北京）信息技术有限公司

贵单位参与起草的"《数据中心液冷服务器系统总体技术要求和测试方法》等6项团体标准"获得二等奖，为表彰贵单位在项目中所做出的突出贡献（第十一完成单位），特发此证，以资鼓励。

证书号：

发证单位：中国通信标准化协会

2021年4月

China Innovative Enterprise

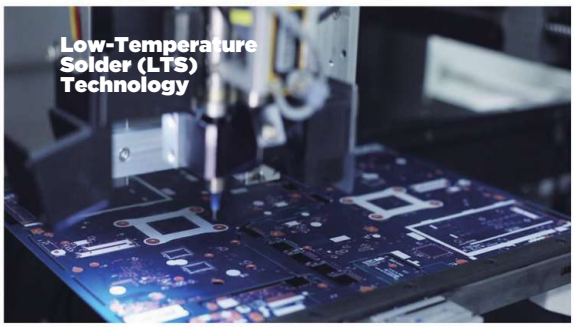
In 2020, Lenovo was honored by the Financial Times with the Digital Transformation Leading Enterprise Award. The award recognizes companies in China that provide end-to-end solutions for the digital and intelligent upgrade and transformation of various industries and that provide a steady stream of technology for the high-quality development of the China economy.

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 March 2021, the Company was recognized by the Ministry of Industry and Information Technology of the People's Republic of China (MIIT) for its green product development practices as it promoted the Company's experience in the following areas:

1. Low-Temperature Solder (LTS) Technology
2. Incorporating post-industrial recycled content (PIC) plastics, post-consumer recycled content (PCC) plastics and closed loop post-consumer recycled plastics (CL PCR)
3. The use of bio-based materials for product packaging (bamboo fiber)

01 Low-Temperature Solder (LTS) Technology



Low-Temperature Solder (LTS) Technology reduces the carbon emissions associated with surface mount technology lines by 35%.

02 Plastic Recycling Technology

Through plastic recycling technology, computer casings are converted into recycled plastics and used to manufacture desktops, laptops, monitors, servers and other products.

03 Biodegradable Packaging Design

Product packaging (bamboo Fiber)
- Biodegradable
- Lightweight packaging
- Smaller size

Bamboo fiber packaging is not only 100% biodegradable, but also lighter and smaller.

6.0
Global Supply Chain

6.0 Global Supply Chain

SUPPLY CHAIN

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

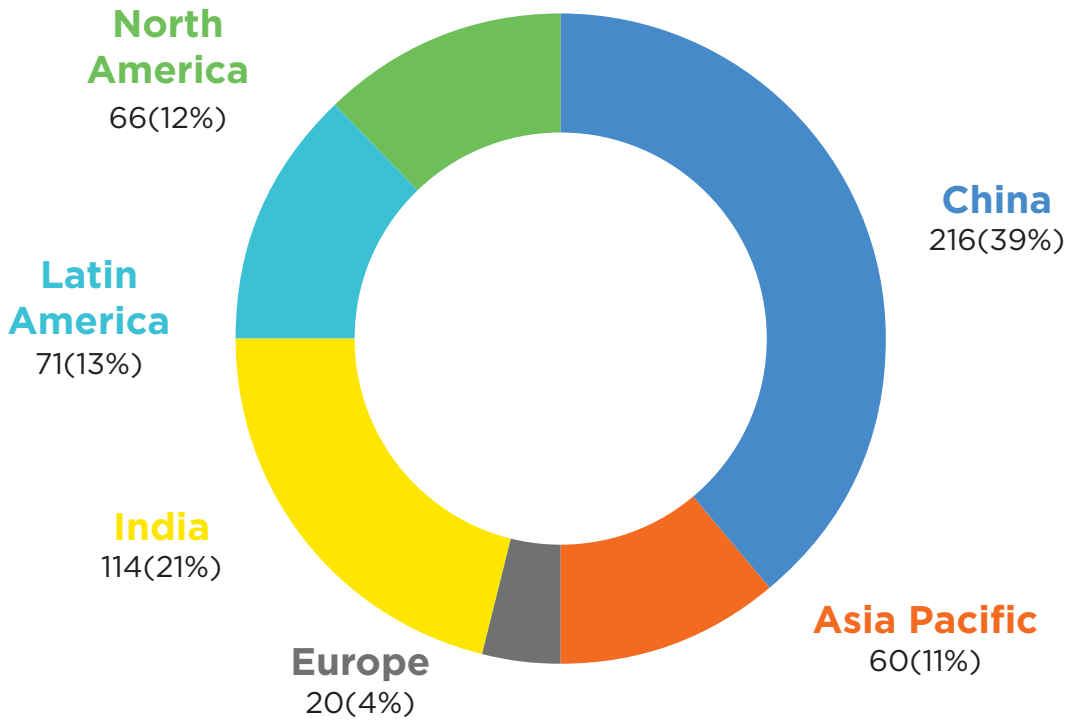
General procurement includes all suppliers that provide materials and products that support the Company's operations but do not become part of its products. The Company's supply base is comprised of multiple tiers in which lower tiers of suppliers provide materials and parts to higher tiers – and eventually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

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

Distribution of Suppliers

The Company recognizes there are many benefits in utilizing local suppliers, including decreased logistics costs, decreased greenhouse gas emissions, and the opportunity to support local economies and maintain community relationships. The Company considers local suppliers as those that operate in the same country as its significant locations of operations. In FY 2020/21, its significant locations of operations included manufacturing locations in China, United States, Mexico, Brazil, Japan, and India. The Company estimates that 90 percent of product supply spend in China is with local suppliers. In other manufacturing geographies, the Company estimates that 20 percent of spend is with local suppliers.

The chart below shows the geographic distribution of the Company's suppliers in FY 2020/21:



Supply Chain Process Overview

The Company considers the supply chain a vital part of its operations and views effective supply chain management as an important contributor to its success. Given this, the Company has many controls and programs in place to manage its overall procurement process. The Company recognizes that through its supply chain, ESG impacts and risks are expanded and may differ from the ESG impacts and risks associated with its operations. The Company has integrated several ESG-specific controls and practices into its Master Procurement Process. Key elements of the procurement process include:

Master Procurement Process

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

Delegation Authority

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

Supplier Selection

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

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

New Supplier Validation

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

Contract Management

Supplier relationships are best managed when there are clear stipulations of responsibilities, deliverables, and relevant terms and conditions. The Company's supplier contracts incorporate comprehensive legal and operational agreements and address various types of engagement. Additionally, all suppliers must comply with the Company's Supplier Code of Conduct as well as the latest version of Responsible Business Alliance's (RBA) Code of Conduct. Compliance with the comprehensive Supplier Code of Conduct is executed via separate and unique Supplier Code of Conduct Agreements, standard purchase agreements, or standard purchase orders.

Internal Training

The Company recognizes that supply chain management is an ever-changing field. To ensure those with delegated authority are informed on current best practices, it conducts numerous communication and education activities throughout the year for its global supply chain teams. Typically, the Company conducts monthly events that feature education opportunities with subject matter experts and provide on-demand targeted training.

Social

Procurement Process

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

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

RBA Leadership and VAP Audits

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

Responsible Business Alliance
Advancing Sustainability Globally

This requires significantly high audit scores, formally trained site personnel, and proof of working grievance systems. In 2020, 60 percent of the Company's procurement spend achieved VAP Recognition, and two percent of spend was designated Factory of Choice. It is the Company's goal that by 2024, 95 percent of its spend will have both recognitions.

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

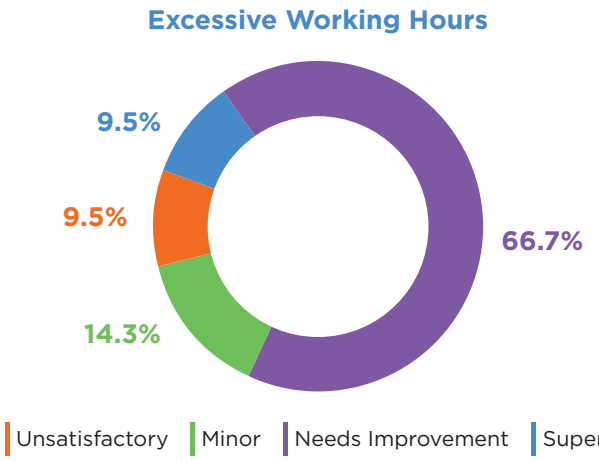
The table below provides an overview of the Company's suppliers' annual RBA audit performance. Because suppliers are required to be audited every 2 years, each year represents one-half of the suppliers in its audit program for the given year (a total of 60 in 2020).

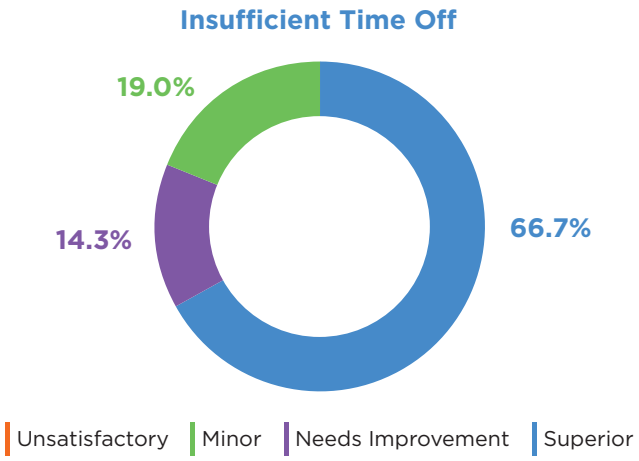
In the event of supplier non-conformance to ESG requirements, including those identified by RBA audits, several actions may take place, which include:

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

All suppliers are contractually obligated to implement compliance to the Company's Supplier and RBA's Code of Conduct within their supply chain.

	Median Labor Score	Median Health & Safety Score	Median Environmental Score	Median Ethics Score	Median Mgmt. System Score	Median Total Score	Median # of Priority findings	Median # of Major findings
Suppliers								
2016	159	169	183	191	185	**155**	0.6	4.8
2017	153	158	181	191	183	**143**	0.6	6.3
2018	156	167	184	191	188	**148**	0.7	4.8
2019	166	187	200	200	200	**170**	0.0	3.0
2020	163	187	200	200	200	**168**	0.0	4.0
ODM Partners								
2018	159	170	186	192	191	**154**	0.5	4.4
2019	166	188	200	200	200	**174**	0.0	3.0
2020	172	190	200	200	200	**180**	0.0	2.0





Audit Results and Responses

In 2020, 46 suppliers had major labor findings identified in their audits. The most common supplier audit findings are related to an industry-wide problem of excessive working hours and insufficient time off for their employees. While most of this work is done voluntarily by the employees, the Company considers these as significant or potentially negative social impacts. The Company requires its outsourced manufacturers to report their employees' working hours and time off performance monthly via an online tool so that it can take action to resolve any issues that are identified. Because agreements for improvement were reached with suppliers with significant or potentially negative social impacts, no relationships were terminated as a result of the labor findings. The 2020 results are shown above.

Forced Labor

The Company implements multiple measures designed to minimize the risk of forced labor including slavery and human trafficking within its business and its supply chain. These measures include, but are not limited to, contractual stipulations, training and communication, and verification through RBA audits. If any evidence of forced labor is brought to the Company's attention, it responds with immediate action, including discontinuation of the business relationship with the supplier when appropriate.

Recognizing the importance of this issue, the Company began implementing several actions to improve its programs and to detect and respond to forced labor risks. Those actions include:

- Mandatory education and certification of buyers on forced labor
- Increasing internal staffing for supplier due diligence program
- Investing in third-party ESG risk assessment tool
- Holding quarterly discussions with suppliers on forced labor
- Improving its new supplier validation processes to better screen for ESG risk
- More direct communications and contractual stipulations on forced labor

Responsible Sourcing of Materials

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

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

The Company supports the efforts of the RMI to address materials beyond 3TG. In FY 2020/21, it conducted extensive due diligence for its cobalt supply chain using the Cobalt Reporting Template (CRT) and the RMI Responsible Minerals Assurance Process (RMAP). The Company will coordinate with the RMI as they perform risk profiles on other materials, assess their content in its products, and further develop due diligence efforts to mitigate supply chain risk. These efforts were initiated through RMI's coordination with the 'Drive Sustainability' organization which has already developed risk profiles on over 30 materials in the technology and automotive industry. For more information, please visit the Lenovo Responsible Sourcing webpage.

2020 Program Performance (% of Procurement Spend)

100%	**Ta**	Maintained 100 percent Tantalum conformance
96%		Attained overall active smelters conformance
93%	**Sn**	Attained Tin conformance
90%	**W**	Attained Tungsten conformance
90%	**Au**	Attained Gold conformance
88%		Suppliers with public conflict minerals policies
79%		Suppliers who are formal RMI members
69%		Suppliers with public conflict minerals reports

Environmental

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

Environmental Audit Results and Responses

During the FY 2020/21 reporting period, 60 of the Company's suppliers, representing over 50 percent of its total procurement spend, underwent RBA facility-level audits. The Company considers RBA priority findings to be indicative of significant impacts and requires both RBA priority and major findings to be tracked to closure. None of the RBA audits for the reporting period contained priority environmental findings; therefore, the Company did not terminate any supplier relationships in response to significant potential or actual negative environmental impacts.

The Company's GSC environmental program includes activities throughout the key areas of the supply chain process. The chart below includes program highlights:

Procurement > Manufacture > Transportation > Customers > Recycle

Suppliers' Environmental Impacts Management:

1. Cover over 95% procurement spend upstream suppliers
2. Adopt 7 environmental related indicators to evaluate suppliers' performance
3. Offer capability-building trainings to suppliers to promote science-based GHG reduction
4. Encourage suppliers to establish their own environmental management programs and contribute to the sustainable development of the industry

Lenovo-owned (LME) Factories Management:

1. Environmental program management covers all LME factories
2. Apply the same-level standards on LME factories as the one applied on suppliers
3. Set up iterative intensity targets on energy-saving, water-saving and waste-recycling to promote progress
4. All LME earned ISO 14001 certification

Downstream Green Transportation Service:

1. Started mobile GHG emission tracking for key suppliers
2. Improve the container's utilization to enhance productivity
3. Strive to transit to low-carbon transport

Comprehensive Recycle Mechanism:

1. Recycled content plastics incorporated across the product portfolio
2. Sustainable materials used in packaging
3. Recycling programs offered to consumers and enterprises in major markets
4. Rigorous standards followed by suppliers

Climate Change

The Company annually requests key suppliers to formally report GHG emissions-related data, either via the Responsible Business Alliance or the CDP reporting methodologies and platforms. This data includes indicators such as Scope 1 and 2 emissions, emission reduction goals, renewable energy targets, and ISO 50001:2018 Energy Management System implementation.

Lenovo scored an A on the CDP Supplier Engagement Rating (CDP Supplier Engagement Leaderboard), This rating assesses the Company's progress toward environmental stewardship through climate change mitigation practices in our operations and supply chain.

CDP™
DISCLOSURE INSIGHT ACTION

The Company's most recent supplier engagement efforts covered the top 70 production procurement and ODM suppliers which correspond to 96 percent of procurement spend. This effort identified the following results (reported by total procurement spend):

Lenovo's Science-Based Targets

The Company used the emissions data reported by suppliers to inform its Science-Based Target (SBT) for Scope 3 emissions from the purchased goods and services category. The Company's target in this area is to reduce Scope 3 GHG emissions from purchased goods and services 25 percent per million US$ procurement spend by FY 2029/30, compared to FY 2018/19. Based on the most recently collected supplier data, this target is on track with the Company reducing the GHG emissions from purchased goods and services by 12.78 percent compared to the baseline.

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

Baseline (FY 2018/19)	FY 2019/20[1]	Target (FY 2029/30)
78.50	69.03	58.88

[1] Supplier emissions data for FY 2020/21 was not yet available at the time the ESG Report was published; because this data is collected from suppliers based on the fiscal year procurement spend, the collection of supplier environmental data does not begin until after the end of the Company's fiscal year.

Science-Based Targets for Suppliers

In addition to setting SBTs, the Company has been working to promote the concept of a low carbon transition with production procurement and ODM suppliers. The Company is engaging and incentivizing these suppliers to also commit to the Science-Based Target initiative (SBTi). During the reporting period, 24 percent of its procurement spend included suppliers with formally recognized SBTs. It is the Company's goal to achieve 95 percent of procurement spend with suppliers that implement SBTs.

91%
Suppliers with public GHG reduction goals

82%
Suppliers who track and report renewable energy generation and purchases

83%
Suppliers with third-party verification of their GHG emissions data

72%
Suppliers with renewable energy goals

Capability Building

In support of its goal to achieve 95 percent of procurement spend with suppliers with SBTs, the Company surveyed suppliers to understand their challenges and concerns regarding SBTi and hosted training sessions to respond to suppliers' needs.

Water

The Company annually requests key suppliers to formally report water-related data, either via the Responsible Business Alliance or the CDP reporting methodologies and platforms. This data includes performance indicators such as annual water withdrawal, water discharge, and water recycle/reuse volumes.

For the most recent supplier data collection period, the Company's coverage of engagement was 96 percent of procurement spend. Since one of the most straightforward indicators of impact especially to water-stressed areas is water withdrawal, the Company has been encouraging suppliers to set up water reduction targets since 2014. During the last data collection period, 95 percent of procurement spend was with suppliers with public water reduction goals.

The Company also conducts an annual water risk assessment using the World Resources Institute 'Aqueduct Water Risk Atlas' and the WWF's 'Water Risk Filter'. In FY 2020/21 reporting period, the assessment covered supplier manufacturing locations that correspond to over 95 percent of its procurement spend. The assessment allows the Company to identify the potential water risks within the supply chain, including suppliers with baseline water stress, seasonal variability, drought, and coastal flooding risks. As a next step, the Company plans to share the assessment results with the impacted suppliers and work together to support water stewardship.

Waste

The Company annually requests key suppliers to formally report waste-related data via the Responsible Business Alliance methodologies and platforms. This data includes indicators such as annual hazardous and nonhazardous waste volumes.

Waste prevention is the most preferable option in the waste management hierarchy, and the Company encourages suppliers to set up public waste reduction targets. During the last data collection period, 95 percent of procurement spend was with suppliers with public waste reduction goals.

SUPPLIER DIVERSITY

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

In FY 2020/21, the Company's total spend across all business units with small and diverse suppliers accounted for 20.6% of its total expenditure in the U.S.

In FY 2020/21, the Company also exceeded the U.S. Government Small Business Subcontract Plan target of 11.8% by achieving 13.5% of U.S. spend with small businesses.

The Company continues to partner with non-government organizations (NGO), such as the National Minority Supplier Development Council (NMSDC), Women's Business Enterprise Networking Council (WBENC), the U.S. Hispanic Chamber of Commerce (USHCC), and many other organizations. In 2020, we increased support to the minority business community through the charitable giving of employees and a match through the Lenovo Foundation. That funding provided grants to our member NGOs with scholarships for minority business owners to attend executive education programs and sponsorship of the Emerging Young Entrepreneurs (EYE) program through NMSDC.

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

*For U.S. only

7.0 Consolidated Metrics

7.0 Consolidated Metrics

FY 2020/21 CONSOLIDATED METRICS

GENERAL DATA

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Revenue (Millions USD)	$43,035	$45,350	$51,038	$50,716	**$60,742**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Revenue by Geography					
Americas	30%	31%	32%	32%	**31%**
EMEA (Europe, Middle East, Africa)	26%	28%	25%	25%	**26%**
Asia Pacific (excluding China)	16%	16%	19%	22%	**19%**
China	28%	25%	24%	21%	**24%**

	FY 2016/17	FY 2017/18	FY 2018/19[1]	FY 2019/20	**FY 2020/21**
Revenue by Business Group					
IDG – PCSD	70%	71%	75%	79%	**80%**
IDG – MBG	18%	16%	13%	10%	**9%**
DCG	9%	9%	12%	11%	**10%**
Others	3%	3%	–	–	**1%**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Research and Development					
Expenditures/Sales	3.16%	2.81%	2.48%	2.63%	**2.39%**

EMPLOYEE REPRESENTATION

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21[2]**
Number of Employees					
Total	46,163	45,754	57,000	63,000	**71,500**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21[3]**
Percentage of Employees by Region					
Americas (North America, Latin America)	15%	16%	16%	18%	**14%**
Asia Pacific (excluding China)	9%	9%	11%	12%	**10%**
China	66%	66%	65%	62%	**69%**
EMEA (Europe, Middle East, Africa)	9%	8%	8%	8%	**7%**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21[4]**
Percentage of Employees by Gender					
Male	65%	65%	64%	64%	**64%**
Female	35%	35%	36%	36%	**36%**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21[3]**
Percentage of Employees by Workforce Representation					
Regular Employees	n/a	n/a	n/a	n/a	**73%**
Long-term Plant Contractors	n/a	n/a	n/a	n/a	**27%**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21[4,5]**
Percentage of Employee Turnover Rate by Gender					
Male	n/a	n/a	n/a	n/a	**8%**
Female	n/a	n/a	n/a	n/a	**8%**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21[4]**
Percentage of Employee by Age Group					
Under 30 years of age	n/a	n/a	n/a	n/a	**15%**
30-50 years of age	n/a	n/a	n/a	n/a	**73%**
Over 50 years of age	n/a	n/a	n/a	n/a	**12%**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21[4,5]**
Percentage of Employee Turnover Rate by Age Group					
Under 30 years of age	n/a	n/a	n/a	n/a	**16%**
30-50 years of age	n/a	n/a	n/a	n/a	**7%**
Over 50 years of age	n/a	n/a	n/a	n/a	**3%**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21[4,5]**
Percentage of Employee Turnover Rate by Region					
North America	n/a	n/a	n/a	n/a	**6%**
Latin America	n/a	n/a	n/a	n/a	**6%**
Asia Pacific (excluding China)	n/a	n/a	n/a	n/a	**4%**
China	n/a	n/a	n/a	n/a	**7%**
EMEA (Europe, Middle East, Africa)	n/a	n/a	n/a	n/a	**10%**

EMPLOYEE TRAINING

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Average Training Hours Per Employee[6]					
Individual Contributors and Contractors					
Female	n/a	n/a	n/a	n/a	**4**
Male	n/a	n/a	n/a	n/a	**4**
Undeclared	n/a	n/a	n/a	n/a	**3**
Middle Management					
Female	n/a	n/a	n/a	n/a	**4**
Male	n/a	n/a	n/a	n/a	**5**
Undeclared	n/a	n/a	n/a	n/a	**9**
Senior Management/Executives					
Female	n/a	n/a	n/a	n/a	**3**
Male	n/a	n/a	n/a	n/a	**3**
Undeclared	n/a	n/a	n/a	n/a	**-**
Percentage of Employees Trained[6]					
Individual Contributors and Contractors					
Female	n/a	n/a	n/a	n/a	**32%**
Male	n/a	n/a	n/a	n/a	**47%**
Undeclared	n/a	n/a	n/a	n/a	**2%**
Middle Management					
Female	n/a	n/a	n/a	n/a	**4%**
Male	n/a	n/a	n/a	n/a	**13%**
Undeclared	n/a	n/a	n/a	n/a	**-**
Senior Management/Executives					
Female	n/a	n/a	n/a	n/a	**-**
Male	n/a	n/a	n/a	n/a	**1%**
Undeclared	n/a	n/a	n/a	n/a	**-**

	CY 2016	CY 2017	CY 2018	CY 2019	**CY 2020[7]**
Hours of training per manufacturing employee					
(including part-time employees)	35	35	35	35	**52**

OHS – SAFETY

	CY 2016	CY 2017	CY 2018	CY 2019	**CY 2020**
Incident Rates (work-related)					
Recordable Rate	0.07	0.09	0.03	0.03	**0.04**
Lost-Time Rate	0.5	1.5	0.03	0.03	**0.03**
Number of employee fatalities	0	0	0	0	**0**
Number of contractor fatalities	0	0	0	0	**0**

	CY 2016	CY 2017	CY 2018	CY 2019[8]	**CY 2020**
Number of ISO 45001:2018 registered facilities	10	10	14	11	**11**

COMMUNITIES AND PHILANTHROPY

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20[9]	**FY 2020/21[9]**
Corporate Cash and Product Donations					
Lenovo Foundation and Donor Advised Funds	$75,000	$819,000	$799,372	$482,887	**$545,552**
China[10]	$300,000	$378,516	$308,274	$5,440,440	**$2,778,093**
North America[11]	$1,852,000	$1,375,000	$1,319,070	$4,648,665	**$4,254,545**
Latin America[12]	$15,000	$111,000	$155,674	$2,507,863	**$2,134,833**
EMEA (Europe, Middle East, Africa)	$114,000	$107,000	$159,621	$407,535	**$988,612**
Asia Pacific (excluding China)[13]	$126,000	$570,709	$148,500	$855,386	**$863,638**
Global Disaster Response	n/a	$1,714,000	$260,350	$140,000	**$266,000**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Employee Volunteering Hours (through efforts sponsored by Lenovo)					
North America	1,266	19,296	28,242	9,838	**4,161**
Rest of World	26,205	10,704	9,072	17,046	**15,335**
Estimated Value of Employee Volunteer Hours[14]	n/a	$1,300,000	$1,616,794	$1,156,022	**$838,307**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Employee Giving					
Lenovo Match of North America Employee Donations	$352,654	$339,000	$380,854	$963,435	**$1,253,956**
Lenovo Match of China and EMEA campaigns (Lenovo and Lenovo Foundation)	n/a	n/a	$59,775	$380,650	**$287,723**
Total Contribution to Communities[15]	n/a	n/a	n/a	$14,482,776	**$11,831,274**
Estimated value of community impact through philanthropy and volunteerism[15]	n/a	n/a	n/a	$16,982,883	**$14,211,260**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Love on Annual Service Project (FY 2020/21)					
Participating Locations	n/a	32	38	54	**52**
Number of Projects[16]	n/a	37	45	86	**132**
Employee Volunteers	n/a	2,000	2,100	2,855	**3,120**
Hours Spent in Direct, Hands-on Service[17]	n/a	11,500	9,700	13,355	**19,267**
Individuals Directly Impacted through Projects	n/a	33,000	32,526	55,942	**38,478**

ENVIRONMENTAL DATA

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
GHG Emissions (metric tons CO_2 equivalent – MT CO_2e)					
Scope 1	8,294	6,371	6,031	7,766	**7,269**
Scope 2 (location-based)	213,637	193,760	201,321	162,597	**177,678**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Total Scope 1 and Scope 2 (location-based)	221,931	200,131	207,352	170,363	**184,947**
Scope 2 (market-based)	185,400	176,800	26,029	23,852	**21,519**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Scope 3					
Business Travel	58,000	49,000	53,500	46,900	**11,900**
Product Transportation[18]	351,100	359,000	633,000	716,384	**1,037,000**
Emissions from Waste[19]	2,390	1,700	1,920	2,110	**1,770**
Employee Commuting	23,800	20,100	23,600	24,900	**39,800**
Purchased Goods and Services[20]	2,054,900	1,855,000	1,795,000	2,341,000	**2,283,500**
Fuel-and-Energy Related Activities (not included in Scope 1 or 2)[21]	12,300	11,900	12,100	10,385	**11,050**
Use of Sold Products[22]	11,600,000	11,847,000	12,885,000	13,669,000	**15,551,000**
End of Life Treatment of Sold Products[22]	280,000	271,000	273,500	274,000	**303,500**
Capital Goods[23]	101,000	246,000	127,500	446,500	**736,500**
Total	14,483,490	14,660,700	15,805,120	17,531,179	**19,976,020**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Emissions Intensity: GHG Emissions – Scope 1 and Scope 2 (location-based) (metric tons per US$ million revenue)	5.16	4.41	4.06	3.36	**3.04**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Operational Energy Intensity Use					
Scope 1 and Scope 2 (location-based) (MWh per US$ million revenue)					
Fuel Combustion	0.94	0.77	0.61	0.69	**0.55**
Purchased Energy (electricity, steam, cooling)	6.74	6.57	6.20	5.77	**5.16**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Operational Energy Use – Scope 1 and Scope 2 (location-based) (MWh)					
Fuel Combustion	40,257.94	34,733.55	30,904.82	35,152.32	**33,156.59**
Purchased Energy (electricity, steam, cooling)[24]	290,112.63	298,019.77	316,482.68	292,645.18	**313,526.43**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Energy Consumption by Primary Energy Source (gigajoules)					
Fuel	144,929	125,041	111,257	126,548	**119,364**
Electricity	969,914	955,624	979,486	979,740	**1,053,903**
Steam	64,290	108,649	144,240	66,051	**70,092**
Cooling	10,202	8,599	9,016	7,731	**4,701**
Total	1,189,335	1,197,913	1,243,999	1,180,071	**1,248,059**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Direct Energy Consumption by Source (Fuel Detail) (gigajoules)					
Gas/diesel oil (stationary combustion)	33,350	5,461	10,321	6,442	**9,712**
Natural gas (stationary combustion)	102,950	113,470	94,476	115,375	**106,317**
Liquefied petroleum gas (LPG) (stationary combustion)	4,696	3,087	2,550	1,628	**1,454**
On road diesel fuel (mobile combustion)	1,088	948	955	801	**626**
Gasoline/petrol (mobile combustion)	1,838	1,835	1,703	1,112	**996**
Liquefied petroleum gas (LPG) (mobile combustion)	273	240	188	260	**236**
Compressed natural gas (CNG) (mobile combustion)	–	–	–	–	**–**
Jet Kerosene (mobile combustion)	734	–	1,064	930	**21**
Total	144,929	125,041	111,257	126,548	**119,364**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Global GHG Emissions by Markets (location-based) (MT CO_2e)					
Scope 1					
Brazil	2,442.77	13.14	20	340	**202**
China	3,275.32	3,765.29	3,860	3,190	**3,826**
Germany	459.70	667.35	1,047	652	**731**
India	62.26	54.06	45	84	**104**
Japan	325.32	322.30	268	191	**216**
Mexico	73.32	73.39	80	625	**97**
Taiwan	0.00	0.00	177	0	**0**
United States	1,210.76	1,129.80	254	2,484	**1,931**
Rest of the World[25]	444.54	345.54	279	200	**162**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Scope 2 (location-based)					
Brazil	1,767.91	2,089.96	1,997	1,566	**1,321**
China	169,055.32	153,233.45	161,087	124,336	**147,375**
Germany	1,784.78	1,684.90	1,761	1,612	**1,249**
India	3,929.03	3,435.42	3,058	2,914	**2,690**
Japan	5,660.41	5,298.89	5,047	5,754	**5,133**
Mexico	3,990.51	3,273.10	3,462	5,029	**5,543**
Taiwan	1,714.77	2,167.49	2,231	2,091	**2,231**
United States	20,973.74	18,297.63	18,615	15,220	**8,939**
Rest of the World [25]	4,760.80	4,279.26	4,062	4,075	**3,197**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Renewable Energy					
Solar Energy (MWh)	1,607	3,713	3,938	4,226	**9,065**
Generation Capacity (MW)[26]	5.5	5.5	12.42	16	**16**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Water Withdrawal (Megaliters)					
Withdrawal (All Areas)[27,28]	1,429.61	1,385.08	1,391.30	1,307	**1,428**
Percent Withdrawal from Groundwater (All Areas)	n/a	n/a	n/a	n/a	**<1%**
Percent Withdrawal from Third-Parties (All Areas)	n/a	n/a	n/a	n/a	**>99%**
Withdrawal (Areas with water stress)[29]	n/a	n/a	n/a	322	**343**
Percent Withdrawal from Groundwater (Areas with water stress)	n/a	n/a	n/a	n/a	**<1%**
Percent Withdrawal from Third-parties (Areas with water stress)[30]	n/a	n/a	n/a	n/a	**>99%**
Percent Third-party Water Withdrawal from Surface Water (Areas with water stress)	n/a	n/a	n/a	n/a	**72%**
Percent Third-party Water Withdrawal from Groundwater (Areas with water stress)	n/a	n/a	n/a	n/a	**8%**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Water Discharge (Megaliters)					
Discharge (All Areas)[27]	1,351.41	1,260.99	1,256.40	1,183	**1,294**
Percent Discharge to Groundwater (All Areas)	n/a	n/a	n/a	n/a	**<1%**
Percent Discharge to Third-parties (All Areas)	n/a	n/a	n/a	n/a	**>99%**
Discharge (Areas with water stress)[29]	n/a	n/a	n/a	298	**326**
Wastewater Exceedances	0	0	0	0	**0**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Water Consumption (Megaliters)					
Consumption	78.205	124.094	134.9	124	**134**
Consumption (Areas with water stress)[29]	n/a	n/a	n/a	24	**17**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Water Intensity Metrics (cubic meters per person)[31]					
Withdrawal Intensity	n/a	n/a	n/a	n/a	**20**
Discharge Intensity	n/a	n/a	n/a	n/a	**18**
Consumption Intensity	n/a	n/a	n/a	n/a	**2**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Waste by Category (Metric Tons)[32]					
Non-Hazardous Waste	44,032.69	44,377.44	45,439.49	43,023	**51,648**
Hazardous Waste	67.65	75.27	66.11	74	**37**
Total	n/a	n/a	n/a	n/a	**51,685**
Total Diverted from Disposal	n/a	n/a	n/a	n/a	**46,198**
Total Directed to Disposal	n/a	n/a	n/a	n/a	**5,487**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Waste Diverted from Disposal by Recovery Operation (Metric Tons)[33]					
Total Non-Hazardous Waste Diverted for Recovery	n/a	n/a	n/a	n/a	**46,195**
Non-Hazardous Waste Diverted for Resale/Reuse	n/a	n/a	n/a	n/a	**28,099**
Non-Hazardous Waste Diverted for Recycling[34]	n/a	n/a	n/a	n/a	**18,096**
Total Hazardous Diverted for Recovery[35]	n/a	n/a	n/a	n/a	**3**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Waste Directed to Disposal by Disposal Operation (Metric Tons)[36]					
Total Non-Hazardous Waste Directed to Disposal	n/a	n/a	n/a	n/a	**5,453**
Non-Hazardous Waste Directed to Incineration	n/a	n/a	n/a	n/a	**27**
Non-Hazardous Waste Directed to Waste to Energy (WTE)[37]	n/a	n/a	n/a	n/a	**3,093**
Non-Hazardous Waste Directed to Landfilling	n/a	n/a	n/a	n/a	**2,334**
Total Hazardous Waste Directed to Disposal	n/a	n/a	n/a	n/a	**34**
Hazardous Waste Directed to Incineration	n/a	n/a	n/a	n/a	**28**
Hazardous Waste Directed to Landfilling	n/a	n/a	n/a	n/a	**0.09**
Hazardous Waste Directed to Treatment	n/a	n/a	n/a	n/a	**6**

	CY 2016	CY 2017	CY 2018	CY 2019	**CY 2020**
Product End-of-Life Management (PELM) Disposition (Metric Tons)[38]					
Reused	710	918	652	1,557	**1,695**
Recycled	26,569	22,808	18,919	24,856	**28,076**
Waste to Energy (WTE)	907	826	845	987	**793**
Incinerate	233	284	338	1,126	**1,978**
Landfill	656	336	255	159	**340**
Total	29,075	25,171	21,010	28,685	**32,882**

	CY 2016	CY 2017	CY 2018	CY 2019	**CY 2020**
Product Take Back (PTB) Disposition (Metric Tons)[38]					
Reused	164	299	309	1,023	**1,536**
Recycled	25,445	22,194	18,589	24,112	**27,249**
Waste to Energy (WTE)	906	826	845	987	**782**
Incinerate	233	270	338	1,041	**1,904**
Landfill	644	318	254	143	**324**
Total	27,392	23,907	20,334	27,306	**31,795**

	CY 2016	CY 2017	CY 2018	CY 2019	**CY 2020**
Use of Recycled Plastics in Products (kilograms)					
Plastics Containing Recycled Content (PCRC)	7,168,111	6,347,879	7,757,414	7,721,398	**5,946,839**
Net Post Consumer Recycled Content (PCC)	4,628,669	4,133,300	5,537,278	5,840,788	**4,352,788**

	CY 2016	CY 2017	CY 2018	CY 2019	**CY 2020**
ENERGY STAR® Certified Products Availability (% of product)					
Notebook Platforms	98%	100%	92%	93%	**98%**
Desktop Platforms	94%	99%	97%	97%	**97%**
Workstation Platforms	78%	78%	80%	90%	**98%**
Server Platforms[39]	91%	91%	90%	94%	**90%**
Monitors[40]	98%	100%	98%	94%	**90%**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY 2020/21**
Average Packaging Weight per Unit by Product Category (grams)					
Notebook	n/a	n/a	n/a	n/a	**528**
Desktop	n/a	n/a	n/a	n/a	**1,900**
Server	n/a	n/a	n/a	n/a	**4,614**
Workstation	n/a	n/a	n/a	n/a	**1,700**
Monitor	n/a	n/a	n/a	n/a	**1,920**
Smartphone	n/a	n/a	n/a	n/a	**100**
Tablet	n/a	n/a	n/a	n/a	**373**
Accessory	n/a	n/a	n/a	n/a	**300**

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	**FY2020/21**
Total Packaging (Metric Tons)					
Total Packaging Material Used for Finished Products[41]	n/a	n/a	n/a	n/a	**112,221**

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 At March 31, 2021, the Group had a headcount of approximately 71,500 worldwide – consisting of 52,000 regular employees and 19,500 long term contracting plant workers.

3 Employment type and geographical data is based on representation from Lenovo, Motorola, NEC PC, NetApp, Medion, LCFC, FCCL, and Sunny IT.

4 Data includes regular employees only.

5 Turnover rate data covers voluntary departure of regular employees for the full FY 2020/21.

6 New KPI disclosure implemented in FY 2020/21 – includes Lenovo, Motorola, Stoneware.

7 In FY 2020/21, training for manufacturing employees increased due to additional training conducted to minimize risks related to COVID-19 which reflects local management team's commitment to employee health and safety.

8 Lenovo manufacturing went through a consolidation period in 2018. This resulted in the closure of three certified China locations reported in 2019.

9 All Geographies in-region and corporate budgets include giving towards COVID-19 relief efforts. Total contribution in FY 2019/20 from Lenovo was $6,656,490.50. Total contribution in FY2020/21 from Lenovo was $5,925,426.04.

10 Total FY 2019/20 contribution from China region reflects the creation of Lenovo Foundation Beijing.

11 Robust employee engagement programs in North America were impacted by COVID-19.

12 FY 2019/20 increase in Latin America giving reflects tracking of the Motorola Brazil tax incentive program.

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

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

15 Total 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 spent on volunteering.

16 Projects refers to the number of unique opportunities to volunteer which includes one-time and reoccurring events; reoccurring events are counted as one project. Some locations host multiple projects.

17 Hours spend in direct, hands-on service does not include transportation and time away from work.

18 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).

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

20 Purchased goods and services include suppliers covering 96% 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.

21 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.

22 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.

23 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.

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

25 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).

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

27 For FY 2020/21, All Areas includes all the Company's manufacturing, research & development, and large office sites (>100 employees) with the exclusion of one large office where site specific challenges prevented the collection or estimation of this data. In earlier FYs, additional research and development and large office locations were excluded due to site specific challenges; the Company has worked to increase data coverage and will continue to strive for coverage of all large offices. Small office (<100 employees) and retail locations are excluded.

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

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

30 Third-party withdrawal by source was collected for all the Company's environmentally significant sites (which are the Company's ISO 14001 certified locations). These locations comprise 80% of the Company's withdrawal from water stressed areas. The remaining 20% are primarily from large office locations that are often a small part of a larger office complex where less water is used per site and the site may not be directly billed by the third-party responsible for withdrawals.

31 Intensity metrics are based on the Company's total global headcount which includes the headcount of the excluded locations mentioned in Note 27.

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

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

34 Recycling includes some composting of non-hazardous, organic wastes.

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

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

37 The Company includes incineration with energy recovery as a recycling operation when determining the annual global recycling rate.

38 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.

39 The FY 2020/21 decrease in percent of servers can be attributed to a number of older systems being withdrawn.

40 The FY 2020/21 and FY 2019/20 decreases in percent of 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.

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

42 "-" indicates a value is zero. "n/a" indicates a value that was not disclosed in the given FY.

8.0

Performance, Objectives and Targets, KPIs

8.0 Performance, Objectives and Targets

FY 2020/21 PERFORMANCE

Target Type	Objectives	Key Performance Indicator(s)	Target(s)	Status
Product Aspects				
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 1 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 partially met
			Introducing HRC (high recycled content) PE 1.7 PCF material to more products and options worldwide.	Target met
			Meet Bronze level packaging recycled content requirements of NSF/ANSI 426 for ThinkSystem SR630.	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 FY20/21.	Target met
		Biodegradable/ compostable packaging	Identify one new Lenovo product for which to implement use of 100% biodegradable/compostable packaging.	Target met
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
		Voluntary energy standard compliance	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.	Target met
	Drive product emissions reductions from use of sold products.	GHG	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.	Long term target: on-track
	Quantify lifecycle CO_2e emissions associated with the use of Lenovo products.	PCF (kg CO_2e)	Ensure product carbon footprint is published for all new Lenovo products.[2]	Target met
			Develop and establish Lenovo internal LCA platform before March 31, 2021.[3]	Target met
			Perform LCA (life-cycle assessment) for at least one Lenovo selected product by March 31, 2021.[4]	Target met

Target Type	Objectives	Key Performance Indicator(s)	Target(s)	Status
Product materials[1, 5, 6, 7]	All products across all business units shall contain some Post Consumer Recycled Content (PCC) Plastic.	% PCC in product/ external enclosure Closed-loop PCC usage in products	New DT, AIO, workstation, notebook, tablet, visual and accessory products shall contain a minimum of 2% or more PCC in product.	Target met
			Explore opportunities for PCC usage for MBG products.	Target not met
			New server products shall contain minimum of 10% or more PCC in external enclosure.[8]	Target met
			Implement use of closed loop PCC in DT, AIO, workstation, notebook, tablet, visual, accessory, server and phone products.	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 absolute Scope 1 and 2 GHG emissions 50% by FY 2029/30 from a FY 2018/19 base year.[9]	Long term target: on-track
Site energy consumption	Maximize energy efficiency and minimize CO_2e emissions associated with the development, manufacture and delivery of Lenovo products.	Renewable energy generation capacity (MW)	Achieve 30MW of Lenovo owned or leased renewable energy generation capacity globally by 2020.[10]	Target not met
		% total energy from RE sources	Achieve a YTY increase in energy purchased from renewable generation sources globally, relative to the previous FY.[11]	Target met
		Energy consumption in kWh per production volume	Achieve YTY improved energy intensity[12] index at manufacturing sites globally, relative to the previous FY.	Target met
		Electricity consumption in kWh per employee	Achieve YTY improved electricity intensity[13] at R&D and office sites globally, relative to the previous FY.	Target met
		Energy consumption reduction % (ISO 50001 certified locations)	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]	Long term target: off-track

Target Type	Objectives	Key Performance Indicator(s)	Target(s)	Status
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%).[15]	Target met
Water management	Minimize environmental impacts associated with water withdrawal and water discharge from Lenovo operations and products.	m^3 water	Total global water withdrawal will be +/- 5% of FY 2019/20.	Target not met
		m^3 wastewater	Total global wastewater generation will be +/- 5% of FY 2019/20.	Target not met
Supply Chain				
Product end of life management	Minimize the environmental impact of Lenovo products at end of life.	Availability of environmentally sound take-back programs	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.	Target met
			Transition Category 3 supplier audits to approved third party auditors in appropriate geos.	Target met
Supplier environmental performance	Monitor, drive and minimize environmental impact in the Lenovo supply chain.	Water and waste public goals	Require water and waste public goals for at least 85% of Lenovo direct suppliers based on procurement spend.	Target met
		Emissions (Scope 1+2) per million US$ 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.	Long term target: on-track
		ISO 50001 certification	Achieve 65% of Lenovo direct suppliers based on procurement spend to be ISO 50001 certified (at least one suppliers' manufacturing location).	Target partially met
		CDP climate change responses	Achieve 85% of Lenovo direct suppliers based on procurement spend to report to the CDP climate change questionnaire.	Target partially met

Target Type	Objectives	Key Performance Indicator(s)	Target(s)	Status
Transportation	Drive collaborative environmental efforts in Lenovo's global logistics	Varies	Strengthen emission measurement & tracking.	Target met
			Deliver Green Leadership through internal & external engagement.	Target met
			Develop technical solutions and expand optimization efforts to more regions.	Target met
			Reduce Scope 3 GHG emissions from upstream transportation and distribution 25% per tonne-km of transported product by FY 2029/30 from a FY 2018/19 base year.	Long term target: off-track
Circular Economy	Preparedness for increased circular material and product flow approach including reuse, reduce, recycle, refurbish, recovery, repair, remanufacture, redistribute and maintain.	Readiness	Evaluate circular economy concept readiness.	Target met

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.
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.
3: Ready to use for all product categories.
4: Notebook and accessories as appropriate.
5: Availability of PCC plastics can be determined through consultation with environmental affairs and/or suppliers on the Lenovo Approved PCC Supplier list.
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.
7: PCC percentage is calculated using EPEAT methodology.
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.
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.
10: Committed is acceptable.
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.
12: Energy intensity index is energy consumption in kWh per production volume.
13: Electricity intensity is electricity consumption in kWh per employee.
14: Applicable to Lenovo's ISO 50001 certified locations as of March 31, 2020.
15: Percent of nonhazardous solid waste disposed of through reuse, recycle or incineration with energy recovery.

FY 2021/22 OBJECTIVES AND TARGETS

Target Type	Objectives	Target(s)
Product Aspects		
Packaging	Minimize packaging material consumption while driving the use of environmentally sustainable materials.	Support bulk packaging for ISG products and/or options.
		Achieve 5% reduction in weight or volume for at least one product.
		Eliminate 100,000 km of single use plastic packaging tape by 2025* (starting from FY2018/19).
	Increase more eco-friendly content of packaging.	Increase use of 100% PCC cushion by 10% based on shipping volumes relative to previous year.
		Use recycled content corrugated box material in at least 50% of our manufacturing sites.
		Introducing HRC (high recycled content) PE 1.7 PCF material for at least one new or existing product and option WW.
		Identify one new Lenovo product for which to implement use of 100% biodegradable/compostable packaging.
		Packaging box material recycled content must be at least 60% or greater for all new phone products released in FY2021/22.
		By 2025*, 90% of plastic packaging by weight will be made from recycled materials.
Product energy	Drive reduction in product energy use.	New products must show improved energy efficiency relative to the previous generation of the product.[1] **Notebooks:** Improve energy efficiency on average for comparable notebooks by 30% by March 31, 2030, relative to FY 2018/19. **Desktops:** Improve energy efficiency on average for comparable desktops by 50% by March 31, 2030, relative to FY 2018/19. **Servers:** Improve energy efficiency on average for comparable servers by 50% by March 31, 2030, relative to FY 2018/19. **MBG products:** Improve energy efficiency on average for comparable MBG products by 30% by March 31, 2030, relative to FY 2020/21.
	Drive product emissions reductions from use of sold products.	Reduce Scope 3 GHG emissions from use of sold products 25% on average for comparable products by FY 2029/30 from a FY 2018/19 base year.
	Quantify lifecycle CO2e emissions associated with the use of Lenovo products.	Ensure product carbon footprint is published for all new Lenovo products.[2]
	Quantify lifecycle CO2e emissions and environmental footprints associated with the use of Lenovo products.	Develop and optimize Lenovo LCA platform with supply chain before March 31, 2022.[3]
		Perform LCA (life-cycle assessment) for at least five Lenovo selected products and technologies by March 31, 2022.[4]

Target Type	Objectives	Target(s)
Product materials[5, 6, 7]	All products across all business units shall contain some Recycled Material.	By 2025*, 100% of PC products will contain materials made from post-consumer recycled content sources in support of reuse of 300 million lbs. of post-consumer recycled content.
		New DT, AIO, workstation, notebook, tablet, visual and accessory products shall contain a minimum of 2% PCC in product. At least one product needs to meet higher PCC levels: DT/Workstation 10%, AIO 15%, NB 5%, Tablet 3%, Visual15%.
		New server products shall contain minimum of 10% PCC in external enclosure.[8] At least one product needs to contain CL-PCC.
		Explore opportunities for CL-PCC, OBP and recycled metal usage in all Lenovo products, especially MBG 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 or NSF/ANSI 426 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 or NSF/ANSI 426 standard.
Location Aspects		
Site air emissions	Absolute reduction in CO2e emissions from Lenovo operations worldwide.	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 CO2e emissions associated with the development, manufacture and delivery of Lenovo products.	Obtain 90% of global operations' electricity from renewable sources by 2025*.[10]
		Achieve YTY improved energy intensity[11] index at manufacturing sites globally, relative to the previous FY.
		Achieve YTY improved electricity intensity[12] 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.[13]
Waste management	Minimize environmental impacts associated with solid waste generated from Lenovo operations and products.	Maintain a global nonhazardous waste recycling rate > 90% (+/-5%).[14]
Water management	Minimize environmental impacts associated with water withdrawal and water discharge from Lenovo operations and products.	Maintain per person water withdrawal at sites[15] globally, relative to the previous FY (no more than 5% increase).[16]
		Perform a water withdrawal and risk analysis of Lenovo's operations.

Target Type	Objectives	Target(s)
Supply Chain Aspects		
Product end-of-life management	Minimize the environmental impact of Lenovo products at end of life.	After July 1, 2021 all PELM suppliers will be audited to Lenovo's updated End of Life Standard and revised audit protocols and forms.
		By 2025*, Lenovo will recycle/reuse 800 million pounds of end of life products (cumulative since CY 2005).
Supplier environmental performance	Monitor, drive and minimize environmental impact in the Lenovo supply chain.	By 2025*, Lenovo will remove 1 million tons of greenhouse gas emissions from its supply chain (vs. FY 2018/19 measured emissions).
		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 25% (stretch 30%) of Lenovo direct suppliers based on procurement spend to have science-based emission reduction targets.
		Perform a water withdrawal and risk analysis of direct suppliers.
Transportation	Drive collaborative environmental efforts in Lenovo's global logistics.	Enhance demand management by optimizing shipped volumes.
		Increase shift to more environmentally friendly modes of transport.
		Improve fleet and asset utilization and efficiency.
		Explore opportunities for low emissions fuels.
		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.

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

1: If new products don't fall in one of the sub-categories in the listed sub-targets, they default to the general energy efficiency improvement relative to the previous generation of the product. An exemption from targets in this area may be requested where the BU can clearly demonstrate achieving the target places the Lenovo product at a large price disadvantage against its competition or is not technically feasible.
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.
3: Collaboration with 30+ key suppliers.
4: Accessories, visuals and technologies as appropriate.
5: Availability of PCC plastics can be determined through consultation with environmental affairs and/or suppliers on the Lenovo Approved PCC Supplier list.
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.
7: PCC percentage is calculated using EPEAT methodology.
8: If product is being registered to EPEAT, exemptions allowed per EPEAT requirements.
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.
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.
11: Energy intensity index is energy consumption in kWh per production volume.
12: Electricity intensity is electricity consumption in kWh per person.
13: Applicable to Lenovo's ISO 50001:2018 certified locations as of March 31, 2020.
14: Percent of nonhazardous solid waste disposed of through reuse, recycle or incineration with energy recovery.
15: Includes all manufacturing, R&D, and large office sites that are able to report water withdrawal.
16: An exemption might be granted to sites where pandemic-related behavioral changes and/or requirements makes this unattainable.

FY 2025/26 AND FY 2029/30 CORPORATE KPIs

Long-Term ESG Key Performance Indicators (KPI)

Lenovo is advancing our ESG program with long-term KPIs we developed in FY 2021/22 to further our support of the UN Sustainable Development Goals. We will measure and report on our progress each year.

Environmental

KPI Type	Commitment	KPI
Climate Change Mitigation	Lenovo has set aggressive, science-based greenhouse gas emission reduction goals.[1]	By FY 2025/26, 90% of our global operations' electricity will be obtained from renewable sources.[2]
		By FY 2025/26, we will remove one million tons of greenhouse gas emissions from our supply chain.[3]
		By FY 2029/30, we will achieve 50% improvement in energy efficiency of Lenovo desktops[4] and servers.[4]
		By FY 2029/30, we will achieve 30% improvement in energy efficiency of Lenovo notebooks[4] and Motorola products.[5]
Circular Economy	Lenovo is transitioning to a circular economy through innovations in our supply chain, product design and services.	By FY 2025/26, 84% of repairs can be done by customers, without having to send their PC to a service center.
		By FY 2025/26, 76% of PC parts returned to our service center will be repaired for future use.[6]
		By FY 2025/26, we will have enabled the recycling and reuse of 800 million pounds of end-of-life products.[7]
Sustainable Materials	Lenovo is focused on integrating sustainable materials and minimizing waste through innovative product and packaging design.	By FY 2025/26, 100% of PC products will contain post-consumer recycled content materials.[8]
		By FY 2025/26, we will use 300 million pounds of post-consumer recycled content plastics in our products.[9]
		By FY 2025/26, 100% of smartphone products and accessories will be free of PVC and BFR.[10]
		By FY 2025/26, 90% of PC products plastic packaging and 60% of smartphone packaging will be made from recycled materials.[11]
		By FY 2025/26, Smartphone packaging will use 50% less single-use plastics and reduce in size/volume by 10%.

FY 2025/26 AND FY 2029/30 CORPORATE KPIs

Social

KPI Type	Commitment	KPI
Diversity and Inclusion	Lenovo believes "Smarter Technology for All" means everyone. If we truly want to innovate for society, we must design with the diversity of the world in mind.	By FY 2025/26, we will grow the global representation of women in executive roles to 27% (from 21% in 2020).
		By FY 2025/26, we will grow the representation of executives in the US from historically underrepresented ethnic and racial groups to 35% (from 29% in 2020).
		By FY 2025/26, 75% of Lenovo's products will be vetted by inclusive design experts to ensure they work for everyone, regardless of physical attributes or abilities.
Philanthropy	Lenovo philanthropy provides smarter technology for all by empowering underrepresented communities with access to technology and STEM education.	By FY 2025/26, Lenovo philanthropy will impact 15 million lives and transform one million lives through philanthropic programs and partnerships.
		By FY 2025/26, Lenovo philanthropy will engage one in four employees in its charitable programs (volunteerism and matching gifts).

Governance

KPI Type	Commitment	KPI
Corporate Governance	Lenovo is focused on building a long-term, sustainable business that reflects our vision of smarter technology for all. Lenovo is focused on integrating ESG priorities into our day-to day operations.	Through FY 2025/26 and beyond, we will hold regular ESG Executive Oversight Committee meetings to include the interests of the business in ESG strategy discussions, assess the progress of our ESG initiatives, and evaluate the continued relevancy of our programs to Lenovo's long term business strategy.
		Through FY 2025/26 and beyond, we will propose recommendations to senior leadership regarding effective management of ESG risks and programs.
		Through FY 2025/26 and beyond, we will provide regular updates on ESG topics to the Board of Directors.
Ethics	Lenovo fosters a culture that strives to attain the highest standards of ethical business conduct and compliance with all laws and regulations wherever it operates.	Through FY 2025/26 and beyond, we will continually advance our global ethics and compliance program through program and training enhancements.
		Through FY 2025/26 and beyond, we will obtain recognition for leadership in this area.
Privacy	Lenovo commits to continuously improve its privacy program.	Through FY 2025/26 and beyond, we will improve customer experience by making it easier for customers to request their personal information and by improving the speed in which Lenovo respond to these requests.
		Through FY 2025/26 and beyond, we will improve the management and accountability of privacy impact assessments and pre-launch privacy compliance reviews.
		Through FY 2025/26 and beyond, we will enhance existing training materials and continue to deliver privacy-focused training programs to Lenovo employees.

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

9.0 Appendix

9.0 Appendix

FY 2020/21 MEMBERSHIPS AND ASSOCIATIONS

Associations

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

Programs, Workgroups, and Global Initiatives

- CDP – Climate Change and Water Security
- ECMA-370 – The Eco Declaration Standard
- EcoVadis
- Global Recycling Programs, such as Call2Recycle (specific programs vary by jurisdiction and product)
- Global Reporting Initiative (GRI)
- Green Freight Asia (GFA)
- Hong Kong Stock Exchange ESG Reporting Requirements
- Responsible Recycling (R2)
- World Resources Institute (WRI)
- World Business Council for Sustainable Development (WBCSD)
- Science-Based Targets Initiative
- United Nations CEO Water Mandate
- United Nations Global Compact (UNGC)
- U.S. EPA's Green Power Partnership
- U.S. EPA's SmartWay

International Standards

- IEEE 1680.1 Standard for Environmental and Social Responsibility Assessment of Computers and Displays
- ISO 14001, Environmental Management Systems
- ISO 50001, Energy Management
- Leadership in Energy and Environmental Design (LEED)
- NSF/ANSI 426 Environmental Leadership and Corporate Social Responsibility Assessment of Servers
- Product Attribute to Impact Algorithm (PAIA) Project

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

- 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

MATERIAL TOPIC BOUNDARIES

The table below lists the Company's material topics and the various activities within its value chain and where there are actual or potential impacts. The table also provides the boundary for the material topics that include select principal subsidiaries directly or indirectly held by the Company and are identified in the FY 2020/21 Annual Report, pages 270-277. All disclosures and results are for the Company's fiscal year FY 2020/21 unless otherwise noted.

	Product Development	Manufacturing	Supply Chain	Sales & Marketing	Distribution	Use/End of Life	Communities	ESG Report Scope of Coverage
Environment								
Emissions/Climate Change	●	●	●	●	●	●	●	Lenovo, Motorola Mobility, NetApp, LCFC, Medion, NEC PC, FCCL
Energy	●	●	●	●	●	●	●	Lenovo, Motorola Mobility, NetApp, LCFC, Medion, NEC PC, FCCL
Product Packaging Materials	●	●	●	●	●	●	●	Lenovo, Motorola Mobility, NetApp, LCFC, Medion, NEC PC, FCCL
Waste/Recycling	●	●	●	●	●	●	●	Lenovo, Motorola Mobility, NetApp, LCFC, Medion, NEC PC, FCCL
Water	●	●	●	●	●	●	●	Lenovo, Motorola Mobility, NetApp, LCFC, Medion, NEC PC, FCCL
Social								
Community/ Philanthropy	●	●		●	●		●	Lenovo, Motorola Mobility
Diversity and Inclusion	●	●	●	●	●		●	Lenovo, Motorola Mobility, Stoneware
Human Rights	●	●	●	●			●	Lenovo and Motorola Mobility are fully incorporated into Lenovo's corporate programs in this area.
Safety	●	●	●	●	●	●	●	Lenovo, Motorola Mobility, NEC PC, LCFC
Governance								
Economic Performance	●	●	●	●	●	●	●	See the FY 2020/21 Annual Report, page 270.
Ethics/Integrity	●	●	●	●	●	●	●	Lenovo and Motorola Mobility are fully incorporated into Lenovo's corporate programs in this area.
Data Privacy/ Security	●	●	●	●		●	●	Lenovo, Motorola Mobility
Product Quality	●	●	●	●		●		Lenovo, Motorola Mobility, LCFC
Regulatory/ Compliance	●	●	●	●	●	●		Lenovo, Motorola Mobility LCFC

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

The U.N. Global Compact is a public-private strategic policy initiative for businesses committed to aligning operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. Lenovo became a signatory to the U.N. Global Compact in 2009 and our Chairman and CEO, Yang Yuanqing, continues to fully endorse and support its principles. This report serves as Lenovo's 2020/21 Communication on Progress.

Principle	See page(s)
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;	44-45, 47
Principle 2: make sure that they are not complicit in human rights abuses.	44-45, 54, 62-63, 74-76
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	54, 74-76, 118
Principle 4: the elimination of all forms of forced and compulsory labour;	54, 74-76
Principle 5: the effective abolition of child labour; and	65, 74-76
Principle 6: the elimination of discrimination in respect of employment and occupation.	44-48
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	26-28
Principle 8: undertake initiatives to promote greater environmental responsibility	19-26, 78-80
Principle 9: encourage the development and diffusion of environmentally friendly technologies	26-35, 69
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	62-63, 74-75

GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s)	Other reference material(s)
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	**Organizational profile**		
	102-1 Name of the organization	13	
	102-2 Activities, brands, products, and services	13	
	102-3 Location of headquarters	13	
	102-4 Location of operations	13	
	102-5 Ownership and legal form	13	
	102-6 Markets served	13	
	102-7 Scale of the organization	13	
	102-8 Information on employees and other workers	85-86	
	102-9 Supply chain	72-81	
	102-10 Significant changes to the organization and its supply chain	72-81	
	102-11 Precautionary Principle or approach	26, 28, 53	
	102-12 External initiatives	114	
	102-13 Membership of associations	114	
	Strategy		
	102-14 Statement from senior decision-maker	4-7	
	Ethics and integrity		
	102-16 Values, principles, standards, and norms of behavior	6-7, 62-64	
	Governance		
	102-18 Governance structure	60-61	FY 2020/21 Annual Report, pages 64-136

GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s)	Other reference material(s)
	Stakeholder engagement		
	102-40 List of stakeholder groups	12	FY 2020/21 Annual Report, pages 40-41
	102-41 Collective bargaining agreements	54, 74-76	RBA Code of Conduct
	102-42 Identifying and selecting stakeholders	12	FY 2020/21 Annual Report, pages 40-41
	102-43 Approach to stakeholder engagement	12	FY 2020/21 Annual Report, pages 40-41
	102-44 Key topics and concerns raised	11-12	
	Reporting practice		
	102-45 Entities included in the consolidated financial statements	115	FY 2020/21 Annual Report, pages 270-277
	102-46 Defining report content and topic Boundaries	11-12	
	102-47 List of material topics	11	
	102-48 Restatements of information	98-99, 105	
	102-49 Changes in reporting	10, 115	
	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	117-125	
	102-56 External assurance	18	

GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s)	Other 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	11	
	103-2 The management approach and its components	18	
	103-3 Evaluation of the management approach	18-26	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	23-24	FY 2020/21 Annual Report, pages 36-38
Procurement Practices			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	72-81	
	103-2 The management approach and its components	72-81	
	103-3 Evaluation of the management approach	72-81	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	72	
Anti-corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	60-64	
	103-2 The management approach and its components	60-64	
	103-3 Evaluation of the management approach	60-64	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	62-63	FY 2020/21 Annual Report, page 98

GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s)	Other reference material(s)
Anti-competitive Behavior			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	63	
	103-2 The management approach and its components	62-63	
	103-3 Evaluation of the management approach	60-64	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	63	
300 series (Environmental topics)			
Materials			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	18, 26-29, 115	
	103-2 The management approach and its components	18, 26-29	
	103-3 Evaluation of the management approach	18, 26-29, 96, 102, 103	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	28-30, 38-41, 96	
	301-2 Recycled input materials used	28-30, 38-41	
Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	18, 20-21, 30-32, 115	
	103-2 The management approach and its components	18, 20-21, 30-32	
	103-3 Evaluation of the management approach	18, 20-21, 30-32, 102, 103	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	91, 93	
	302-3 Energy intensity	91	
	302-4 Reduction of energy consumption	20-21	
	302-5 Reductions in energy requirements of products and services	30-31, 35, 97	

GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s)	Other reference material(s)
Water			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	18, 25-26, 115	
	103-2 The management approach and its components	18, 25-26	
	103-3 Evaluation of the management approach	18, 25-26, 104	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	25-26	
	303-3 Water withdrawal	93, 99	
	303-4 Water discharge	94	
	303-5 Water consumption	94	
Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	18-24, 115	
	103-2 The management approach and its components	18-24	
	103-3 Evaluation of the management approach	18-24, 102-105	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	90-93, 98	
	305-2 Energy indirect (Scope 2) GHG emissions	90-92, 98	
	305-3 Other indirect (Scope 3) GHG emissions	90, 98-99	
	305-4 GHG emissions intensity	90	
	305-5 Reduction of GHG emissions	20, 90	
	305-6 Emissions of ozone-depleting substances (ODS)	24	

GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s)	Other reference material(s)
Effluents and Waste			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	18, 24-25, 38-39, 115	
	103-2 The management approach and its components	18, 24-25, 38-39	
	103-3 Evaluation of the management approach	18, 24-25, 38-39, 104	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	24-25, 38-39	
	306-2 Management of significant waste-related impacts	24-25, 38-39	
	306-3 Waste generated	94-96	
	306-4 Waste diverted from disposal	94-96, 99	
	306-5 Waste directed to disposal	94-96, 99	
Environmental Compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	18	
	103-2 The management approach and its components	18	
	103-3 Evaluation of the management approach	18	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	66	
Supplier Environmental Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	72, 78-80	
	103-2 The management approach and its components	78-80	
	103-3 Evaluation of the management approach	78-80	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	75, 78-80	
	308-2 Negative environmental impacts in the supply chain and actions taken	78-80	

GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s)	Other reference material(s)
400 series (Social topics)			
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	44-45	
	103-2 The management approach and its components	44-51	
	103-3 Evaluation of the management approach	44-51	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	85-86	2020 Diversity and Inclusion Report
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52-55	
	103-2 The management approach and its components	52-55	
	103-3 Evaluation of the management approach	52-55	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	52-55	
	403-2 Hazard identification, risk assessment, and incident investigation	52-55	
	403-4 Worker participation, consultation, and communication on occupational health and safety	52-55	
	403-5 Worker training on occupational health and safety	52-55, 88	
	403-6 Promotion of worker health	53-55	
	403-9 Work-related injuries	52, 88	
	403-10 Work-related ill health	52, 88	

GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s)	Other reference material(s)
Training and Education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	50-51	
	103-2 The management approach and its components	50-51	
	103-3 Evaluation of the management approach	50-51, 87-88	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	87-88	
	404-2 Programs for upgrading employee skills and transition assistance programs	50-51	2020 Diversity and Inclusion Report
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	47-50	
	103-2 The management approach and its components	47-50	
	103-3 Evaluation of the management approach	47-50	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	85-86	FY 2020/21 Annual Report, pages 68-70 2020 Diversity and Inclusion Report
Forced or Compulsory Labor			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	44, 73-76	Supplier Code of Conduct
	103-2 The management approach and its components	44, 73-76	RBA Code of Conduct
	103-3 Evaluation of the management approach	44, 73-76	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	44, 73-76	

GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s)	Other reference material(s)
Human Rights Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	14-15, 44, 74-76	Human Rights Policy
	103-2 The management approach and its components	14-15, 44, 74-76	RBA Code of Conduct
	103-3 Evaluation of the management approach	14-15, 73-76	
GRI 412: Human Rights Assessment 2016	412-2 Employee training on human rights policies or procedures	44-45, 47	
Local Communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	57, 81	
	103-2 The management approach and its components	57, 81	
	103-3 Evaluation of the management approach	57, 81, 88-89	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	57, 81, 88-89	
Supplier Social Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	74-77	
	103-2 The management approach and its components	74-77	
	103-3 Evaluation of the management approach	74-77	
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	74-77	
Customer Privacy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	64	
	103-2 The management approach and its components	64	
	103-3 Evaluation of the management approach	64	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	64	

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"Comply or explain" Provisions		Page Number(s)	Other reference material(s)
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.		18-20, 24-26	
KPI A1.1	The types of emissions and respective emissions data.	90, 92-93	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	90	
	– Scope 1 emissions	90	
	– Scope 2 emissions	90	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	94	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	94	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	19-21, 102-109	
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.	24-25, 102-109	

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"Comply or explain" Provisions		Page Number(s)	Other reference material(s)
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.		18-21, 25-34	
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).	91-92	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	93-94	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	19-21, 30-32, 102-109	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	25-26, 104, 107, 108	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	97	
Aspect A3: The Environment and Natural Resources			
General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		18-41	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	18-41, 102-109	
Aspect A4: Climate Change			
General Disclosure Policies on identification and mitigation of significant climate-related issues which have or may impact the issuer.		18-41	
KPI A4.1*	Description of the significant climate-related issues which have or may impact the issuer, and the actions taken to manage them.	18-41, 102-109	

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"Comply or explain" Provisions		Page Number(s)	Other reference material(s)
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.		44-51, 74-76	
KPI B1.1*	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	85-86	
KPI B1.2*	Employee turnover rate by gender, age group and geographical region.	85-86	
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.		52-56	
KPI B2.1*	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	52, 88	
KPI B2.2*	Lost days due to work injury.	52, 88	
KPI B2.3*	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	52-56	

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"Comply or explain" Provisions		Page Number(s)	Other reference material(s)
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.		47-51, 74-80, 87-88	
KPI B3.1*	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	87-88	
KPI B3.2*	The average training hours completed per employee by gender and employee category.	87-88	
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.		44-51, 74-77	
KPI B4.1*	Description of measures to review employment practices to avoid child and forced labour.	44-51, 74-77	
KPI B4.2*	Description of steps taken to eliminate such practices when discovered.	44-51, 62-63, 74-77	

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"Comply or explain" Provisions		Page Number(s)	Other reference material(s)
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure Policies on managing environmental and social risks of the supply chain.		72-81	
KPI B5.1*	Number of suppliers by geographical region.	72	
KPI B5.2*	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	73-81	
KPI B5.3*	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	73-81	
KPI B5.4*	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	73-75, 78-80	
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.		64-66	
KPI B6.1*	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	66	In FY 2020/21, there were no product recalls related to safety and health reasons.
KPI B6.2*	Number of products and service related complaints received and how they are dealt with.	67	Due to confidential business constraints, the Company does not disclose the quantitative results of product or service-related complaints.

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"Comply or explain" Provisions		Page Number(s)	Other reference material(s)
KPI B6.3*	Description of practices relating to observing and protecting intellectual property rights.	63	
KPI B6.4*	Description of quality assurance process and recall procedures.	65-66	
KPI B6.5*	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	64	
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.		62-63	
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.		
KPI B7.2*	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	63	
KPI B7.3*	Description of anti-corruption training provided to directors and staff.		FY 2020/21 Annual Report, page 98
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.		57	
KPI B8.1*	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	57, 88-89	
KPI B8.2*	Resources contributed (e.g. money or time) to the focus area.	57, 88-89	

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

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